



Dynamics of Social Capital In Management Of “Amarta” Village Business Entities Post-Covid-19 Pandemic

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Abstract

The Purpose Of This Study Is To Analyze The Dynamics Of Social Capital In The Management Of Village Business Entities Amarta. The Success Of Village Business Entities In Reviving The Post-Covid-19 Economy Is Closely Related To The Dynamics Of Social Capital. The Research Method Used Is A Qualitative Approach With Primary And Secondary Data. The Results Of The Analysis Show That The Social Capital Of Village Business Entities Amarta Has A Significant Impact On Village Economic Growth After The Covid-19 Pandemic, This Is Influenced By The Influence Of Social Capital From Component 1) Social Networks In The Form Of Ownership Of Common Goals Which Are Pursued Through Formal Discussions And Informal Discussions Involving The Community. 2) Norms, Namely Written And Unwritten Rules To Improve The Quality Of Village Business Entities Management. 3) Trust, Which Is Implemented In The Form Of Cooperation With Fellow Village Business Entities Management And The Application Of Openness In Efforts To Manage Village Business Entities. So The Social Capital Component Will Achieve The Output Of Improving The Performance Of Village Business Entities.

Keywords: Social Capital; Village Business Entities; Community Empowerment

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INTRODUCTION

The village as the government closest to the community makes the village's position considered strategic (Maschab, 2013). This is an interesting study because the village has decentralization through village autonomy with the implementation of the transfer of authority based on an agreement between the local government and the village government which is entirely a village affair, without interference from the local government (Sutoro et al., 2014). The existence of autonomy is the basis of a management system based on socio-cultural values and the rights of origin of rural communities in order to increase the effectiveness and efficiency of local community services as a new hope to manage autonomously according to the aspirations and needs of the community (Luthfia, 2013). So that in this case, the village government has the authority and discretion in planning village development programs that have the power to regulate and manage interests in accordance with the needs of the village community.

Village autonomy provides opportunities as well as challenges for villages to optimize development efforts, especially in the economic sector which is a crucial issue and is in line with the Nawacita program (Halimah, 2017). Through the existing potential and authority, to support village development efforts, there are village initiatives, namely by establishing an economic institution, Village Business Entities, especially Village Business Entities Amarta, which provides a forum for the people of Pandowoharjo Village to carry out economic activities in the form of business units with various activities that are able to generate profits. Village Business Entities Amarta has become a model in Sleman Regency, as evidenced by the award as an outstanding Village Business Entity from the Ministry of Villages, Development of Disadvantaged Regions and Transmigration (Kemendes PDTT) in the form of providing Corporate Social Responsibility (CSR) and cooperation in order to strengthen the business of Village Business Entities (Village Business Entities). This success stems from the establishment of a business unit that is based on the rate of population growth, which causes an increase in the volume of waste in Pandowoharjo Village, while the final waste disposal site (TPA) is very limited so that it becomes a problem if not handled properly.

The connection with the waste problem in Pandowoharjo Village is to be able to form community empowerment through the waste bank program. So that waste becomes the potential of Amarta's Village Business Entities business unit. Amarta's success is reinforced by the turnover data in table 1.

Table 1. Village Business Entities Income

Year	Income (Rp)
2018	184.380.391
2019	196.306.550
2020	93.275.621
2021	153.523.458

Source: Treasure of Village Business Entities Amarta

Table 1 data, shows an increase in revenue in 2021. Despite being rocked by the global Covid-19 problem, along with the dynamics of government policies through social restrictions to break the Covid-19 virus chain, which has an impact on the economic stability of Village Business Entities. However, with the social capital of Village Business Entities Amarta can maintain its existence. In this case, the Covid-19 phenomenon also has an impact on decreasing the selling price of products, thus creating economic losses. Therefore, Village Business Entities Amarta increases all community participation/social capital in order to develop a road map in order to find a solution to prevent a worse economic impact in the village. One of these efforts is by optimizing social capital or participation in restoring and developing the village economy affected by Covid-19.

Communities that have high social capital principles provide opportunities to solve complex problems more easily, through the application of mutual trust and tolerance so as to create a good network (Utami, 2020). It can also be understood that social capital does not have limits on actors or majority groups, but also involves minorities through the relationships that exist in the development of social life (Syahli & Sekarningrum, 2017). As social capital develops in Amarta Village Business Entities, so it can strengthen management. To measure the extent to which social capital is obtained from the formulation of the theory (Putnam, 1993). This formulation is used to assess the social capital of Village Business Entities Amarta so that it can clearly

know the size or scheme of the social capital of Village Business Entities Amarta.

Social capital also forms economic empowerment and social collaboration in the context of developing Village Business Entities through the cooperation of administrators and village communities. This is a reflection of the attitude toward democratization. Social capital is an alternative tool for promoting and supporting villages with a symbiotic mutualism between the village government and the management of Village Business Entities (Adawiyah, 2018). The determinants of Village Business Entities' social capital are related to actors who have authority and are involved in the governance of Village Business Entities (Suranto, 2020).

Social capital is seen as having a role in developing a community and being the key to success (Zulpahmi et al., 2020). The social capital component of the theory, namely social networks, norms, and social trust which is considered to have a role in development (Putnam, 1993), has a relationship with village economic development, especially the management of Village Business Entities. Even the importance of social capital in the management of Village Business Entities provides positive benefits to the target. Social capital refers to relationships between individuals, namely trust, norms, and networks that arise from individuals or groups (Putnam, 1993). Based on this description, researchers are interested in studying the Dynamics of Social Capital in the Management of Village Business Entities Amarta, Pandowoharjo Village, and Sleman District.

RESEARCH METHODS

The type of this research, namely descriptive qualitative, is used to obtain a broad descriptive picture of the observed phenomena (Moleong, 1995). Qualitative methods are seen as able to explore a meaning related to deep phenomena (Creswell, 1994). This phenomenon is Amarta Village Business Entities in the dynamics of social capital with primary data obtained from sources through interview techniques who best understand the conditions of Village Business Entities, in this case, the Director of Amarta Village Owned Enterprises, Amarta Village Business Entities Secretary,

Village Community Leaders Pandowoharjo, Village Apparatus, and Partners. The collection technique is a semi-structured approach. According to (Arikunto, 2010) semi-structured interview is a form of an interview that begins with available systematic questions, then there are additional questions to deepen the data further. Thus, answers can be obtained by covering all variables, with in-depth data.

In addition, the author also made non-participant observations that observed how the performance of the workforce, including the quality of human resources and the dynamics of interaction between Village Business Entities management and the Pandowoharjo Village Community. Furthermore, there is triangulation as data validation to review the truth of the information from each source's point of view. This study also uses secondary data obtained from documentation data which includes Amarta Village Business Entities profiles, Amarta Village Business Entities financial reports, Village Business Entities study reports and Pandowoharjo Village Regulation No. 4 of 2016 concerning the Establishment and Management of Pandowoharjo Village Owned Enterprises. The next secondary data is a reference that supports and is in line with the research being studied.

The data obtained will be presented in narrative form to explain social capital in the management of Amarta Village Business Entities in Pandowoharjo Village. From the data presented, it will be processed according to the theory that has been described in order to obtain a clear description and picture. The entire data was processed by the researcher and collected into one by the researcher which was then presented until it reached the conclusion stage. Drawing conclusions will be directed to general matters in order to find answers to the problems studied. The research problem is related to Social Capital in the management of Amarta Village Business Entities in Pandowoharjo Village.

RESULT AND DISCUSSION

Social capital here can be defined as a combination of norms that exist in the social system leading to increased cooperation among community members (Situmorang, 2017). Conceptually, social capital can be said to be

very dependent on social relations. The implication is that when viewed in individuals, the features in question are norms, values, or in general structural cultural richness. If these features are successfully created in a relationship between humans and other humans, then indirectly what is called by (Fukuyama, 1997) is social capital.

Village Business Entities form a pattern of interaction through the component of social capital to strengthen the achievement of the success and objectives of Village Business Entities. Community social capital becomes the power of community economic development because it is the root of strengthening the management of Village Business Entities. This form of social capital comes from the involvement of relationships with other parties in the form of social networks, norms, and trust.

The development of Village Business Entities begins with the interaction pattern of the social capital component. The formation of community participation comes from components that complement each other. In this case, the social capital of Amarta Village Business Entities is described based on the theory of (Putnam, 1993) namely social networks, norms, and social trust.

Social Network. The social network is a series of relationships between several individuals with their respective properties to interpret social behavior that comes from the individuals involved (Fukuyama, 2002). The existence of social networks occurs in the background with the same mission and goals of achieving joint welfare in community relations. In addition, social networks are also a resource for interacting with others (Granovetter, 1983). In line with (Hasbullah, 2006) The essence of the study of social capital lies in the ability of the community to work together to build a network to achieve common goals.

Social networks stem from having a common goal through vision and mission. In this case, the social network in the context of managing Amarta's Village Business Entities is focused on achieving the mission that has been mutually agreed upon, especially the Village Business Entities management who have a positive contribution to management which is formed from good interactions. These interactions come from formal and informal discussions. In addition, social networking also includes community involvement. The

formation of the Village Business Entities social network is influenced by deliberation and active action in problem-solving which is then held to convey opinions or assumptions directly through formal and informal discussions. This activity was carried out so that it was not only about the problems contained in the Amarta Village Business Entities. However, it is also about community needs or problems that occur in the people of Pandowoharjo Village.

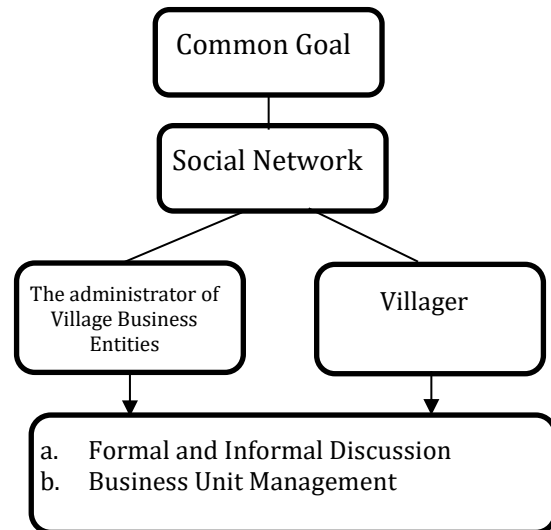


Figure 1. Village Business Entities Amarta's Social Network

In addition, social networking is a technique for managing Village Business Entities, where superiors and subordinates achieve goals with steps determined by mutual agreement. These steps include planning, implementing progress, and evaluating results. So that in this case the social network is involved in how the Director of Village Business Entities Amarta and his management in handling the problem-solving process with intensive interaction.

Social networks contribute to the delivery of criticism and suggestions from the community directly to the Village Business Entities management which is then accommodated and discussed through deliberation or meetings. This will bring Village Business Entities to a change because improvements will be made for each program or activity that requires improvement.

The function of the social network will also foster community participation in the form of new ideas, submission of criticism and suggestions, as well as a form of managing

Village Business Entities to achieve a mission that is in harmony with the community.

This action is also a solution handling accompanied by the principle of openness in the management of an agency or organization in order to realize the formation of a social network that is influenced by the interaction pattern of village community involvement. This realization is based on the alignment of goals to be achieved in order to establish the existence of Village Business Entities management and Pandowoharjo Village Community through interaction so as to form a sustainable social network.

Norms. Norms are defined as understanding rules that are shared by a group of people. These norms are formed from religion, moral guidelines, and codes of ethics in the form of products of social beliefs. In this case, the norm component in Amarta Village Business Entities is in the form of written and unwritten rules that have been mutually agreed upon. As the diagram below.

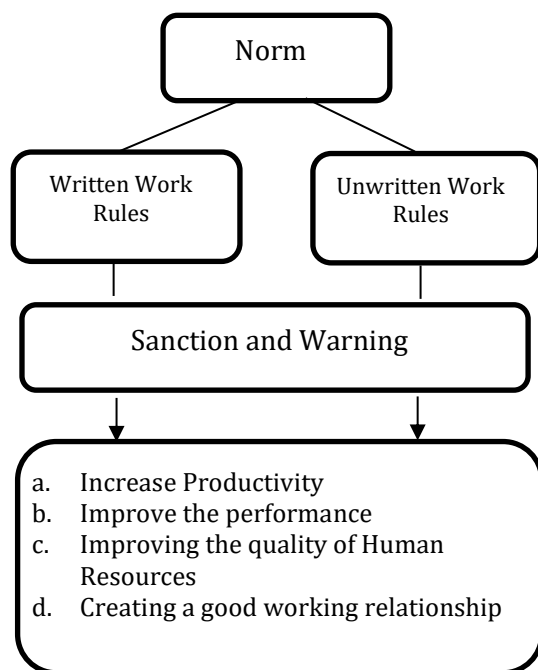


Figure 2. Village Business Entities Amarta’s Norm

The norm component concerns improving the quality of human resources, because it provides a form of enforcement of discipline and guidelines carried out in Amarta's Village Business Entities to control Village Business Entities for the better. Written rules and

unwritten rules are part of the norms for managing Village Business Entities which are found in the study report book and SOP (Standard Operating Procedure). This is an effort to realize the attitude of discipline and behavior of the management towards the main tasks of the functions given.

The realization of a good working relationship, according to the obligations and rights of the management to Village Business Entities is closely related to the influence of norms, because norms in the form of rules will create comfort in work. Thus, it provides an increase in the productivity and performance of Amarta's Village Business Entities. In addition, in the rules, there are sanctions in the form of warnings, warnings, and directions. The form of sanctions is written which is found in sending messages via WhatsApp and unwritten sanctions are directly delivered in the form of a warning. For the maximum sanction, there is an action of termination of work. With these rules and sanctions, it is a form of the norm in order to provide discipline to the management, thus providing a form of habituation to comply with the specified regulations, this has a positive impact on Village Business Entities, especially in achieving good performance. In this case, the norm becomes a guideline for the dynamics of the management of Village Business Entities. The management of Amarta's Village Business Entities is more focused on the rules and guidelines that have been set, management in accordance with the rules is expected to achieve the desired goals. The existence of these norms is in accordance with the theoretical norms (Putnam, 1993) which will control and provide stability to the organizational order from negative influences.

Trust. Trust is a theoretical component of social capital which is a set of shared values, virtues, and expectations within society as a whole. According to (Putnam, 1993), Trust is something that must exist in every economic transaction. It is logical that much of the world's economic underdevelopment is the result of a lack of "mutual confidence". Trust is an important thing because its absence or existence affects what is done. In addition, mutual trust will help a profitable transaction run smoothly.

This component of trust occurs among fellow Village Business Entities administrators and village communities. Trust in the orientation of the Village Business Entities management is implemented in an attitude of mutual understanding and support regarding the management of Village Business Entities, especially from the attitude of cooperation as (Hasbullah, 2006) in the community or nation to achieve a better life capacity, supported by values and norms. which are the main elements such as trust (mutual trust), reciprocity, collective rules in a society, or nation, and the like.

Cooperation comes from a system that is interconnected so that it has integration in forming a single unit. The system is theoretically a collection of components that interact with each other in achieving certain goals. Where each component has its own way of working in accordance with the main tasks of the functions that do not conflict because they need and depend on each other in order to achieve the desired goals together.

However, in a system that forms cooperation, it must be based on trust as an important issue to create cooperation that dominates with confidence. The existence of this trust is built on the consistency, competence, integrity, and openness of an agency or organization in Lussier (Patras & Hidayat, 2018). In a body trust is an important foundation in developing relationships with coworkers. Dejanasz et al., in (Raharso, 2011). Trust can also be applied to improve communication and overall organizational performance (Jarvenpaa & Leidner, 199; Sarker et al., 2001; Panteli & Duncan, 2004).

Then, there is a form of public trust in the management of Village Business Entities that occurs when they have a sense of mutual support in management efforts to achieve the desired goals. The component of public trust specifically arises from the election of the board, which applies democratic values with a system of transparency. This activity shows the trust given to the management of Village Business Entities. The process of selecting the board of directors is carried out by the community based on the competencies possessed by the candidate, each manager is deemed competent and able to carry out his responsibilities.

The community fully trusts the management, especially since all Village

Business Entities administrators are natives of Pandowoharjo Village so they unconsciously build a sense of trust because the community knows the character of the management and already know each other. The building of trust in Amarta's Village Business Entities is also based on the value of honesty that is applied by the Village Business Entities management through openness. The implementation of transparency is carried out by simple accounting standards financial books such as balance sheets, loss/profit, and annual member meetings, the form of the meeting is shown to manage the remaining operating results and funds from Village Business Entities. This is what makes people maintain the foundation of trust.

Then, the initial formation of Village Business Entities was also carried out with a problem identification process, which involved village communities, namely social problems experienced by rural communities. So that this trust helps Village Business Entities' economic activities develop based on the data from Table 1.

CONCLUSION

Village Business Entities form a pattern of interaction through the social capital component to strengthen the achievement of the success and objectives of Village Business Entities. Community social capital becomes the strength of village economic development because it is the root of strengthening the management of Village Business Entities. This form of social capital comes from the involvement of relationships in the form of social networks, norms, and trust. The social capital component includes Village Business Entities management and community participation. Social networks are influenced by the existence of Village Business Entities management and shared goals as well as intensive interaction within Amarta Village Business Entities institutions, then there are norms in the management of Amarta Village Business Entities which have the realization of renewing human resources, especially increasing discipline, as well as relating to written and unwritten rules. together with sanctions in the form of warnings, actions, and directions. Furthermore, the component of trust is the basis for maintaining the management of Village Business Entities, in particular fostering

good relations to create conducive cooperation. Trust also occurs in the orientation of village communities who provide support for the management of Village Business Entities through involvement in every program and activity of Village Business Entities. These components complement each other to seek the management of Amarta's Village Business Entities.

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