

THE EFFECT OF SOCIAL CAPITAL, HUMAN CAPITAL, WORK CULTURE AND EMPOWERMENT ON PERFORMANCE OF SONGKET WEAVING INDUSTRY BUSINESS ACTIVITIES IN DISTRICT JONGGAT, CENTRAL LOMBOK, INDONESIA

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Abstract

The songket weaving industry, which is part of the small and medium-sized industry is one of the alternatives that has developed in the countryside as a source of new income for the community. Jonggat District, Central Lombok Regency is one of the centers for songket weaving in West Nusa Tenggara, Indonesia. This songket weaving business is a form of business that has flexibility with the conditions of Lombok's Sasak culture. This study is aimed to find the influence of social capital, human capital, work culture and empowerment on the performance of songket weaving industry entrepreneurs in Jonggat District. Empirical results concluded that: (1) the variable social capital has a positive and significant effect on the variable performance of songket weaving industry entrepreneurs in Jonggat District (2) the variable of human capital has a positive and significant effect on the variable performance of songket weaving industry entrepreneurs in Jonggat District (3) work culture variables have a positive and significant effect on the performance variable of songket weaving industry entrepreneurs in Jonggat District and (4) the empowerment variable has a positive and not significant effect on the performance variable of the songket weaving industry business in Jonggat District. The four factors together have a large influence and are able to explain 82.2% of the influence on the performance of the songket weaving industry business actors.

Keywords: Social capital, human capital, work culture, empowerment, business performance

INTRODUCTION

One of several forms of the Indonesian economy is a small industry. The importance of small industries in developing the national economy is also stipulated in Government Regulation No. 32 of 1998 concerning the Development and Development of Small Industries. In the government regulation, it states "that small industries are an integral part of the national economy that has an important and strategic position, potential and role in realizing strong national economic development, small industries need to be empowered to become strong and independent and able to develop businesses". In the last 3 years brackets the Central Lombok Regency GRDP has always experienced an increase, in 2017 the economy of Central Lombok Regency experienced economic growth of 6.42 percent, higher than in 2016 which was 5.67 percent and 5.58 percent in 2015. However, judging from its contribution to the manufacturing industry as a whole only contributed 4.76 percent of the total regional GRDP whose contribution was still below 10 percent. This shows that the sector is not yet optimal in contributing to regional GRDP and local governments have not maximized the potential of this industry sector.

Table 1. Total Overall Data on Potential of Small and Medium Industries
Central Lombok Regency in 2015

No.	Potential Data	Business unit	Labor	Investation (Rp. 000)	Production Value (Rp. 000)	Raw Material
1.	Food industry	6.081	17.086	13.456.700	150.016.850	62.243.460
2.	Clothing industry	7.704	9.156	4.956.500	18.160.000	7.887.800
3.	Chemical industry and building materials	2.499	5.561	9.350.520	132.066.684	63.052.336
4.	Craft industry	18.607	24.712	8.774.000	88.990.776	33.768.944
5.	Metal industry	285	594	1.791.000	7.016.250	2.803.430
6.	Other industries	476	763	12.199.500	9.253.650	245.460
Total		35.652	57.962	50.528.220	405.504.210.00	170.001.430

Source: Office of industry and trade in Central Lombok Regency, 2016

Table 1 shows that the songket weaving industry included in the clothing industry category in Central Lombok Regency in 2015 had 7,704 business units that absorbed 9,156 workers, with an investment of Rp 4,956,500,000 and a production value of Rp 18,160,000,000. In 2016 it increased to 8,025 business units that absorbed 8,444 people, which had an investment value of Rp. 4,996,000,000 and the production value of Rp. 17,533,160,000. This shows that the songket weaving industry (clothing industry) has considerable potential and potential to be

developed so that it can become a new source of income for the region and surrounding communities.

Table 2. Data on Potential of Songket Weaving Crafts Industry in Sub-Districts
Central Lombok Regency in 2015

No.	District Name	Number of businesses (units)	Labor (people)	Investation (Rp. 000)	Total production (sheet)	Value production (Rp. 000)
1.	Pujut	1.012	1.081	506.500	19.449	287.848
2.	Jonggat	3.317	3.382	1.658.500	26.358	4.885.400
3.	Pringgarata	65	100	32.500	1.248	124.800
4.	Praya barat	1.456	2.306	728.000	28.471	2.847.120
5.	Praya timur	1.115	1.423	890.000	29.208	2.920.800
6.	Praya tengah	98	98	49.000	1.882	188.160
7.	Praya barat daya	475	475	237.500	9.120	912.000
Total		7.538	8.865	4.102.000	115.736	12.166.128

Source: Office of industry and trade in Central Lombok Regency, 2016

Table 2 shows the craft potential of the songket weaving industry in Central Lombok Regency spread in all districts. Overall, the songket weaving industry in 2015 has 7,538 business units and plays an important role in employment. A total of 8,865 workers earn their living from the songket weaving industry. With an investment value of Rp. 4,102,000,000. The number of songket woven production is 115,736 pieces per year with a production value of Rp 12,166,128,000 which makes Central Lombok Regency the center of songket weaving crafts. Then in 2016 it increased to 7,863 business units or 0.95 percent. The amount of production increased to 130,012 sheets or 0.89 percent and the value of production increased to Rp. 13,901,160 or 0.87 percent. Responding to the data above, the potential of the songket weaving industry allows it to be developed so that it becomes an added value, so that it can be used as a source of community income, new Local Revenue and provide added value due to the impact of a sustainable economic development.

The small and medium industry sector such as the songket weaving industry is an industry that already exists and part of the ancestral culture that still exists today and its a characteristic of the Lombok Sasak people who deserve to be preserved and proud. For example, songket weaving itself must be worn on Begawe Meleik (wedding event) Serong Serah community of the Sasak tribe in Lombok. Because songket weaving is an attribute or item

that must be worn in official or unofficial custom events and as a symbol of local customs or culture.

Social capital is defined as one of the ideal forms of relations in economic activities (Syahyuti, 2008). Social capital is a reality that is owned by citizens, can be in the form of good will, sympathy, friendship, social relations between individuals and families that can help overcome the problems of citizens. In this context, good relations between community members create mutual networks and even defeat individuality which usually encompasses cultural characteristics (Andreas and Savitri, 2016; 10). With close social relations, can create a strong community to be together in dealing with social or other problems. Social capital which contains trust, reciprocity, social norms, ethical values and mutual cooperation based on local culture combined with honest behavior is a supporting foundation that will determine the development and sustainability of various business activities in sharing life sectors, such as small medium weaving industrial sectors this songket.

Another factor is also the key to the success of a small medium industry namely human resources which is an absolute requirement to achieve the goals of an organization. The small and medium industries need to be supported by qualified human resource competencies with all the knowledge, innovation and ideas they have. The low quality of human capital makes the development of small and medium industries halting (Nurainun, 2008). Widodo (2009) found that human capital affects the performance of a small medium industry. The better the human capital that is owned, the higher the performance of the small medium industry produced (Marka and Sugiyanto 2007; 40). Human capital is one of the important factors in entrepreneurial activities (Batjargal, 2007).

In addition to social capital and human capital, it is also known as work culture or organizational culture in small and medium industries. Work culture or organizational culture is a set of common values and beliefs that help organizational members understand the function that organizational norms are set for their behavior in the organization (Deshpande et al. 1993). From various studies it was found that organizational culture is able to bring organizations towards the creation of superior performance (Kotter and Heskett, 1997, Pearce and Robinson, 2000, Susanto et al. 2007). In line with that Bulan (2010; 214) states that organizational culture influences the performance of a small medium industry, although it has little influence.

Empowerment of small and medium industries becomes very important and strategic because of their enormous potential in driving economic activities, as well as being one source of income in improving people's welfare. Small and medium industries have the advantage of surviving in conditions of economic crisis even though they hit the industry compared to large companies.

Based on some of the literature that has been extracted and previous empirical studies, this study focuses on examining the effect of social capital, human capital, work culture and empowerment on the performance of songket weaving industry entrepreneurs in Jonggat District, Central Lombok Regency.

LITERATURE REVIEW

a) Small and Medium Industries

Small industries are defined as economic activities that process raw materials, raw materials, semi-finished goods and or finished goods into goods of higher value for their use. Abouzee and Busler (2005) summarize various researchers who provide approaches in defining Small and Medium Size Enterprises (SME), namely: Adkins and Lowe (1997), Ganguly (1985) and Storey (1993) provide approaches to the size of a small company.

b) Performance of Small and Medium Industries

Understanding performance according to Stolovitch and Keeps (1992), namely a set of results achieved and refers to the actions of achievement and the implementation of something the work requested. Mathis and Jackson (2001) argue that performance is a function of ability, effort and support. Measurement of business performance is the result achieved by an organization. Anthony and Govindrajana (2001) explained that performance measurement is a measurement of the results of strategy implementation and performance results that are considered good will be a standard for measuring future performance. Furthermore, this study uses indicators of business performance according to Zaenal (2012; 45), namely: growth in the number of customers, growth in the number of sales, growth in the number of assets and growth in the amount of profits as a measure for the performance variable of songket weaving industry.

c) Social Capital

Fukuyama (1995, 2000) equates social capital with trust and marks its role in reducing transaction costs and increasing economic efficiency. Mutual trust is the hope that arises in a community, honest habits and cooperation are based on the norms adopted in a general community. This indicates that the interactions formed naturally greatly influenced the development of a particular community including problem solving in the songket weaving industry in the marketing aspect of production. Fukuyama (2000) added that informal norms can encourage collaboration between two or several people. Norms that contain social capital have a wide scope, ranging from reciprocal values between friends, to those that are very complex and contain religious values. In this study the measurement methods or indicators used in social capital are: Trust from Vipriyanti (2007), Norms from Fukuyama (2000), Networks from Dasgupta et al. (2002) and Mutual Cooperation from Rachbini (2015).

d) Human Capital

In terms of current economics, competencies possessed by humans are a stock of abilities (skills) and productive knowledge that is found in people in the community. In accordance with the thinking of experts "Human Capital Theory" today economists get the concept that efforts to improve education and training are characteristics of investment in human capital and increase one's capacity and ability (Schultz, 1961). For this reason, in this study, indicators according to Subagyo (2010; 37) are used as a measure of human capital, namely; level of education, experience in the business world, competency in managing finance and competency in marketing.

e) Work Culture

Organizational culture (work) is a set of common values and beliefs that help organizational members understand the function that organizational norms are set for their behavior in the organization (Deshpande et al. 1993). The desire to create superior value for customers and achieve sustainable competitive advantage moves businesses to create and maintain a culture that will produce the necessary behavior (Narver and Slater, 1990). The culture that applies in small and medium industries and large organizations is different because of the range of activities, geographical spread, age of the organization. Applicable culture raises certain decisions, policies and activities. Culture is very informal and perceptual, but usually describes the activities or behaviors needed to be successful in certain organizations (Ghobadian and Gallea, 1996). For this reason, the indicator according to Ichsan Nugraha (2016) is used as a measure of work culture, namely; innovation and taking risks, attention to details, team orientation and stability.

f) Empowerment

Empowerment can be interpreted as a strategy to develop the community by starting through awareness, enlightenment, and empowerment of empowering implementers, or through elite groups of people's leaders, or starting with empowering institutions at the top (Cook et al. 1996). Shardlow (1998) states that empowerment will be said to be successful if the community or group experiences a state of empowerment or experience of empowerment, so that the community has the ability to support its own needs. Community independence can be achieved, of course, requires a learning process. People who follow a good learning process will gradually gain the power, strength or ability that is useful in the decision-making process independently. Empowerment in question does not only lead to individuals, but also collectively (Hikmat, 2001; 46-48). Empowerment provides strength for all communities to be able to develop themselves and access productive resources. For this reason, the indicator according to Wrihatnolo and

Nugraha (2007) is used as a measure of empowerment, namely; awareness, capacity building, empowerment and continuity.

RESEARCH CONCEPTUALIZATION & HYPOTHESES

Based on the literature review, a research concept was developed that would be tested for its relationship through this research. The performance of business players in the songket weaving industry is influenced by 4 factors, namely, social capital, human capital, work culture and empowerment. Exogenous latent variables in this study are social capital, human capital, work culture and empowerment. The endogenous bound variable is the performance of the songket weaving industry business actor. The research concept model is presented in Figure 1.

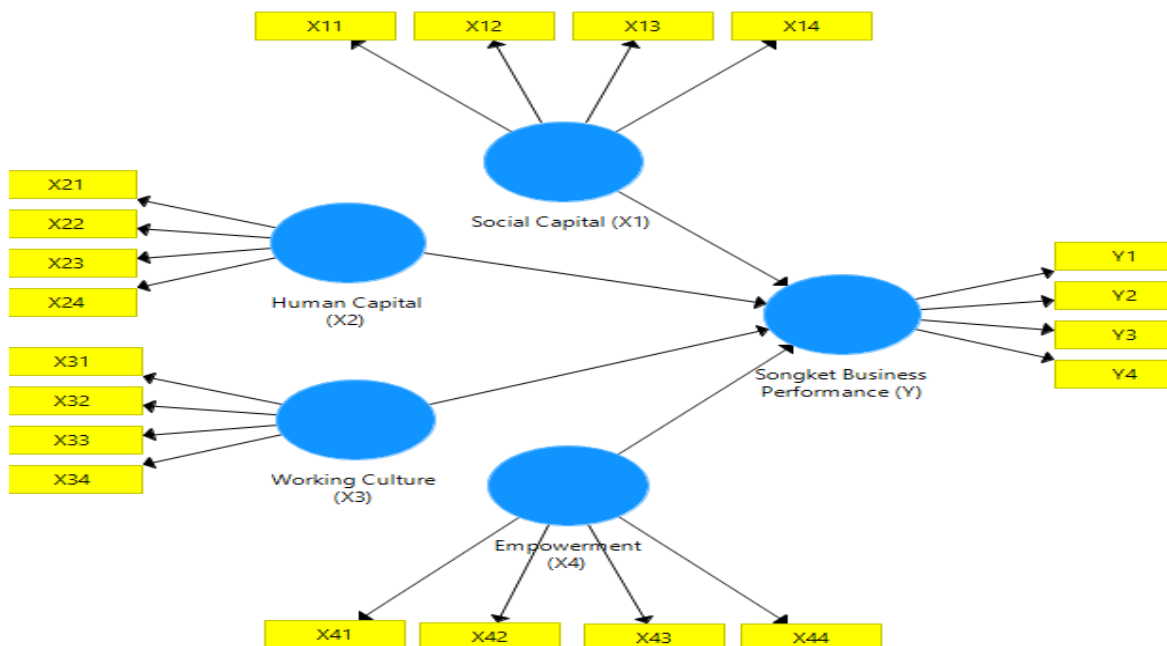


Figure 1. Research Concept

Based on the above, the research hypothesis is formulated as follows:

- 1) Social capital has a positive and significant effect on the performance of songket weaving industry entrepreneurs in Jonggat District, Central Lombok Regency.
- 2) Human capital has a positive and significant effect on the performance of songket weaving industry entrepreneurs in Jonggat District, Central Lombok Regency.
- 3) The work culture has a positive and significant effect on the performance of songket weaving industry entrepreneurs in Jonggat District, Central Lombok Regency.
- 4) Empowerment has a positive and significant effect on the performance of songket weaving industry entrepreneurs in Jonggat District, Central Lombok Regency.

RESEARCH METHOD

This research was conducted in Jonggat District, Central Lombok Regency. The variables to be tested in this study consist of independent variables and dependent variables. The independent variables in this study are: social capital, human capital, work culture and empowerment, each of which is formed by 4 (four) indicators. The dependent variable in this study are: the performance of business players in the songket weaving industry which is formed by 4 (four) indicators. For more details about latent variables and indicators used to explain the variables used according to the design model (structural equations) in this study, presented in Table 3.

Measurement of variables in this study based on perceptions or responses of respondents to all indicators of variables that have been constructed on the model (Sugiyono, 2003). Respondents' answers to each statement were given a score according to the Likert Scale, namely with a score of 1 for the lowest and a score of 5 for the highest score.

Table 3. Latent Variables and Indicators

Type of Construct	Construct Name	Indicators	Symbol
Independent	1. Sosial Capital	1.1Trust	X1.1
		1.2Norms	X1.2
		1.3Networks	X1.3
		1.4Mutual cooperation	X1.4
	2. Human Capital	2.1Education level	X2.1
		2.2Experience the business world	X2.2
		2.3Competence in managing finance	X2.3
		2.4Competence ini marketing	X2.4
	3. Work Culture	3.1Innovation and taking risk	X3.1
		3.2Attention to details	X3.2
		3.3Human orientation	X3.3
		3.4Stability	X3.4
	4. Empowerment	4.1Awareness	X4.1
		4.2Capacitybuilding	X4.2
		4.3Enrichment	X4.3
		4.4Continuity	X4.4
Dependent	5. Performance of songket wearing industry entrepreneurs	5.1 Growth in number of customers	Y1.1
		5.2 Total sales growth	Y1.2
		5.3 Growth in total assets	Y1.3
		5.4 Growth in profit amount	Y1.4

Source: Vipriyanti (2007), Fukuyama (2000), Dasgupta et al. (2002), Rachbini (2015) Subagyo (2010), Ichsan Nugraha (2016), Wrihatnolo et al. (2007) and Zaenal (2012).

The population in this study was the songket weaving industry business in Jonggat District, Central Lombok Regency. The number of samples of this study were 87 respondents consisting of three villages, namely: Sukarara Village, Ubung Village and Puyung Village. The selection of the three villages was chosen purposively because the three villages had the highest number of business players in the songket weaving industry, so the total sample collection was withdrawn.

RESULTS AND DISCUSSION

Descriptive Characteristics of Respondents

Data on respondent characteristics were obtained through questionnaires distributed and processed. The study used a questionnaire that was given directly to the songket weaving industry businesses in three villages namely, Sukarara Village, Ubung Village and Puyung Village in Jonggat District, Central Lombok Regency. The number of respondents is 87 people. Table 4 describes the frequency and percentage of respondents based on demographic characteristics.

Table 4. Characteristics of Respondents

No	Characteristic	Information	Total Respondent	
			Frekuensi	Persentase
1	Age	35-40 year	6	6,91
		41-45 year	8	9,20
		46-50 year	23	26,43
		51-55 year	29	33,33
		> 55 years	21	24,13
2	Marital Status	Single	6	6,90
		Married	78	80,65
		Widow/Widower	3	3,45
3	Gender	Male	59	67,81
		Female	28	32,19
		No School	3	3,45
		Not Graduating school	8	9,20
4	Level of Education	Graduated from elementary school	10	11,50
		Graduated from junior high school	14	16,09
		Graduated from high school	47	54,02
		D3/S1 graduate	5	5,74
5	Duration of Business	5-10 year	13	14,94
		11-15 year	23	26,44

No	Characteristic	Information	Total Respondent	
			Frekuensi	Persentase
		16-20 year	42	48,28
		21-25 year	9	10,34
		< Rp 2.500.000	17	19,54
		Rp 2.500.001-Rp 3.000.000	39	44,82
6	Monthly Income	Rp 3.000.001-Rp 3.500.001	13	14,94
		Rp 3.500.001-Rp 4.000.000	12	13,8
		> Rp 4.000.001	6	6,90

The respondents of this study were dominant respondents in the age category that were still productive, with ages 51-55 years as many as 29 people (33.33 percent) and 46-50 years as many as 23 people (26.43 percent), the rest were aged > 55 years as many as 21 people (24.13 percent), 41-45 years with 8 people (9.20 percent) and 35-40 years 6 people (6.91 percent). From the aspect of marital status, respondents who were married were 78 people (89.65 percent), unmarried respondents as many as 6 people (6.90 percent) and respondents with status widowers / widows as many as 3 people (3.45 percent).

From the aspect of male sex that is equal to 59 people (67.81 percent) and women 28 people (32.19 percent). The dominant level of education of respondents is at the high school level, which is as many as 47 people (54.02 percent), SMP level as many as 14 people (16.09 percent), the rest are at the elementary level as many as 10 people (11.50 percent), do not graduate as much 8 people (9.20 percent), graduated D3 / S1 as many as 5 people (5.74 percent) and did not go to school as many as 3 people (3.45 percent).

Then it was also known that generally the respondents had been running the business for a long time now with a range of business experiences of 16-20 years as many as 42 people (48.28 percent) and 11-15 years as many as 23 people (26.44 percent), the remaining 5-10 year as many as 13 people (14.94 percent) and 21-25 years as many as 9 people (10.34 percent) and 5-10 years as many as 13 people (14.94 percent).

From the aspect of monthly income, the most respondents had income in the range of Rp. 2,500,001-Rp. 3,000,000 as many as 39 people (44.82 percent), monthly income < Rp. 2,500,000 as many as 17 people (19.54 percent), then respondents with monthly income. Rp. 3,000,001 - Rp. 3,500,000 as many as 13 people (14.94 percent), then respondents with monthly income of Rp. 3,500,001-Rp. 4,000,000 as many as 12 people (13.80 percent) and finally respondents with monthly income > Rp. 4,000,0001 as many as 6 people (6.90 percent).

Validity testing is done using person correlation, where all indicators in question items are stated back if the r table value is > 0.3 (Hair et al. 2010). Reliability testing uses the Cronbach alpha technique, where a construct or variable is declared valid, if it has an alpha cronbach value > 0.6 (Ghozali, 2001). The primary data from the questionnaires that have been distributed to a sample of 87 songket weaving industry entrepreneurs in Jonggat District, Central Lombok Regency. Testing the validity and reliability of each item question by looking at the values of each r table > 0.3 and the cronbach alpha value > 0.6 are presented in Tables 5, 6, 7, 8, 9 and 10.

Table 5. Results of Testing the Validity of Social Capital

Construct	Indicator	Sub Indicator	R	Sig	Information
X1	X1.1	X111	0.833	0.000	Valid
		X112	0.711	0.000	Valid
		X113	0.889	0.000	Valid
	X1.2	X121	0.472	0.008	Valid
		X122	0.825	0.000	Valid
		X123	0.573	0.001	Valid
		X131	0.584	0.001	Valid
	X1.3	X132	0.505	0.004	Valid
		X133	0.655	0.000	Valid
		X141	0.760	0.000	Valid
	X1.4	X142	0.525	0.003	Valid
		X143	0.642	0.000	Valid
	Cronbach's Alpha (X1)				0,896

Table 5 shows that the question items used to measure social capital consisting of four indicators as one of the factors in the performance of songket weaving industry businesses in Jonggat District, Central Lombok Regency, all have r table values ≥ 0.30 , these values indicate that the item questions on the X111 X112 X113, X121 X122 X123, X131 X132 X133, X141 X142 and X143 sub indicators declared valid. Whereas the value of Cronbach's Alpha (X1) is 0.896 indicating that the measurement instrument used to measure social capital factors in the performance of songket weaving industry entrepreneurs in Jonggat District, Central Lombok Regency is reliable (reliable) with Cronbach's Alpha ≥ 0.60 so the question item is worth continuing in research.

Table 6. Results of Testing the Validity of Human Capital

Construct	Indicator	Sub Indicator	R	Sig	Information
X2	X2.1	X211	0.524	0.003	Valid
		X212	0.600	0.000	Valid
		X213	0.544	0.002	Valid
		X221	0.636	0.000	Valid
	X2.2	X222	0.756	0.000	Valid
		X223	0.599	0.000	Valid
		X231	0.455	0.011	Valid
	X2.3	X232	0.762	0.000	Valid
		X233	0.669	0.000	Valid
		X241	0.595	0.001	Valid
	X2.4	X242	0.759	0.000	Valid
		X243	0.650	0.000	Valid
	Cronbach's Alpha (X2)				

Table 6 shows that the question items used to measure human capital consisting of four indicators are one of the factors in the performance of songket weaving industry entrepreneurs in Jonggat District, Central Lombok Regency, all of which have r table values ≥ 0.30 , the value indicates that the question item on the sub indicators X211 X212 X213, X221 X222 X223, X231 X232 X233, X241 X242 and X243 declared valid. While the value of Cronbach's Alpha (X2) which is 0.856 shows that the measurement instrument used to measure human capital factors in the performance of songket weaving industry entrepreneurs in Jonggat District, Central Lombok Regency is reliable (trustworthy) with Cronbach's Alpha ≥ 0.60 .

Table 7. Work Culture Validity Test Results

Construct	Indicator	Sub Indicator	R	Sign	Information	
X3	X3.1	X311	0.408	0.025	Valid	
		X312	0.523	0.003	Valid	
		X313	0.364	0.048	Valid	
	X3.2	X321	0.453	0.012	Valid	
		X322	0.459	0.011	Valid	
		X331	0.601	0.000	Valid	
	X3.3	X332	0.772	0.000	Valid	
		X341	0.699	0.000	Valid	
		X342	0.787	0.000	Valid	
	Cronbach's Alpha (X3)					0,790

Table 7 shows that the question items used to measure work culture consisting of four indicators as one of the factors in the performance of songket weaving industry businesses in Jonggat District, Central Lombok Regency, all have r table values ≥ 0.30 , these values indicate that the question item on the X311 X312 X313, X321 X322, X331 X332, X341 and X342 sub indicators are declared valid. Whereas the value of Cronbach's Alpha (X3) which is 0.790 shows that the measurement instrument used to measure work culture factors on the performance of songket weaving industry entrepreneurs in Jonggat District, Central Lombok Regency is reliable (reliable) with Cronbach's Alpha ≥ 0.60 so that the question item is worth continuing in research.

Table 8. Testing Results of Empowerment Validity

Construct	Indicator	Sub Indicator	R	Sign	Information
X4	X4.1	X411	0.595	0.001	Valid
		X412	0.623	0.000	Valid
	X4.2	X421	0.591	0.001	Valid
		X422	0.669	0.000	Valid
	X4.3	X431	0.750	0.000	Valid
		X432	0.542	0.002	Valid
	X4.4	X441	0.717	0.000	Valid
		X442	0.542	0.002	Valid
Cronbach's Alpha (X4)				0,776	

Table 8 shows that the question items used to measure empowerment consisting of four indicators as one of the factors in the performance of songket weaving industry entrepreneurs in Jonggat District, Central Lombok Regency, all have r table values ≥ 0.30 , the value indicates that the item questions in sub indicators X441 X412, X421 X422, X431 X432, X441 and X442 declared valid. Whereas the value of Cronbach's Alpha (X4) is 0.776 indicating that the measurement instrument used to measure the empowerment factor in the performance of songket weaving industry entrepreneurs in Jonggat District, Central Lombok Regency is reliable (reliable) with Cronbach's Alpha ≥ 0.60 so the question item is worth continuing in the study.

Table 9. Results of Testing the Validity of Business Performers

Construct	Indicator	R	Sign	Information
Y1	Y1.1	0.860	0.000	Valid
	Y1.2	0.927	0.000	Valid

	Y1.3	0.959	0.000	Valid
	Y1.4	0.853	0.000	Valid
Cronbach's Alpha (Y1)			0,916	

Table 9 shows that the question items used to measure business performance consist of four indicators on the performance of songket weaving industry entrepreneurs in Jonggat District, Central Lombok Regency, all of which have a r table value of 30 0.30, this value indicates that the question item in sub indicator Y1 .1, Y1.2, Y1.3 and Y1.4 are declared valid. Whereas the value of Cronbach's Alpha (Y1) which is 0.916 shows that the measurement instrument used to measure business performance factors in songket weaving industry businesses in Jonggat District, Central Lombok Regency is reliable (reliable) with Cronbach's Alpha ≥ 0.60 so the question item is worth continuing in the study.

Table 10. Instrument Reliability Test Results

Construct	Reliability Statistics		
	Cronbach's Alpha	N of Items	Information
X1	0.896	12	Reliable
X2	0.856	12	Reliable
X3	0.790	9	Reliable
X4	0.776	8	Reliable
Y	0.916	4	Reliable

Table 10 shows that all question instruments in each variable have a Cronbach's Alpha value above 0.60, which means that the five dimensions have adequate reliability. Based on the results of testing in the table above, it can be concluded that the validity and reliability of the instruments used both before and after data collection are declared valid and reliable. This can be seen from the total correlation of all indicators ($r > 0.30$) which means valid and the cronbach's alpha value for each variable > 0.60 which means reliable (reliable).

Structural Equation Model

Based on the results of structural equation models built by two sub-models namely inner model (measurement model) and outer model (structural model). Inner model is used to determine the relationship between latent variables (constructs), while the outer model is a model used to determine the model used to determine the relationship between observable variables

(indicators) and the underlying constructs. Using the SmartPLS 3 software, the estimators for each pathway are obtained along with the t-statistic values as follows:

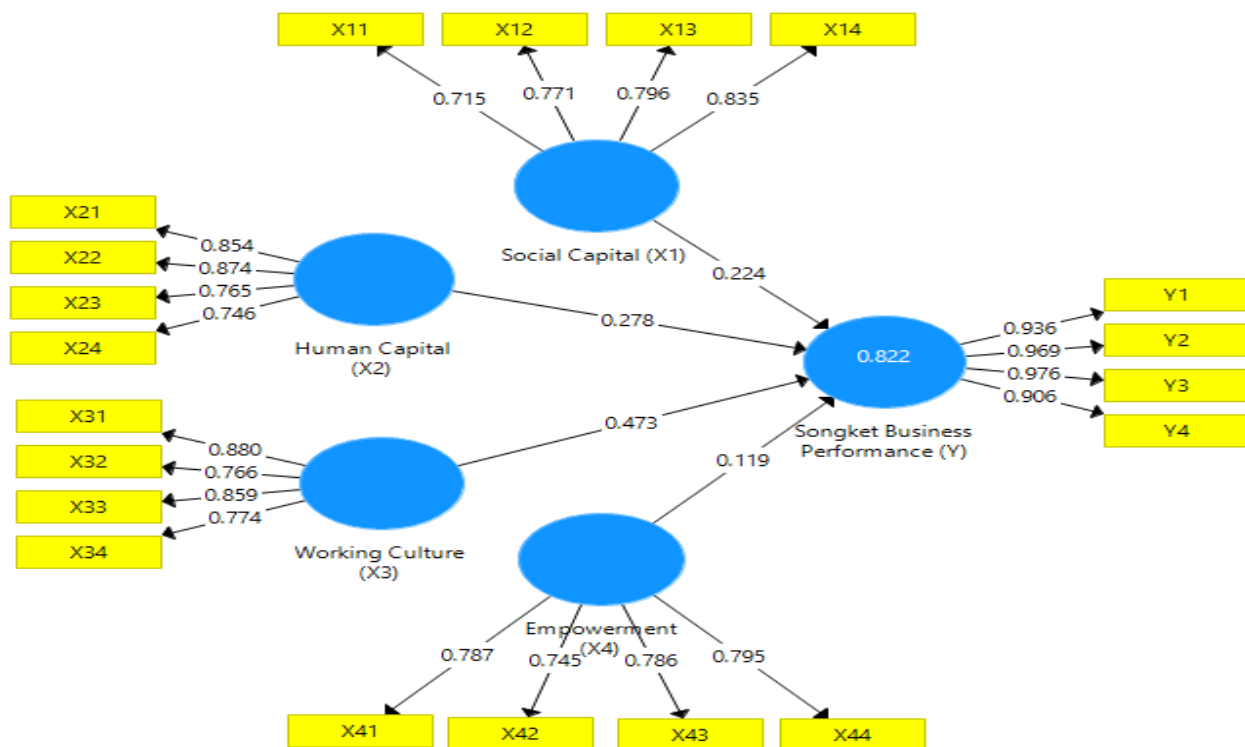


Figure 2 Research Variable Relationships

Figure 2 is a convergent validity in testing the validity of each indicator through the significance level of the outer loadings factor of each indicator. Judging from the picture, all indicators used in this study meet the convergent validity requirements because they have each outer loadings factor > 0.50 , meaning that all construct indicators formed from each variable meet the validity requirements.

Evaluation of the Measurement Model

Based on Figure 2 above, it will be discussed about the value of the outer loadings factor for evaluating the outer model in each variable as follows;

1. The latent variable of social capital, shows that indicators X1.1, X1.2, X1.3 and X1.4 are significant (Figure 2) as a reflection of social capital, while indicator X1.4 has the largest outer loading (0.835) as an indicator most dominant in social capital.
2. Latent variables of human capital, show that indicators X2.1, X2.2, X2.3 and X2.4 are significant (Figure 2) as a reflection of human capital, while indicator X2.2 has the largest outer loading value (0,874) as the most dominant indicator of human capital.

3. Latent variable work culture, shows that X3.1, X3.2, X3.3 and X3.4 indicators are significant (Figure 2) as a reflection of work culture, while X3.1 indicator has the largest outer loading value (0.880) as the most dominant indicator of work culture.

4. Latent variable empowerment, shows that indicators X4.1, X4.2, X4.3 and X4.4 are significant (Figure 2) as a reflection of empowerment, while indicator X4.4 has the largest outer loading value (0.795) as the most dominant in empowerment.

Table 11 explains that from various causal relationships that occur between variables, three of the four variables have a positive and significant effect, namely social capital, human capital and work culture, because they have P-values (probability) <0.05 and t-statistics > 1.96. Empowerment has a positive and not significant effect, because it has P-values (probability) > 0.05 and t-statistics <1.96.

Table 11. The Direct Effect Coefficient

Relationship	<i>Original Sample</i>	<i>Standard Deviation</i>	<i>T Statistic</i>	<i>P Values</i>	Results
X ₁ (SC) → Y ₁ (SBP)	0,224	0,064	3,474	0,001	Significant
X ₂ (HC) → Y ₁ (SBP)	0,278	0,076	3,637	0,000	Significant
X ₃ (WC) → Y ₁ (SBP)	0,473	0,109	4,332	0,000	Significant
X ₄ (EMP) → Y ₁ (SBP)	0,119	0,080	1,475	0,141	Not Significant

Notes

SC : Social Capital

HC : Human Capital

WC : Work Culture

EMP : Empowerment

SBP : Songket Business Performance

Based on the values of p-values and probabilities, it appears that social capital consisting of trust, norms, networks and mutual cooperation has a positive and significant influence on the performance of the songket weaving industry business in Jonggat District, Central Lombok Regency. This can be seen from the t-statistic value which is much greater than the minimum t-statistic required at 1.96 (3.474 > 1.96) and the probability that is smaller than $\alpha = 0.05$ (0.001 < 0.05). Social capital was able to explain the influence on the performance of the songket weaving industry business actors with a contribution of 0.224 or 22.4 percent.

Human capital consisting of education level, business experience, competency in managing finance and competency in marketing have a positive and significant influence on the

performance of songket weaving industry entrepreneurs in Jonggat District, Central Lombok Regency. This can be seen from the t-statistic value which is much greater than the minimum t-statistic required at 1.96 ($3.637 > 1.96$) and the probability that is smaller than $\alpha = 0.05$ ($0.000 < 0.05$). Human capital is able to explain the influence on the performance of songket weaving industry business actors with a contribution of 0.278 or 27.8 percent.

The work culture that consists of innovation and taking risks, attention to details, human orientation and stability has a positive and significant influence on the performance of songket weaving industry businesses in Jonggat District, Central Lombok Regency. This can be seen from the t-statistic value which is much greater than the minimum t-statistic required at 1.96 ($4.332 > 1.96$) and the probability that is smaller than $\alpha = 0.05$ ($0.000 < 0.05$). The work culture is able to explain the influence on the performance of the songket weaving industry business actors with a contribution of 0.473 or 47.3 percent.

Empowerment consisting of awareness, capacity building, empowerment and continuity has a positive and insignificant effect on the performance of songket weaving industry entrepreneurs in Jonggat District, Central Lombok Regency. This can be seen from the t-statistic value which is much smaller than the minimum t-statistic required at 1.96 ($1.475 < 1.96$) and the probability that is greater than $\alpha = 0.05$ ($0.141 > 0.05$). Empowerment was able to explain the influence on the performance of the songket weaving industry business actors with a contribution of 0.119 or 11.9 percent.

DISCUSSION

The effect of social capital, human capital, work culture and empowerment on the performance of songket weaving industry entrepreneurs in Jonggat District, Central Lombok Regency.

This study found that social capital had a positive and significant effect on the performance of songket weaving industry entrepreneurs in Jonggat District, Central Lombok Regency. This proves that the better and higher social capital consisting of trust, norms, networks and mutual cooperation will improve the performance of the songket weaving industry business in Jonggat District, Central Lombok Regency. In line with the results of research Rapih (2015), Muin (2013) and Stam et al (2013) state that social capital has a positive and significant effect on the performance of small and medium micro enterprises. Thus, it is expected that social capital can facilitate cooperation between songket weaving industry business actors and other groups that have a common interest. Because the existence of social capital will make it easier to establish cooperation and coordination so as to be able to provide mutual benefits and reduce economic costs (Putnam, 1994; 36).

Human capital has a positive and significant effect on the performance of songket weaving industry entrepreneurs in Jonggat District, Central Lombok Regency. This proves that the better and higher human capital consists of the level of education, experience in the world of business, competence in managing finance and competency in marketing, will improve the performance of business players in the songket weaving industry. In line with the results of research Rapih (2015), the results show that the competence of human resources has a significant influence on the performance of small and medium micro enterprises. In the theory of human capital states that increasing collective resources will be able to increase self capacity. Thus, the better the human capital owned by business players in the songket weaving industry will have an impact on the ability and knowledge to solve problems faced in entrepreneurship activities.

The work culture has a positive and significant effect on the performance of the songket weaving industry business in Jonggat District, Central Lombok Regency. This proves that the better the work culture consists of innovation and taking risks, attention to details, human orientation and stability carried out by business actors will improve the performance of its business. Work culture is the values that are set and adhered to by employees and business actors to change behavior so that the conditions of the business that run are running well, stability in business and having excellence. In line with the research of Cahyoadi and Lestari (2013; 235) states that with a positive change in organizational culture (work), the performance of small and medium micro enterprises will increase. In contrast to the findings of Setiawan (2015; 162) found that organizational culture (work) does not significantly influence business performance.

Empowerment has a positive and not significant effect on the performance of the songket weaving industry business in Jonggat District, Central Lombok Regency. This proves that empowerment consists of awareness, capacity building, empowerment and continuity influences the performance of the songket weaving industry business actors, but has not been optimal in delivering results. Empowerment is an effort to create or increase the capacity of self (business actors) and independence in order to reach productive resources. Thus, the government needs to increase its role as a facilitator in empowerment programs such as being more active in promoting, providing capital assistance and looms, rather than regrets or looms and building needed infrastructure. In line with Wulandary et al (2015; 194) the role of the government in empowering batik is still not optimal in creating a good business climate and the absence of clear legal rules related to batik business.

CONCLUSION AND SUGGESTIONS

The performance of the songket weaving industry business in Jonggat District, Central Lombok Regency is influenced by factors of social capital, human capital, work culture and empowerment. Among the four factors, the work culture has the biggest influence on the performance of the songket weaving industry business in Jonggat District, Central Lombok Regency, followed by human capital, social capital and empowerment factors. This shows that these factors have an influence on the performance of business people, this has become a common concern between business actors and local governments to see the factors involved in efforts to improve the performance of business players in the songket weaving industry. Social capital can reduce transaction costs and improve economic efficiency, then human capital can increase capacity and knowledge so as to increase self-capacity, then work culture can make business conditions more stable and conducive and empowerment can reach productive resources.

Existing social capital needs to be maintained because it is an existing capital in each person and can be a bridge between business groups and other groups that will determine success and sustainability in which there are business activities carried out. Education is the main capital in improving self quality, business players of songket weaving industry are also encouraged to have daily financial records in order to know the extent of the success of the business that has been carried out and also have the courage to make a breakthrough in marketing strategies. The existing work culture needs to be maintained, because the values contained in it can make business conditions conducive. Empowerment needs to be a concern of the government, because the program implemented is not optimal and continuous is felt by the songket weaving industry business players, such as not yet having access to capital assistance or looms not machines or looms and infrastructure needed.

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