

THE INFLUENCE OF SOCIAL CAPITAL ON THE RESILIENCE OF SASIRANGAN CRAFTSMEN IN BANJARMASIN CITY

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Abstract

This study aims to examine the influence of social capital on the business resilience of Sasirangan artisans in Banjarmasin City. The research is motivated by an identified research gap, namely the limited empirical studies on the role of social capital in culture-based micro, small, and medium enterprises (MSMEs). Most previous studies have focused on large corporations or formal sectors, while traditional MSMEs such as Sasirangan remain underexplored. Using a quantitative approach with a causal explanatory design, this study involved 21 artisan respondents and analyzed the data through the Partial Least Square-Structural Equation Modeling (PLS-SEM) method. The findings reveal that social capital, which consists of norms, networks, and trust, has a significant contribution to business resilience with an R^2 value of 0.873. This indicates that 87.3% of the variation in business resilience can be explained by the strength of social capital. Theoretically, these findings emphasize the importance of social capital as a non-financial factor in shaping MSME resilience models. Practically, strengthening community norms, expanding networks, fostering trust, and integrating digitalization are key strategies to reinforce artisans' resilience. The novelty of this study lies in its empirical evidence that social capital is not merely a supporting factor but a key determinant of business sustainability in creative, culture-based industries.

Keyword : *Business resilience, Cultural heritage, MSMEs, Sasirangan, Social capital*

Introduction

The creative industry and MSMEs play a crucial role in supporting the national economy, especially amidst market dynamics and global challenges. One example is the Sasirangan craft industry in Banjarmasin City, South Kalimantan, which is an integral part of the local culture-based economy. Sasirangan crafts not only offer unique products but also reflect a cultural heritage passed down through generations. However, like other MSMEs, Sasirangan artisans face various challenges, ranging from intense market competition, fluctuating demand, to limited access to financial and non-financial resources. These conditions require artisans to have a high level of business resilience, a capacity to survive, adapt, and recover from economic shocks. Business resilience is often associated with internal factors such as financial capability and product innovation.(Putri et al., 2022)However, modern research shows that non-financial factors, particularly sociological ones, also play a significant role. One concept that has received considerable attention is social capital. Social capital, consisting of norms, social networks, and trust, is considered a collective asset that can facilitate coordination and collaboration among individuals within a community. In the context of Sasirangan artisans, social capital can manifest itself in the form of solidarity among artisans, the exchange of information on market trends, and unwritten norms that maintain product quality and collective reputation. However, there remains a research gap that needs to be filled, particularly in the context of local culture-based MSMEs. Previous research has often focused on social capital in the context of large companies or the formal sector, while studies on informal MSMEs that rely on cultural heritage are still limited.(Firmando, 2021). Some literature shows that social capital, measured through the dimensions of networks, norms, and trust, has a positive correlation with business performance.(Sutikno et al., 2022). Social networks facilitate artisans' access to resources, shared norms create a climate that supports collaboration, and trust reduces transaction costs. This study examines how social capital, which encompasses aspects of trust, networks, and norms, contributes to the resilience of Sasirangan craftsmen's businesses in Banjarmasin City, and how these elements are used in developing their

businesses(Ridolla & Kasmiat, 2023; Widodo, 2016). Study by(Khairani et al., 2021)identified that social capital formed through trust and norms can strengthen business governance and promote community economic empowerment. Similarly, research by(Arsita et al., 2020)focuses on the importance of social embeddedness for MSMEs, where strong social relationships form the foundation for business sustainability. Meanwhile, business resilience is often measured by a business's ability to adapt, innovate, and maintain financial stability in the face of a crisis.(Tobing et al., 2023)However, the specific interaction between social capital and business resilience in the context of Sasirangan artisans in Banjarmasin has not been widely studied. This study attempts to fill this gap by empirically testing the role of social capital as a key determinant of business resilience, specifically by analyzing the contribution of each dimension of social capital (networks, norms, and trust) to business resilience indicators (adaptation, finance, and innovation). Thus, this study is expected to provide a more comprehensive understanding of the mechanisms through which social capital plays a role in strengthening business resilience in local culture-based MSMEs such as Sasirangan artisans.(Arsita et al., 2020). The primary objective of this study is to examine in depth the influence of social capital on the resilience of Sasirangan artisan businesses in Banjarmasin City. More specifically, this study aims to:

1. Analyzing the level of social capital possessed by Sasirangan craftsmen.
2. Measuring the level of business resilience of Sasirangan craftsmen.
3. Testing how much social capital contributes to explaining variations in business resilience.

Based on the literature review and research objectives, the proposed conceptual model is as follows:

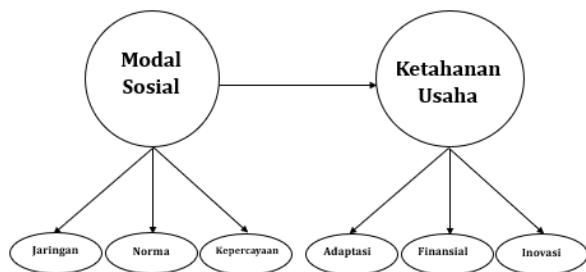


Figure 1. Research Model

The proposed hypothesis is that social capital has a positive and significant influence on the resilience of Sasirangan artisan businesses. This model was tested using the Partial Least Squares-Structural Equation Modeling (PLS-SEM) approach to analyze the relationship between latent constructs and their indicators. This study used data collected through questionnaires from 21 Sasirangan artisan respondents in Banjarmasin City.

Method

This study adopted a quantitative approach with a survey design aimed at examining the causal relationship between social capital and business resilience among Sasirangan artisans in Banjarmasin City. This research design was designed to test the proposed hypothesis using statistical analysis, which allows for the identification and measurement of the influence of the independent variable (social capital) on the dependent variable (business resilience).(Prakasa, 2018). Thus, this research framework systematically provides an empirical overview of the extent to which social capital can be a key pillar in business sustainability in the culture-based MSME sector. This study uses a quantitative approach with a causal explanatory research design. This design focuses on hypothesis testing and explaining causal relationships between variables. Data were collected through a structured questionnaire instrument, which allows for the measurement of latent variables such as social capital and business resilience through a series of observable indicators. The use of a questionnaire instrument also allows for data collection from a wider number of respondents for in-depth statistical analysis. This design was chosen because of its relevance in testing the structural model and relationships between constructs, which aligns with the research objectives. The type of data used in this study is primary data, collected directly from the original source. This data was obtained through a field survey involving Sasirangan artisans in Banjarmasin City. The questionnaire instrument used was specifically designed to measure social capital variables, which include indicators of social networks, norms, and trust, as well as business resilience variables, consisting of indicators of adaptation, finance, and innovation. The use of primary data ensures the relevance and novelty of the information collected, directly from the artisans' experiences. The study population was all Sasirangan artisans operating in Banjarmasin City. Considering field conditions, the research team

successfully recruited 21 respondents who met the research criteria. This number of respondents was smaller than the initial target, a constraint caused by several factors, namely the artisans' limited time, the reluctance of some artisans to participate in the study due to concerns regarding data usage, and the fact that some artisans were no longer active in production activities. Limited field access also posed a challenge, as the artisans' businesses were scattered across Banjarmasin. Nevertheless, data from the existing sample was still analyzed in depth to achieve the research objectives. Data analysis was conducted using the Partial Least Squares-Structural Equation Modeling (PLS-SEM) approach. This method was chosen for its ability to model the relationships between latent variables and simultaneously evaluate the validity and reliability of research instruments. The data analysis process in this study involved several main stages:

1. Construct Validity and Reliability Testing: This initial stage involves testing outer loadings to evaluate the validity of the indicators. Based on these results, indicators with low values (<0.5) are eliminated to produce a more parsimonious and robust model. Furthermore, Cronbach's Alpha, Composite Reliability, and Average Variance Extracted (AVE) values are tested to ensure the internal consistency and convergent validity of each construct. Cronbach's Alpha and Composite Reliability values for both constructs must be above 0.8, indicating excellent instrument reliability and convergent validity with an AVE value >0.50 .
2. Testing the Strength of the Relationship Between Variables
Structural testing was conducted to measure the strength of social capital's influence on business resilience. The resulting R-square value indicates the percentage of variation in the dependent variable that can be explained by the independent variables.
3. Indicator Significance Test
The final stage involves bootstrapping analysis to test the significance of the relationships between indicators. This test helps identify which indicators have a statistically significant effect ($p < 0.05$) and which do not, which can then be taken into account when refining the final model.

With a series of stages of analysis, this research was able to confirm that social capital has a substantial and significant contribution, namely 87.3%, in explaining variations in the resilience of Sasirangan craftsmen's businesses.

Results and Discussion

Results

This research has successfully collected data and conducted in-depth analysis to answer the stated objective, namely to examine the influence of social capital on the resilience of sasirangan artisan businesses in Banjarmasin City. Overall, the research has produced important findings consistent with the initial design. Data were collected through a survey using a questionnaire instrument that measured social capital and business resilience variables. Data analysis used the Partial Least Squares Structural Equation Modeling (PLS-SEM) approach, which allows for testing the relationships between latent constructs while evaluating the validity and reliability of the research instrument. An analysis of the respondents' characteristics provides valuable demographic insights into the Sasirangan artisans. Data collected from 21 respondents indicates that the majority of artisans are women (71%). This underscores the central role of women in preserving and developing this handicraft industry. In terms of age, the productive age groups 35-44 (43%) and 45-54 (43%) dominate, indicating that Sasirangan artisans are generally individuals with life experience and stability. This age distribution also suggests that they are a generation that bridges traditional craftsmanship with modern market needs.

Regarding the length of time in business, the majority of respondents (57%) have been operating for more than 6 years. This indicates that Sasirangan artisans in Banjarmasin have a high level of experience and perseverance in maintaining their businesses. This long business duration indirectly reflects strong internal resilience, which may be supported by non-financial factors, including social capital. This level of experience also correlates with a deeper understanding of market dynamics and consumer preferences. Furthermore, the number of employees in Sasirangan businesses is mostly 6-10 people (67%), indicating that these businesses are mostly micro-scale and household-based. However, the presence of businesses employing more than 5 people (86%) indicates potential for expansion and growth. This data provides important context about the operational structure of Sasirangan artisan businesses, which serves as a foundation for understanding how social capital operates on a more intimate, community-based scale. The initial stage of analysis focuses on evaluating the measurement model (outer model) to ensure construct validity and reliability.

Table 1. Outer Loadings

	Business Resilience	Social Capital
ADAPT1	0.889	
ADAPT2	0.480	
FIN1	0.474	
FIN2	0.854	
INOV1	0.750	
INOV2	0.856	
INOV3	0.722	
INOV4	0.700	
NET2		0.802
NET3		0.823
NET4		0.818
NORM2		0.416
NORM3		0.901
NORM4		0.884
TRUST1		0.735
TRUST3		0.691

Source: Processed by Smart PLS V.4 (2025)

Based on the results of the outer loadings test in Table 1, several indicators with low values (<0.5) were eliminated, such as ADAPT2 (0.480), FIN1 (0.474), and NORM2 (0.416), to make the model more robust and parsimonious. The final model produced shows that the remaining indicators have high loading values, namely Business Resilience: ADAPT1 (0.889), FIN2 (0.854), INOV2 (0.856) and Social Capital: NORM3 (0.901), NORM4 (0.884), NET3 (0.823), TRUST1 (0.735).

Table 2. Construct Reliability and Validity

	Cronbach's alpha	CR (rho_a)	CR (rho_c)	(AVE)
Business Resilience	0.867	0.897	0.898	0.535
Social Capital	0.896	0.917	0.919	0.597

Source: Processed by Smart PLS V.4 (2025)

Based on the results shown in Table 2, the reliability test results indicate that the Cronbach's Alpha and Composite Reliability values for both constructs are above 0.85. This indicates that the research instrument has excellent internal consistency. Furthermore, convergent validity is also met with an Average Variance Extracted (AVE) value for business resilience of 0.535 and social capital of 0.597, both of which exceed the threshold of 0.50. These findings strengthen the belief that the indicators used accurately represent the latent constructs being measured.

Table 3. R-square

	R-square	R-square adjusted
Business Resilience	0.873	0.867

Source: Processed by Smart PLS V.4 (2025)

Based on the results of the structural test, it shows that social capital has a very significant contribution to business resilience. This is seen in Table 3, the R^2 value of 0.873 (adjusted R^2 0.867) indicates that 87.3% of the variation in business resilience can be explained by social capital. This figure is considered very strong, confirming that the role of social capital is not only significant, but also substantial in supporting the resilience of sasirangan craftsmen's businesses. This finding clearly shows that the stronger the norms, trust, and social networks they have, the greater the opportunities for craftsmen to survive and thrive. Bootstrapping analysis strengthened these findings by showing that most indicators were statistically significant ($p < 0.05$). Significant indicators included ADAPT1 ($t = 15.707$; $p = 0.000$), FIN2 ($t = 12.664$; $p = 0.000$), NORM3 ($t = 18.729$; $p = 0.000$), and NORM4 ($t = 14.358$; $p = 0.000$). However, there were also insignificant indicators such as ADAPT2 ($p = 0.073$) and NORM2 ($p = 0.125$), which were then eliminated from the model to improve consistency. These results indicate that the modified model accurately reflects the empirical reality on the ground.

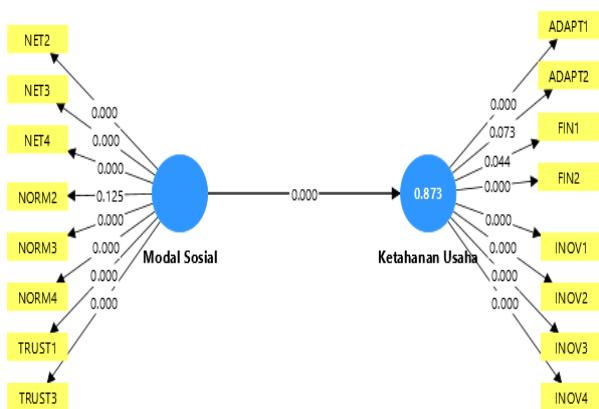


Figure 2: Bootstrapping Test

Source: Processed by SmartPLS V.4 (2025)

Social Capital Level of Sasirangan Craftsmen in Banjarmasin City

The analysis results show that the social capital of sasirangan artisans in Banjarmasin City is classified as good, with an AVE value of 0.597. This level is supported primarily by the norms (NORM3 = 0.901; NORM4 = 0.884) and social networks (NET3 = 0.823; NET4 = 0.818) dimensions. These findings indicate that artisans have strong bonds, both in terms of adherence to community norms and the strength of networks between artisans. Shared norms provide social legitimacy and facilitate collaboration, while networks facilitate access to information and business opportunities. This is in line with literature highlighting the important role of norms and networks in maintaining the sustainability of culture-based MSMEs. The existence of strong social capital is an invaluable asset that supports economic interaction and solidarity in the sasirangan community.

Level of Resilience of Sasirangan Craftsmen's Business

The resilience of sasirangan artisan businesses is categorized as moderately strong, with an AVE value of 0.535. This level of resilience is reflected by significant indicators, namely adaptation (ADAPT1 = 0.889), financial (FIN2 = 0.854), and innovation (INOV2 = 0.856). These findings indicate that the artisans' ability to innovate and maintain financial stability are key pillars of their business resilience. Artisans who are proactive in creating new products or modifying existing ones, as well as those who are able to manage their finances well, have proven to be more resilient to market challenges. These results support the conceptual framework that emphasizes innovation and financial capabilities as essential components of business resilience.

The Influence of Social Capital on Business Resilience

Structural analysis convincingly shows that social capital is a key determinant of the resilience of sasirangan artisan businesses, with an R² value of 0.873. These results confirm that social capital is not merely a supporting factor but plays a substantial role in explaining business sustainability in this sector. In other words, strong social ties, agreed-upon norms, and the trust built among artisans provide a solid foundation for weathering economic uncertainty. These findings are highly relevant because they fill an identified research gap: the lack of empirical studies specifically linking social capital to the resilience of culture-based MSMEs. This research specifically highlights how cultural and relational values, embodied in trust and norms of reciprocity, contribute significantly to the sustainability of Sasirangan craft businesses. These results scientifically demonstrate that in a creative industry that relies heavily on local identity and tradition, social capital has equal, if not greater, power than traditional economic factors.

Strategies to Increase Business Resilience through Optimizing Social Capital

Based on the research findings, practical implications for improving the resilience of sasirangan artisan businesses center on optimizing social capital. This strategy encompasses several key points:

1. Strengthening Community Norms: It's important to strengthen existing shared values and unwritten rules among artisans to support collaboration and maintain product quality. This can be achieved through regular meetings or communal activities that strengthen emotional and professional bonds.

2. Social Network Development: This strategy focuses on expanding networks, not only among artisans but also with external parties such as digital marketplaces, MSME associations, and local governments. Building a broader network will open access to new markets, resources, and a wider range of opportunities.
3. Increasing Trust: Encouraging transparency in all collaborations, both among artisans and with external partners, is crucial for building trust. Trust is a vital foundation for reducing risk and facilitating more efficient transactions.
4. Digitalization Integration: In line with the research roadmap for the coming year, it is crucial to develop a shared digital platform for product marketing and distribution. Digitalization can bridge the gap between social capital and modern technology, enabling artisans to reach a wider market while maintaining their community values.

This strategy aligns with the research roadmap developed for the 2025–2029 period, which emphasizes digitalization, strengthening strategies, model development, and sustainable policy formulation. Thus, social capital can be optimized not only as a social asset but also as a proactive managerial strategy in facing the challenges of the modern market.

Conclusion

Based on a comprehensive analysis, this study convincingly concludes that social capital plays a crucial and significant role in supporting the resilience of Sasirangan artisan businesses in Banjarmasin City. These findings empirically confirm that strong relationships, shared collective norms, and the level of trust established within the artisan community provide a solid foundation for their ability to adapt to market changes, maintain financial stability, and encourage product innovation. Thus, social capital is not merely a supporting factor, but a key determinant that enables Sasirangan craft businesses not only to survive but also to thrive amidst various challenges. Data analysis shows that norms and social networks are key pillars of existing social capital. Craftspeople have intrinsically formed close social bonds, manifested in adherence to product quality standards and inherited community values. These strong networks not only facilitate the exchange of information and resources but also foster a sense of solidarity and mutual support. This dynamic interplay between social capital and business resilience provides a deeper understanding of how non-financial assets, rooted in culture and human interaction, can effectively catalyze economic sustainability. This research provides evidence that in the context of culture-based MSMEs, relational and social forces have an impact that is equal to, and sometimes even surpasses, traditional economic factors.

Although this study successfully uncovered the essential relationship between social capital and the resilience of Sasirangan artisan businesses, several limitations warrant consideration for future research. First, the limited sample size of 21 respondents indicates that the study results, while internally robust, may have limitations in generalizability to the broader population of Sasirangan artisans. Therefore, further research involving a larger number of respondents and covering more diverse geographic areas is highly recommended to enhance the external validity of the findings. Second, this study focused exclusively on social capital; however, business resilience is a multifactorial phenomenon. Future studies could expand the scope by integrating other relevant variables, such as artisans' digital literacy levels, access to capital, or institutional support, to build a more comprehensive model of the determinants of business resilience. As practical implications, the recommendations emerging from this research are addressed to local governments, artisan associations, and other stakeholders. First, it is important to formulate policies that not only provide financial support but also actively facilitate the strengthening of social capital. This can be achieved through programs that encourage collaboration, knowledge exchange among artisans, and initiatives that strengthen community identity and norms. Second, in line with the development direction of the modern creative industry, it is recommended to integrate social capital with digitalization strategies. Training and mentoring on the use of digital platforms for marketing, stock management, or even collaborative design development will enable artisans to expand their market reach without sacrificing established social ties. Thus, social capital can be transformed into a dynamic asset that supports innovation and adaptation in the digital era, ensuring the sustainability and competitiveness of the Sasirangan industry in the future.

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