



EMPOWERMENT OF SOCIAL CAPITAL IN SHAPING THE CHARACTER OF ENTREPRENEURSHIP

Umifitria
IKIP PGRI Kalimantan Timur
umifitria91@gmail.com

Abstract

Unemployment is a complex issue that needs to be studied and immediately looked for solutions. Social capital empowerment is widely discussed to solve social problems by using entrepreneurial principles to organize, create, and manage an enterprise in order to achieve social goals. Social capital in the form of groups and networks, trust and solidarity, collective action and cooperation, information and communication, social cohesion and inclusion, and empowerment can be utilized in entrepreneurship education and the establishment of entrepreneurial character, so as to be able to face competition and adapt to environmental changes.

Keywords: Social Capital, Entrepreneurial Character.

1. Introduction

Unemployment is a complex problem experienced by every country, including Indonesia. Based on data released by the Central Bureau of Statistics (BPS), out of a total of 133.94 million workforce nationwide, 6.87 million people are unemployed in February 2018. The highest unemployment by education level is a vocational graduate of 8.92 percent, Diploma III graduates are unemployed as much as 7.92 percent followed by unemployment of high school graduates as much as 7.19 percent, and university graduates as much as 6.31 percent.

In order to overcome the problem of unemployment, can use the structural and cultural approach. The structural approach is done through a set of formal rules and command to restructure behavior in the short term, while the cultural approach is done by raising awareness, improving mindset, motivation and cultural behavior that is expected to give in the long term.

Conducive business world will be the solution for the absorption of labor and addressing the problem of unemployment. Economic and business progress is determined by the existence and role of entrepreneur groups, as stated by David C. McClelland that to become a prosperous and prosperous country requires at least 2 percent of entrepreneurs from the total population.

The role of social capital in the development of entrepreneurship has been discussed in various literatures. Entrepreneurial activity is determined by social capital at the level of individuals and social capital at the state level in obtaining entrepreneurial opportunities (Seok-Woo Kwon & PiaArenius, 2010: 326). Social capital can be utilized in the

framework of the establishment of entrepreneurial character. This is in line with the findings of Lakshmi Goddess (2015: 407) which shows that the process of adaptation of character values and entrepreneurship that already exist in the community can be integrated in the learning process. Values such as independent, creative, risk-taking, action-oriented, leadership, and hard work are visible in every aspect of the activity undertaken.

2. Literature Review

a. Social Capital

Etymologically, social capital can be interpreted as capital owned by society in the framework of community empowerment. Bourdieu (1986: 3) states that social capital is the total potential and actual resources associated with the ownership of a network in the achievement of common goals. Furthermore Coleman added that social capital consists of four aspects namely: mutually trusting relationships, potential information, effective norms, and appropriate social organization (Hauberer, 2011: 43-45).

Putnam (1994: 167) states that social capital as a characteristic of social life that includes networks, norms, and beliefs that enable individuals to behave together effectively to achieve common goals. In line with that Fukuyama (1997: 378) states social capital is a set of shared values and norms shared among members of a community group that allows for cooperation among them. Social capital is the values of kindness in the positive or individual reciprocal cooperation relationships that shape



the personality and character of society in achieving the well-being of life.

The experts provide a more detailed and clear description of the concept of social capital and the dimensions contained therein. Woolcock (Field, 2005: 28) divides social capital into: a) binding social capital, ie bonding between people in the same situation as close relatives, close friends and neighbors, b) social capital bridging, , which includes the more loose bonds of some people like distant friends and co-workers, and c) linking social capital that reaches different people in different situations, such as those who are completely outside the community that encourages its members take advantage of the many resources available within the community.

The World Bank recommends six aspects / dimensions of social capital in the context of community empowerment (Grootaert et al., 2004: 5-18): (1) groups and networks; (2) trust and solidarity; (3) collective action and collaboration; (4) information and communication; (5) social cohesion and interaction; (6) empowerment and politic action.

Grootaert&Bastelaer (2002: 243) argues that social capital can be observed from the level where social capital is located: a) the micro level explains that social capital is the network between individuals and neighbors based on related values and norms; b) Meso level describes horizontal and vertical relationships among groups and parties at the macro level; and c) the macro level that describes the relationship between individuals and society as part of the whole society.

b. The Benefits of Social Capital in Education

Implementation of education requires comprehensive capital, covering human capital, social capital, and cultural capital. Social capital in education can influence the creation of human capital or individual education processes. Coleman (1988: 109-117) argues that social capital formed in family relationships encourages the development of students. Similarly Teachman et al (1997: 1350-1354) found that parent-child relationships, parent-to-school relationships, educational and parental financial conditions, and family structure had an impact on children's dropout rates.

Erwin Thobias (2013: 59) states social capital owned by communities such as trust, mutual cooperation, networking and attitudes, has a great influence on the development of entrepreneurial behavior, such as increased

public confidence manifested in honest, organized and cooperative behavior based on norms embraced together.

Ikhsan (2013: 397) concluded that teacher professionalism development through empowering KKG is closely related to the dimension of social capital. The intense presence of meetings, interactions, collaborations and collaborations has fostered mutual trust, awareness, solidarity, help, and fostered a professional culture in learning, which in turn can improve the quality of education. This reinforces the findings of KurotulAeni (2015: 488) that the utilization of social capital in character education can be applied in intrakurikuler and extracurricular activities, school culture, as well as special programs character formation.

Ruth N. Lopez Turley, et al. conduct research that produces a causal effect of social capital on the behavior of children. The quantity and quality of social relationships among parents in schools is important to improve the child's behavior (2017: 216). Parenting efficacy and parental information and communication technology (ICT) are significantly associated with social capital, the efficacy of parenting is positively associated with the social capital of parents (Juyoung Jang, Heather Hessel& Jodi Dworkin, 2017: 399).

Jixia Yang's study found that proactive personality is positively related to social capital, and social capital is more positively related to interpersonal relationships (2011: 752). The components of social capital (trust, norms, and network) affect the dimensions of entrepreneurship orientation, such as innovation, keproaktifan, and decision-making / risk (G K Gandhiadi, 2015: 362).

Aspects of social capital such as building trust, team building activities, peer-to-peer observation, action learning and the ability to provide inspirational figures are important in supporting the experience of program participants and the success of educational programs (Ian Gordon & Sarah Jack, 2010: 533). The network provides an important source of information and influence that can be used to promote company performance. Networking within an innovation community also helps to create an environment of creativity and exchange of ideas. Social capital can enhance the ability to acquire knowledge, which in turn fosters innovation and company performance (Jifeng Mu, Peng Gang & Edwin Love, 2008: 96). Innovation is positively influenced by the formation of internal and external social capital,

where the type and nature of network alliances are the determinants of innovation (Anastasia Petrou & Irene Daskalopoulou, 2013: 65).

The social capital created at home and at school has a different impact on the child's academic achievement, where the family's social capital has a stronger effect on academic achievement than the school's social capital (Mikaela J. Dufur, Toby L. Parcel & Kelly P. Troutman, 2013 : 17). Furthermore Nguyet A. Diep et.al added that the quality of online interaction has a significant influence on the bonding of learners and bridging social capital (2017: 41). Social capital with three structural, relational, and cognitive dimensions affects entrepreneurial orientation through dynamic capabilities. Dynamic ability to lead relational and cognitive social capital to develop a higher entrepreneurial orientation (Job Rodrigo-Alarcon et al., 2017: 1). Social interaction and cognitive social capital are positively and significantly associated with knowledge sharing in network learning (Virginie Marie Lefebvre, et al., 2016: 570).

Appropriate social capital can improve organizational learning, in this context managers should pay attention to social capital as a stimulus and motivator to promote social and organizational learning activities. The leader of an organization can improve organizational learning and employee social capital through the application of different leadership styles and enhance self-confidence, innovation and mental stimulation in the group (RoyaGolmorad&FarzadSattariArdabili, 2016: 377).

c. The Role of Social Capital in the Establishment of Entrepreneurial Character

McClelland suggests the characteristics of entrepreneurship include: (1) desire for achievement, (2) willingness to be responsible, (3) a reference to medium risks, (4) perception on probability of success, (5) feedback stimulation, (6) energetic activities (7) future orientation, (8) organizational skills, and (9) attitudes toward money. Furthermore Edwin Cahya (2013: 49) suggests the characteristics of entrepreneurship is the attitude of originality in product innovation, risk taking to diversify products and leadership in building a harmonious relationship with employees.

The growth of entrepreneurial groups is integrally inseparable from the environment. Entrepreneurship will grow if the environment appreciates the creative people and provides the

means and infrastructure so that creativity can be realized to meet the needs of the community. The existence of social capital in this case plays a role in entrepreneurial activity (Primadona, 2015: 204), because social capital affects the power of innovation (Layla Khoirini, 2014: 257). Social capital also has a positive effect on performance (Joshua Jaya Edy, 2013: 21), where mutual trust will improve the effectiveness of information sharing (Badri Munir Sukoco & Hardi, 2013: 247). Sidiq Permono (2015: 87) states that the role of business networks is very important in improving the business performance of a company.

The importance of social capital for entrepreneurs is also expressed by Hunter (2004: 26) where a sense of community in groups encourages them to organize and share goals, work in groups, learn by doing, and take responsibility for their own decisions, create ideas, and build their own reality.

Social capital can be utilized in the framework of the establishment of entrepreneurial character. This is supported by research by Laksmi Dewi (2015: 407) which shows that cultural values of society can be integrated in the learning process in the formation of entrepreneurial character. Furthermore, Rahmat Hasbullah (2012: 574) argues that coaching efforts with softskill method bring about changes of entrepreneurial character, especially on character: innovative, risk taker motivative, solute, hard worker, positive thinking, discipline, persuasive and responsible.

Individual ability will not be useful without the existence of social capital, which is understood that social capital itself is interpreted as all potential resulting from the internal behavior of individuals or communities that bring benefits, based on values and norms, beliefs, and commitments. One can be a successful entrepreneur determined by the extent to which human capital and social capital it has, especially in an increasingly complex and rapidly changing environment.

According to Neace (1999: 152) the human capital present in the entrepreneur includes the ability to be visionary, confident, knowledgeable, ambitious, charismatic, and skilled / experienced, and the social capital that contributes to the success of the entrepreneur is the association owned, interpersonals, mediating networks, and users and disseminators. Human capital owned by entrepreneurs is an important factor for its

success, but this is not enough. That is, social capital is a factor in its success because entrepreneurial ability will not be useful if the individual who owns it does not build positive interactions with other individuals (Westlund & Bolton, 2003: 3).

The program or curriculum of entrepreneurship education that is studied in general is oriented towards the formation of human capital compared with the formation of social capital. This is evident from the proportion of programs or curricula that are more dominated by material that refers to the development of entrepreneurship skills such as product manufacturing, product development, product marketing, and other technical knowledge. That is, the education is less designed to develop the ability to build networks, work together, synergize, and build trust and share knowledge or information for students.

The entrepreneurship education process of higher education should be directed to the establishment and development of competence of entrepreneurship social capital that includes: the mastery of values, norms, and positive commitment in developing the business, the ability to develop trust, the ability to build networks, and the ability to manage information and / or knowledge.

In terms of implementation of learning, the campus should prioritize cooperation between educators or technical sources, using group approach and experience-based. The campus can also facilitate students in the utilization of social capital such as the formation of joint business groups, and the provision of capital assistance.

Utilization of social capital can be applied to all process of learning activities both intrakurikuler and extracurricular, including in campus culture. Utilization of social capital proved to be very supportive and strengthen character education through the inculcation of character values and exemplars (model) conducted by the academic community, parents and community. Aspects of social capital utilized in character education are collaboration and collective action, information and communication, groups and networks, trust and solidarity, cohesion and social inclusion, and empowerment.

Culture seeking and managing information and / or knowledge becomes one of the factors that able to develop student ability in shaping character and advance its business. Students acquire and manage entrepreneurial

information / knowledge through independent activities such as the utilization of mass media and the internet, observe the market, share with entrepreneurs and learn informally, and participate in human resources development activities such as training, seminars, and tour work organized by the campus.

Characteristics of entrepreneurs can be grown through the application of entrepreneurial values in the school environment (Siti Fatimah, 2013: 15). Efforts that can be done to grow the entrepreneurial spirit through school / campus culture, that is by entering the values of entrepreneurial characteristics into the rules that apply in school / campus.

3. Conclusion

The existence of social capital will affect the expansion of access to the resources available within the community. The existence of entrepreneur orientation, organizational learning, and innovation in improving business performance is determined by the ability of entrepreneurs in building social capital and adapt to environmental changes. Togetherness, honesty, egalitarianism, and trust developed in social capital will strengthen the network and the formation of a strong entrepreneurial character.

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