

# DOES REALLY CULTURE ORGANIZATION AND RELATIONSHIP OF THE ENTREPRENEURIAL IN THE WANDERING CONTRIBUTE TO SOCIAL CAPITAL ON ETHNIC MINANG IN INDONESIA

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## ABSTRACT

This study aims to analyse a strong element of the build social capital on must be entrepreneurs a certain degree of ethnic Minang in the wandering. Already much research suggests elements the formation of social capital but not all of it applies to the effect at Minang ethnic community. The research was conducted in 2016 and 2017 to the location of Java Island the Jakarta and Surabaya. This research uses Mix Method with the number of research sample 200 Minang ethnic entrepreneurs who are in the research location. Data analysis is done by factor analysis method to produce factors that make up social capital that apply to ethnic Minang in wandering. To know the factors is done with by indept-interview, observation and Focus of Disscusian Group (FGD). The questionnaire was done with 200 samples to know the factors that contribute to the social capital of the entrepreneur Minang ethnic. The result of research shows that to form social capital of Minang ethnic is observed there are two factors that is value factor and culture in organization and factor of relationship between fellow entrepreneurs in the wandering in Indonesia. The novelty of this study is that the Minang ethnic community culture is one of the factors of social capital in wandering entrepreneurship. Culture that is inherent in self-entrepreneurship plays an important role in increasing wending social capital in entrepreneurship so as to be able to achieve success. The limitations of this study are research respondents are Minang ethnic entrepreneurs and further research can be done on respondents who live wandering with non-entrepreneurial professions such as working as civil servants or government-owned and private-owned enterprises.

**Keyword:** Entrepreneur, Ethnic Minang, Social Capital, Mixed Method.

## INTRODUCTION

Research on social capital has been done in both a simple context and in coverage area. In addition to that social capital is also important to be seen from the ethnic context because in the ethnic context the treatment of social capital may have different contributions. Other studies have also revealed that social capital can improve people's economic life (Autio, 2005). In addition, social capital is also capable of being viewed in various fields of science, such as social capital in education (Coleman, 1988), social capital in the field of Human Resources (Bourdieu, 1983) and other highly developed fields. Social capital has also been seen as one of the factors in achieving of the entrepreneurs success (Primadona, 2013). Although the debate over the context of social capital is still ongoing but various theories that reveal about social capital are also evolving because it can be viewed from various aspects. Social capital can also be known from the relationship between individuals in producing something productive (Szreter, 2000; Ram'irez

et al., 2010). So far, social capital has also been able to see more detailed treatment of innovation in view of economic needs (Baumol, 2006; Marvel & Lumpkin, 2007).

Minang ethnic community is one of the tribes that are on the island of Sumatra precisely in the province of West Sumatra. Minang ethnic community has been very strong with entrepreneurship that has spread to almost all regions in Indonesia and even to the Foreign Affairs such as Malaysia and Singapore. The development of Minang community in the field of entrepreneurship is strongly influenced by the culture of Minang people who like to live wandering. This makes the ethnic Minang make entrepreneurs as the main livelihood in fulfilling the needs of life (Primadona, 2016). Although in various research on social capital there are many questionable, But on the way able to explain the elements which form social capital like network, Norms and trust although crops treatment of elements are not always the same in every opportunity (Jonsson, 2014). The Minang ethnic is one of the tribes in Indonesia which is still lumpy upheld the social capital in the life of entrepreneurship but has not been able to clearly reveal the elements of social capital which play a role in shaping social capital for Minang ethnic entrepreneurs in wandering. Although there has been a lot of research done but no one has examined this for the Minang ethnic.

Although it has clearly been much expressed about the elements of social capital such as networks and norms (Beugelsdijk, 1981), resources an individual in a relationship (Bourdieu, 1986), youth and education (Coleman, 1998), networks in social capital (Burt, 1992), social capital in trust elements (Putnam 1993) and even several periods after that many studies develop elements that exist in various forms of activities or contexts in various countries but for the context of Indonesia on ethnicity has not been done. Through this research will develop the previous studies and bring out the right elements that occur in the ethnic Minang in Indonesia in the formation of social capital. This paper consists of four sections, first revealing the importance of this research done, both revealing theories relevant to the topics discussed in this paper, the third part will reveal the various methods used in completing this study conducted for two years and the fourth part of the article will reveal the discussion and findings of the results of research conducted.

## LITERATUR REVIEW

Research on the contribution of social capital to entrepreneurship is still debated, and this topic is becoming increasingly pessimistic in business research (Casson & Della Giusta, 2007). Research ethnic in kontek, a country that need to trace. Various problems that occur dibelahan the world today more on ethnic problems have an impact on the economic life of in general (daound et al., 2017 ). The effects of ethnic views, especially on entrepreneurship, are no less important. Even today the social capital of ethnicity in various economic views is increasingly gaining great attention; social capital needs to be examined from an economic standpoint to enhance prescriptive abilities included in entrepreneurship (Galbraith et al., 2017). Social capital reviewed based on ethnic entrepreneurs can be defined as the relations between the actor that are partly has been facilitated by public entity and this can be an income source entrepreneurial ethnic (Tolciu, 2011; Sequeira, 2006). Entrepreneurship had knowledge highly developed and have a life cycle that clear and so far to track with clear seen both in a relationship with other sectors and also and seen from the economic aspect (Schumpeter, 1939). Although the research on community or ethnicity in the context of social capital is still too new, so in some debates the explanation of behaviour inevitably involves discussion of social capital, it explains the social attachment and networking ties (Portes dan Sensenbrenner, 1993; Portes dan Landolt, 1996,

2000; Portes, 1998; Kloosterman dan Rath, 2001; Rath, 2002). Another point of concern is how culture affects in social capital and this applies to Canadian entrepreneurs in a very long time (Pere et al., 2008). Ethnic societies are also capable of forming social capital that will help entrepreneurs in improving their economic capabilities (Galbraith, 2007). The research on ethnic based on gender is to more focus on kontek entrepreneurial sector both in general and special and even the social relationship in ethnic also able to develop rural areas (Munkejord, 2017).

Social capital has a positive effect on the success of entrepreneurship (Primadona, 2016). Other studies also show that in entrepreneurship is also important to maintain relationships to remain loyal and executive manager relationships as entrepreneurs with customers is very important (Ashworth, 2006). Although in many ways maintaining relationships by entrepreneurs is common with customers but customer-oriented it is important to note that currently neglected (Altinay et al., 2008). The question is whether in maintaining the relationship requires knowledge that will accelerate the process of maintaining the relationship, recent research has been done to see what kind of knowledge is needed in maintaining relationships in small and medium-sized businesses (Wensley et al., 2011). Establish relationships with customers that have been done but it is also very related to social capital but not much research linking in the role of entrepreneur with social capital in this context. In view of economic activity, social capital also plays an important role and even affects overall economic growth (Glaeser et al., 2002). Ethnic and ethnicity and culture greatly influence the role and contribution of social capital and include elements that build social capital especially on Minang entrepreneurial entrepreneur who has been very famous in Indonesia with entrepreneurship.

## METHODOLOGY

### Sample and Survey Design

Focus on the very minimal in getting from previous research on the ethnic nature of Minang in entrepreneurship and especially about the elements that play a role in shaping social capital. Although so far there are elements of social capital but in the Minang ethnic not all appropriate in its application. So the basic theory of this is not yet clearly available in the existing literature. Thus to get the results in this study carried out with two stages for two years. The first year of research the author tries to produce any elements that contribute in producing social capital of ethnic Minang in entrepreneurship with qualitative methods. The second year of the study the authors use quantitative methods to generate factors that shape social capital from several factors that have been produced previously.

This research was conducted in two big cities in Indonesia namely Jakarta and Surabaya City. Both cities are the largest cities in Indonesia that accommodate various ethnicities in entrepreneurship. The first year of research the authors conducted with qualitative methods using 25 entrepreneurs in the city of Jakarta and 25 entrepreneurs in the city of Surabaya by involving 3 regional organizations in each location. The second year of the study used a questionnaire with a sample size of 200 with each location of 100 respondents. The respondent's question refers to the factors found in the initial study and then performed using a Likert scale using a selection from 1 to 5.

### Variables Operationalization

This study is a study conducted to explore elements of social capital that apply to ethnic

Minang entrepreneurs in overseas. The elements in this study are the result of observes and in-depth interviews conducted in 2016 in two major cities in Indonesia. Although some of the existing elements such as networks, beliefs and other elements that can be in this research have been produced by previous research such as (Putnam, 1993), (Coleman, 1998) and even (Nahaphit & Ghosal, 1998) grouped into 3 major groups namely relational, structural and cognitive in shaping social capital. Recent popular research (Xu, 2014) looks at social capital with a cognitive orientation in the entrepreneurial social capital which is more focused on cognitive with the intention of further refining Nahaphit & Ghosal research, 1998.

Research that the authors do is want to find out more details what are the elements of social capital formation on ethnic Minang entrepreneurs in overseas. The first year of research results yielded 10 elements that make up social capital, namely: the role of trust, network, ethnic Minang culture, values, norms, regional organization, kinship, sincerity, fellow entrepreneurship and togetherness. The elements are then processed by using a questionnaire in 2017 with a total of 200 questionnaires in 2 major cities in Indonesia.

Looking at the existing literature, the 10 elements produced already exist in previous research but there are some factors have not been seen clearly in forming social capital such as the role of regional organizations which is a very important element in the formation of social capital in Minang ethnic entrepreneurs and even this element also very instrumental in regional development (Primadona, 2016).

## Data Analysis

This research is analysed by using factor analysis to get the element that form social capital in Minang ethnic entrepreneur. Factor analysis using 10 factors that can be from research in 2016. The result of 10 factors that will produce several factors to form social capital of Minang ethnic entrepreneur. Research in 2017 produces elements that make up the social capital of the Minang ethnic entrepreneur.

## RESULTS AND IMPLICATION

### Characteristics of Respondents

All respondents are located in two locations, namely Jakarta city and Surabaya and is the largest city in Indonesia. Respondents numbered 200 with the proportion of 100 respondents for each city. Characteristics of respondents in this study can be explained as follows.

<b>Description</b>	<b>Category</b>	<b>Frequency</b>	<b>Percentage (%)</b>
<b>Type of business</b>	Trading	91	45.5
	Food	78	39
	Confection	31	15.5
<b>Gender</b>	Man	143	71.5
	Women	57	28.5
<b>Age</b>	17-30 year	47	23.5
	31-45 year	102	51
	46-55 year	32	16

	>45 year	19	9.5
<b>Education</b>	SD	17	8.5
	SMP	69	34.5
	SMA	105	52.5
	Bachelor	19	9.5
<b>Business Period</b>	<5 year	36	18
	5-10 year	79	39.5
	>10 year	85	42.5
<b>Number of employees</b>	<5	109	54.5
	05-Oct	39	19.5
	>10	52	26
<b>Product Marketing</b>	Local	78	39
	Indonesia	89	44.5
	Overseas	33	16.5
<b>Income every month</b>	<10 million	3	1.5
	10-20 million	27	13.5
	21-30 million	43	21.5
	>31 million	127	63.5
Karakteristik Respondent (N=200).			

Based on the characteristics of the respondents listed in Table 1, what is interesting for this discussion is the different sex between men and women. For men it was 71.5 percent and only 28.5 women. For which women will usually plunge in the field of food. This is influenced by the habit and culture of ethnic Minang who must live to wander for men when aged over 17 years. This makes the men in the ethnic Minang many who wander because of this habit until now still done. Besides, the responsibility as a big man compared with women in ethnic Minang make the ethnic Minang mostly entrepreneurship. Generally entrepreneurship almost throughout the region of Indonesia because they are very famous for living wandering that flocking so almost throughout Indonesia Minang ethnic is very famous for entrepreneurship. Another thing that can be seen from the characteristics of respondents in this study is the level of education of ethnic Minang entrepreneurs are still very low that is the highest is a high school education of 105 percent and subsequently educated junior high school and when viewed from the needs of education is very low and need to get attention.

It is also very impact on the age of respondents, generally respondents have a young age in entrepreneurship, based on the characteristics of respondents then generally respondents are still young who are the highest age over 31 years and start a business in general at the age of 17 to 30 year. This is very appropriate with the ethnic culture of Minang who at a young age is required to live wander as putting the responsibility for men who have heavy responsibility than women. This is still done by the average Minang Kabau people so that the number of Minang ethnic entrepreneurs increases from year to year.

This phenomenon is also in harmony with the length of business enterprising. Based on the characteristics of respondents, in general, respondents run a business long enough because starting from a young age and wander cultural that exist in the ethnic Minang greatly affect in running a business or work as an entrepreneur. To note also that the ethnic Minang in addition to being very famous for entrepreneurial and group life is also famous for work as an entrepreneur

in the field of food and it is very famous in Indonesia. Some foods typical of ethnic Minang tribe until now still growing and this also affects ethnic women Minang because who work as a food business in general is women. In Minang ethnic dominant in cooking job is woman so for food business done by many women. Culture of Minang women who must be able to serve food for men also affect in entrepreneurship especially food field. Currently the women in the ethnic Minang also have started to open a food business to get out of the area of West Sumatera.

### **Descriptive Analysis**

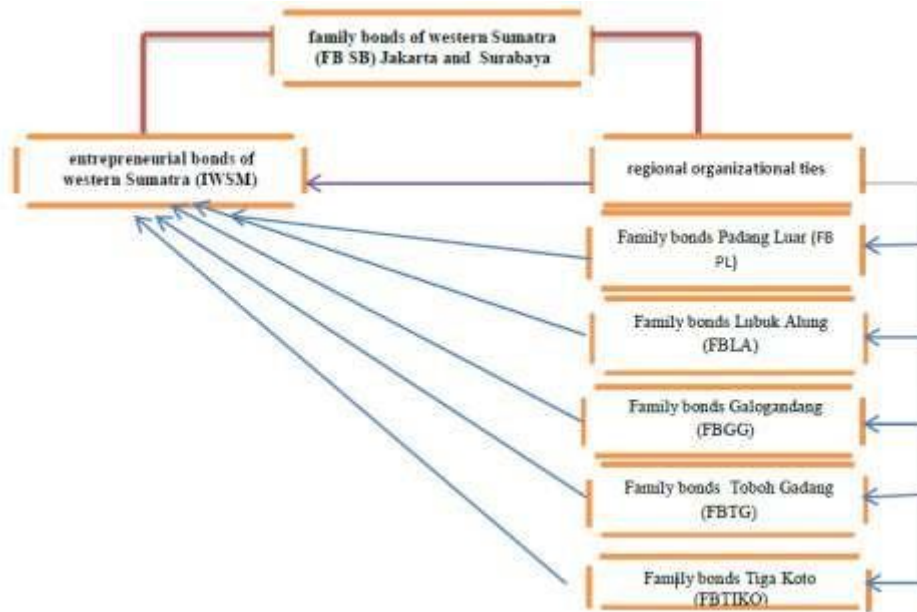
This research reveals what factors make up social capital in Minang ethnic entrepreneurs in overseas. Research respondents are Minang ethnic entrepreneurs located in Surabaya City and Jakarta City. In addition, the regional organizations located in these two locations are also the target of research for two years. The organizers of the regional organization also become respondents in research other than self-employment. Research respondents from 2016 to 2017 have been asked for information either through interviews, observations and the authors also participated in the Focus Discussion Group (FDG) in the activities of Minang ethnic entrepreneurs in overseas in 2016. In 2017 the authors conducted factor analysis to obtain factors that make up capital social through questionnaires with 200 entrepreneurs in two locations. According to the results of qualitative research in Jakarta and Surabaya City, there are 10 factors that build social capital of ethnic Minang community such as relations among ethnic, trust, network, norm, values, regional organization, kinship, culture, sincerity and togetherness.

The emergence of these factors when viewed from the value of social capital is due to the ethnic habit of Minang who live in the overseas always live in groups. The group life will accommodate the aspirations of entrepreneurship in a regional organization. Regional organizations that exist in the Minang community are a place to accommodate the aspirations of entrepreneurship with the aim to foster togetherness in the organizir professionally. Surabaya City is the second largest city in Indonesia after Jakarta. The city of Surabaya accommodates multi ethnic originating from almost all ethnic and ethnic groups in Indonesia such as Bugis, Batak, Minang Kabau, Jawa, Malay and the most current in entrepreneurship is ethnic Thioghoa. This multi-ethnic life makes the people who live here respect the differences so they can live peacefully.

For the ethnic Minang Kabau, the life of wander and entrepreneurship is a tradition that has been passed down and supported by Minang Kabau society culture which requires for men who have grown up to live wander in fulfilling the necessities of life. In general, Minang ethnic entrepreneurs in Surabaya are also encouraged by cultural influences to migrate and leave their hometown with the aim of becoming successful entrepreneurs. The field of business conducted by ethnic Minang in Surabaya is diverse but the dominant is the field of trade and the field of food. Why this field, because in general the ethnic Minang who migrated very focused on these two fields so that in other areas will take the same field (Primadona, 2016).

The consideration is the field of trade is a field that has been handed down by the ethnic Minang so that in doing business this field is very easy to run because the network with ethnic Minang in the city centre such as Jakarta is very helpful in supplying materials and also as a distributor. Another area is the field of food, if you see why basing food, because the food is the main seed owned by the Minang community. Even the famous Padang Rendang with a very famous rendang almost all over the world is the work of the Minang Society. Even today 2 of the world's best food versions of CNN come from ethnic Minang such as rendang and Sate Padang. Minang ethnic activity in Surabaya will be accommodated in an association or organization

called FBWS (family bonds west Sumatra). As for all ethnic Minang in this area joined in the organization FAWS (Family Association of West Sumatra). The level of organization of the developing region in West Sumatra and for more details can be explained with Figure 1.



**FIGURE 1**  
**ORGANIZATIONAL RELATIONS OF THE MINANG ENTREPRENEURIAL ETHNIC AREA IN THE WENDING**

The life of Minang ethnic entrepreneurs in Jakarta City is generally similar to Surabaya. But the difference is the field of business that is done more and varied. In addition, the number of Minang ethnic entrepreneurs in Jakarta City is so large that the existing regional organizations in this area are also very numerous. Other areas of business other than the trade and food field also do the field of confection and this is a very large field currently undertaken. Entrepreneurs produce their own goods and even become the largest distributor of goods besides ethnic Thioghoa in Jakarta. During this field of confection very helpful ethnic Minang in getting a job. Minang ethnic community in the village will wander with the aim of one of them will be a tailor or a marketing of products produced by convection. In selling the product will usually be easier done by the ethnic Minang because it is very familiar about the quality of goods and its superiority. Then what about food and trade business, this is also not less rapid competition of ethnic Minang. Especially in 2016 and 2017 is a very heavy time for Minang ethnic entrepreneurs in doing more competition to sales and on-line trading. This poses a threat in running the business but relationships and kinship are still on going.

Both big cities are the location of research equally run social capital in life. According to research that the authors do in 2013 was the distance location Minang people migrated from the area of origin greatly affect the level of social capital of society (Primadona, 2014). The farther the location wander from area of origin hence level of social capital of ethnic entrepreneur of Minang also will become stronger and vice versa also. Research conducted in 2016 proves that the area close to the area of origin actually has a low level of social capital, this is influenced by the social level of ethnic communities far away feel feel so that social capital is also stronger, meaning that feeling all the relatives who come from the area the same is the brothers in overseas coverage.

## Factor Analysis

The result of the research revealed that there are ten factors forming social capital in Minang ethnic entrepreneurs in Jakarta and Surabaya city based on the result of questionnaires given to the respondents, among others ethnic relations, trust, network, norm, values, regional organization, kinship, culture, sincerity and togetherness. According to the factor analysis that the authors do then all factors included in this study precisely analysed by factor analysis. Based on Table 2 can be seen about the compatibility factor we analyse with the analysis tool.

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	0.799
Bartlett's Test of Approx. Chi-Square	15,80,388
Sphericity Df.	45
Sig.	0.000

Based on KMO and Bartlett's Test results, KMO value 0.799 which is between 0.5 to 1 with Bartlett's Test of Sphericity 0,000 so it is concluded that the factor used is appropriate with factor analysis to simplify the 10 factors analyzed.

To know what factors forming social capital of Minang ethnic entrepreneur is monitored then done by looking at value of Total Variance Explained from factor analysis done. Total Variance Explained Value can be seen in Table 3.

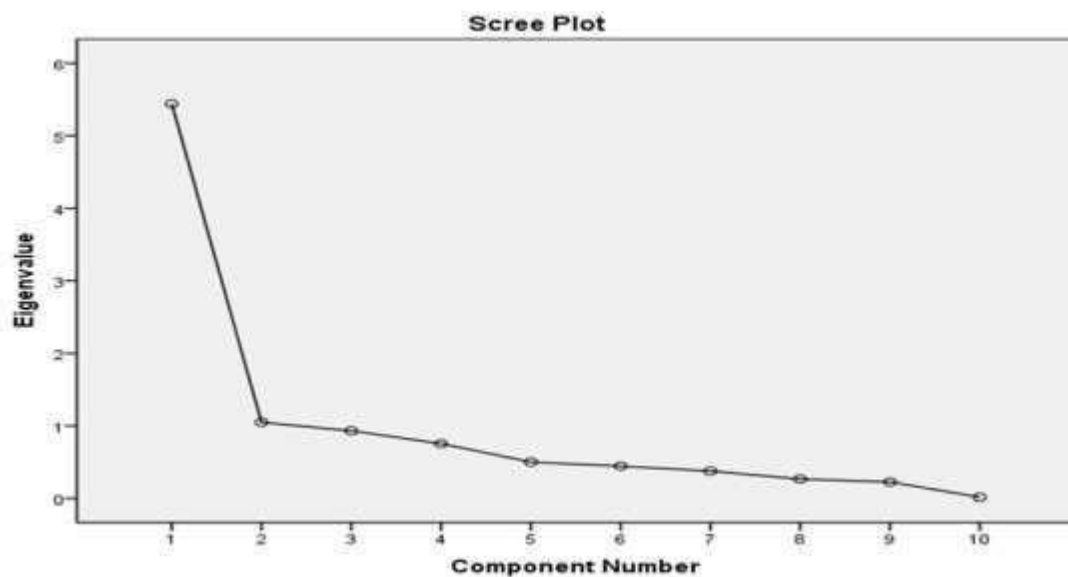
Component	Total	Initial Eigenvalues % of Variance	Cumulative %	Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
				Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	5.441	54.410	54.410	5.441	54.410	54.410	5.286	52.862	52.862
2	1.048	10.485	64.895	1.048	10.485	64.895	1.203	12.033	64.895
3	0.753	7.534	81.734						
4	0.500	5.003	86.737						
5	0.444	4.436	91.173						
6	0.377	3.767	94.940						
7	0.266	2.655	97.595						
8	0.225	2.255	99.850						
9	0.015	0.150	100.000						



Extraction Method: Principal Component Analysis.

To determine the factors that make up the social capital of ethnic Minang entrepreneur, it is seen from the eigenvalues in Table 2. Based on the Eigen values then only large Eigen values of 1 then that will be maintained to be one of the factors that make up social capital. Based on the above table then there are 2 factors that have value more than 1, then the formation of social capital in Minang ethnic entrepreneur is monitored has 2 factor. In addition based on the results of the above analysis can be seen that the factor 1 social capital can be explained by 52.86% and factor 2 can explain social capital of 64.89 percent.

Based on such case, both factors are able to represent social capital formation factor. In addition to determine the factors can also be seen from the form of Scree Plot analysis results (Figure 2).



**FIGURE 2**  
**SCREE PLOT ANALYSIS RESULTS**

Based on the results of the scree plot then the last 2 factor values can be the reason for the formation of social capital factor is because seen from the formation line then the last 2 values to horizontal. To see the closeness of the relationship between variables with the factors formed then done by looking at the value of Community. Based on the value of Community then almost all values have a strong relationship because more than 0.5 and there are 2 factors that is the factor of trust and sincerity that has a value less than 0.5 so that both factors have a low relationship to the factors formed. For more details, the value of Communalities can be seen in Table 4.

	<b>Initial</b>	<b>Extraction</b>
Zscore(Jaringan)	1.000	0.550

Zscore(Hubungan)	1.000	0.707
Zscore(Budaya)	1.000	0.787
Zscore(Kepercayaan)	1.000	0.475
Zscore(nilai)	1.000	0.907
Zscore(norma)	1.000	0.728
Zscore(organisasi)	1.000	0.649
Zscore(keikhlasan)	1.000	0.438
Zscore(kekerluargaan)	1.000	0.710
Zscore(kebersamaan)	1.000	0.539
Extraction Method: Principal Component Analysis.		

To produce factors that contribute to the formation of social capital in Minang ethnic entrepreneurs is seen from the results of Rotated Component Matrix. Based on the research results there are 2 factors with the value of each component that make up social capital. For more details the value of each can be seen in Table 5.

<b>Table 5</b>		
<b>ROTATED COMPONENT MATRIX<sup>a</sup></b>		
<b>Component</b>		
	<b>1</b>	<b>2</b>
Zscore(Jaringan)	0.725	0.155
Zscore(Hubungan)	-0.119	0.833
Zscore(Budaya)	0.885	
Zscore(Kepercayaan)	0.686	
Zscore(nilai)	0.947	
Zscore(norma)	0.777	0.352
Zscore(organisasi)	0.789	0.164
Zscore(keikhlasan)	0.347	0.564
Zscore(kekerluargaan)	0.842	
Zscore(kebersamaan)	0.734	
Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.		
a. Rotation converged in 3 iterations.		

Based on the value of Rotated Component Matrix, on the 1st factor the value formed that is above 0.5 is the network, culture, beliefs, values, regional organization, norms, kinship and togetherness, and for factor 2 values that are above 0.5 is the relationship and sincerity. Henceforth the naming factor must be given based on the approach on both factors that would be able to represent to contribute to social capital on Minang ethnic entrepreneurs in the overseas. Based on the above results then the naming factor is a factor 1 is named with the values and culture in the organization and factor 2 is called the relationship between entrepreneurs.

Component Transformation Matrix table serves to show whether the factors that are formed have no longer correlated with each other or orthogonal. When viewed from the Component Transformation Matrix table, the correlation values found on the main diagonal are above 0.5. For more details can be seen in Table 6.

<b>Table 6</b>		
<b>COMPONENT TRANSFORMATION MATRIX</b>		
<b>Component</b>	<b>1</b>	<b>2</b>

1	0.982	0.188
2	-0.188	0.982
Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.		

Based on the results in Table 6 then the two factors are formed is appropriate because it has a high correlation on the diagonal-the main diagonal. The results of  $>0.5$  indicate the final outcome of this study and this means that the results are in accordance with the analysis performed.

## DISCUSSION

Looking at the results of the analysis conducted then there are 2 factors that contribute in shaping social capital for Minang ethnic entrepreneurs is the relationship between entrepreneurship and values and culture within the organization. Both factors are actually very visible in the daily life of the entrepreneur. The values of Indigenous and Culture within the organization show that the Minang ethnic community highly values the values and cultures that Minang ernes embraces in entrepreneurship. This is seen from the beginning of the ethnic Minang come to rantau which aims to entrepreneurship has been running the values and culture of ethnic Minang who like to live wander and even something imperative for men in the village that has reached the age of adulthood. This is until now for children of descendants in Minang Kabau is still a habit. The formation of regional organizations that each entrepreneur becomes a member of the very help of entrepreneurs in running social capital in it is done by upholding trust, networking, enhance the sense of kinship. While on the second factor more to the relationship between fellow entrepreneurs both in organizations and fellow individuals.

Many ways were done by entrepreneurs in building relationships in creating social capital in the overseas. Organization for entrepreneurs is very meaningful because the containers for developing social capital among others, for example in Jakarta entrepreneurs who already have regional organizations have a variety of businesses of economic value. They buy boxed cars on behalf of themselves and rent them to entrepreneurs and from there are able to generate income and this is done in some regional organizations. In addition, some kedaeraha organizations also have a kind of mess that is used for temporary holding of prospective entrepreneurs from the region for entrepreneurship. Messages can be occupied for free over a period of time with the intent to help aspiring entrepreneurs find the idea of starting a business.

The results of this study are in accordance with some previous studies that have been conducted such as (Collin, 1981) on networks and norms (Burt, 1992) on networks, (Putnam 1993) on social organization. But have not been able to see how the role of social capital in entrepreneurs, especially ethnic Minang in Indonesia. The relationship between wiausaha in overseas in ethnic Minang is very interesting researched which resulted has a role in the formation of social capital. This result does not neglect previous research which has been done but the novelty in this research is the role of both elements in shaping social capital in Minang ethnic entrepreneurs in special overseas Indonesian country. The success of Minang ethnic entrepreneurs during this time in entrepreneurship is strongly influenced by social capital that exists in ethnic Minang in wandering.

The feeling of togetherness and kinship high support the success of ethnic entrepreneur Minang entrepreneurship. Trust and very clever to establish relationships become one of the advantages for the ethnic Minang. During this time that the benefits of ethnic Minang compared

with other ethnic groups is like living in a fellow ethnic Minang in overseas. In addition, the high sense of caring and maintaining the harmony of living together with other ethnic groups during this time is very proud because there has never been a problem with other ethnic groups.

## CONCLUSION

The results of this study were conducted for two years, 2016 and 2017. Conducted using Mix Method, 2016 uses qualitative and 2017 uses quantitative analysis with factor. In the first year study there are 10 elements that form social capital in Minang ethnic entrepreneurs in the network, trust, relationship between ethnic, norm, values, regional organization, kinship, culture, sincerity, togetherness. The result of factor analysis revealed 2 elements forming social capital of Minang ethnic entrepreneur in overseas that are cultural values in organization and subsequent element relation between entrepreneurs.

The two factors found in this study were novelties in a two-year study. The use of the two factors is only tested for entrepreneurship and for further research can be done for SMEs or for other organizations, such as government agencies or other communities and ethnicities. Ten factors found in this study have been found in previous studies but their application in ethnic Minang has not been carried out or tested so far now and this can be done in future studies. Further research can also be carried out by testing the two variables found by comparing with other factors that have been found with different cases and also by comparing treatments in developed countries and developing countries.

## ACKNOWLEDGEMENT

This research is supported by regional and ethnic organizations in Indonesia and is under the auspices of the West Sumatra Entrepreneurs Association (IKPSB) organization. In addition, the funding is funded by the Ministry of Higher Education's Indonesian Ministry of Religion, the institutional part of developing research and community conservation.

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