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# **Social Capital Contribution on the Survival of Business Entities**

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## **INTRODUCTION**

The number and role of SMEs in Indonesia is very large, therefore their existence needs to be safeguarded, while operating age get less attention. It is time for the measure of success for SMEs to use viability, which demonstrates the ability of businesses to sustain their business in a turbulent business environment (Bagis, 2018). The characteristics of long-lived companies include awareness and the ability to make companies as human communities, and keep up with the ongoing changes in the environment, be careful to make debt loans and give fresh and new ideas (De Geus, 1997). Building strategic cooperation, providing opportunities for success, and avoiding competing risks in the current turbulent era (W.C Kim and Moauborgne, 2002). Effective human relationships, effective trust, networks and norms, reveal the social capital of enterprises.

## **PURPOSE/AIM & BACKGROUND**

This study aims to explain that a business company should be long-lived so that it can be enjoyed by future generations. Building the sustainability of a business (viability) requires the main strength that comes from the attitude and behaviour of its managers, in building a business net-working in the form of social capital, an important part of virtual capital. In the end, long-term business continuity for SMEs can be built on the basis of the use of extensive social capital, supported by positive alignments, especially from the government. The sustainability of a business entity that relies on social capital is expected to be a model for empowering SMEs throughout Indonesia.

## **METHODS**

To prove the contribution of social capital to viability and with the support of a conducive business environment, moderating regression analysis was used. The object of the

study focused on the efforts to sustain SMEs in the city of Mataram, Indonesia, by relying on the attitudes and behavior of building business net-working. To strengthen the influence of social capital on business continuity, Government policy support is also assessed in creating a conducive business climate for SMEs.

## **FINDINGS**

The results of the study prove that the sustainability of the SMEs entity in Mataram, Indonesia, can be built through the ability to expand business networking. The contribution of social capital becomes stronger in influencing the sustainability of business entities, after the support of government policies that are able to create a conducive business environment for the sustainability of SMEs.

## **CONCLUSIONS**

In the end, the results of this study were able to prove the management model of business entities that are effective SMEs, namely those that are able to survive for a long operating period. Government policy in creating a conducive business environment for SMEs needs to be maintained. Thus the sustainability of the SMEs entity has become more beneficial for the welfare of the Indonesian people.

**Keywords:** Viability Entities, Networking, Virtual Capital, Environment