Analysis on the Influent of Human Capital and Structural Capital to Performance of Saving and Loan Economic Business in Pekanbaru

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Abstract. Microfinance Institutions (MFIs) have long been instrumental in developing people's economies and empowering the poor, while the MFI is one approach to tackling poverty, because it can serve as an institution that provides various financial services for productive and consumptive activities for poor families. The purpose of this study to examine and analyze the influence of human capital and capital Structural on the economic performance of savings and loan village in Pekanbaru City. Multiple linear regression analysis was used to test statistically hypothesized models, as well as to determine the extent to which the proposed use model was consistent with the sample data. The result of the research shows the variable of human capital and structural capital either partially or simultaneously have a significant positive effect on UEK SP business performance in Pekanbaru City.

Keywords: human capital, structural capital, UEK SP business performance

1. Introduction

In realizing the welfare of the community, the Riau Provincial Government, in cooperation with the Regency and City Government of Riau Province conduct real economic activities through Micro Finance Institutions UEK SP, which focuses on the economic activities of villages or urban economies, to assist micro-enterprises in creating jobs by facilitating capital lending requirements. To achieve this the Riau Provincial Government in 2005 issued the Governor of Riau Decree Number Kpts.132/III/2005, March 31, 2005, about General Guidelines and Technical Guidelines for Implementing Village Empowerment Programs (VEP). VEP is a program that aims to accelerate poverty reduction based on community economic development through the provision of Village Business Fund (VBF) as well as to strengthen village / kelurahan institutions, to increase the active role of sector agencies to meet the needs of facilities / infrastructure for village communities, and to encourage the institutionalization of participatory development system.

There are plenty problems that hamper development in villages especially in the economic sector. The problems are derived from (1) the economic base of the community and poverty problems, (2) the strength of state intervention that is inconsistent with the principles of good governance, (3) the weakness of economic organization and social capital and, (4) market network that does not support economic strengthening of village.Usaha Ekonomi Kelurahan Simpan Pinjam (UEK SP), as an institution that acts as a financial intermediary between parties who have the funds (surplus units) with the parties that require funds, requires a trust from the community. The existence of public trust as the philosophy underlying the business of the bank causes human capital or known intellectual capital (intellectual capital) becomes very thick in the banking business and non-bank financial institutions. The level of intellectual capital influences company performance which includes employee productivity, employee skill improvement, and profit increase.
The results of research in qualitatively showed that the implementation of main tasks by UEK SP management has not been done well, so that the community gaining benefits from the UEK SP program is not on target, which has an impact on the high of problem loans and revolving loan funds can’t be done every month which affects the queue of prospective beneficiaries who increasingly accumulate, this is due to lack of capital. With regard to this matter, the existence of the capital-giving scheme launched by the Riau Provincial Government and Pekanbaru City Government through the UEK SP approach has a strategic role as an intermediary in the economic activities of the community and MSMEs.

2. Methodology

The type of this research is quantitative descriptive research that is discussing the influence of independent variable (human capital and structural capital) with the dependent variable (economic performance of savings and loans), and the type of this research is descriptive explanatory that is explain the independent variable (human capital and structural capital) and the dependent variable (economic performance of savings and loans) were studied and the relation of independent variable with dependent variable. Population in this research is Institution of UEK SP which is in Pekanbaru City period of financial report year 2013-2015 amount 57 UEK SP. Sampling of this study using Sampling Census. This method is chosen because the sample will be taken based on the criteria set by the researcher, where the target respondent is MFIs UEK SP. The sample in this study amounted to 57 UEK SP. Data analysis used in this research is Linear Regression.

In linear regression test preceded by validity and reliability test data, normality test, autocorrelation test, multicollinearity test and heteroscedasticity test. Hypothesis testing using t test, F test and Determination

3. Findings

3.1. The Influence of Human Capital (X₁) on UEK SP Business Performance (Y)

The results showed that human capital (X₁) has a positive and significant influence on UEK SP business performance (Y) which is indicated by a probability value of 0.000 or less than α (α= 0.05) and tcount > ttable (5.652 > 1.672) and regression coefficient of 0.453, the value shows the effect of human capital (X1) on UEK SP business performance (Y) of 0.453, or 45.3%, this positive coefficient shows
the direction of the relationship is directly proportional, meaning that any increase in human capital ($X_1$) will be followed by improving UEK SP business performance ($Y$). The result of this study is also supported by the research results, that human capital affects the performance, and supported by the strengthening research results that human capital has a positive and significant influence on UED SP business performance in Riau Province.

These findings indicate that empirically human capital has an impact on improving business performance positively i.e. when human capital is increased then business performance also increases. It is in line with Bontis’ research result (1998) indicating that measurement which is subjective and structurally optimal will show valid, reliable, significant and substantive relation between intellectual capital dimension with business performance. Human capital is the organizational potential of a hidden individual knowledge, that is, the skills necessary to perform its functions within the organization. Human capital is defined to have four combined factors in the individual level, namely genetic inheritance, education, experience, and attitudes toward life and business.

3.2. The Influence of Structural Capital ($X_2$) on UEK SP Business Performance ($Y$)

The results showed that structural capital ($X_2$) has a positive and significant influence on UEK SP business performance ($Y$) which is indicated by a probability value of 0.000 or less than $\alpha$ ($\alpha = 0.05$) and $t_{count} > t_{table}$ (9.508 > 1.672) and regression coefficient of 0.533, the value shows the effect of human capital ($X_1$) on UEK SP business performance ($Y$) of 0.533, or 53.3%, this positive coefficient shows the direction of the relationship is directly proportional, meaning that any increase in structural capital ($X_2$) will be followed by improving UEK SP business performance ($Y$). Structural capital variable has a significant influence on business performance. These findings suggest that empirically structural capital is always or a decisive factor in improving business performance. The findings also indicate that the performance of UEK SP financial institutions can be determined by structural capital variables.

The results of this study in accordance with the results of research from, which shows that human, relational and structural capitals affect the performance of the company, but only structural capital directly affecting business performance. The impact of large structural capital is on UEK SP business performance in Pekanbaru City because the government interference against UEK SP resulting in UEK SP performance is not natural. This is because UEK SP managers have not been able to manage UEK SP professionally and independently. Basically, this is a weakness of the management system (management). Structural capital is the ability of organizations or business institutions to meet the company's routine processes and structures that support employee efforts to produce optimal intellectual performance and overall business performance. MFIs UEK SP with strong structural capital will create the desired conditions to utilize human capital and enable human capital to realize all potential and then generate capital of innovation and relationship capital.

3.3. The Influence of Human Capital ($X_1$) and Structural Capital ($X_2$) on UEK SP Business Performance ($Y$)

Human capital ($X_1$) and structural capital ($X_2$) simultaneously have an influence on UEK SP business performance ($Y$) which is indicated by a probability value of 0.000 or less than $\alpha$ ($\alpha = 0.05$) and $F_{count} > F_{table}$ (43.51 > 3.16), meaning there is positive influence of human capital variable ($X_1$) and structural capital ($X_2$) simultaneously to business performance variable ($Y$). Adjusted R_Square value of 0.652 means that the influence of human capital ($X_1$) and structural capital ($X_2$) simultaneously to UEK SP business performance ($Y$) is 65.2%.

Human capital and structural capital simultaneously have an influence on business performance. These findings show that empirically human and structural capital can simultaneously determine the UEK SP business performance of micro-finance institutions in Pekanbaru City.
The result of this study in accordance with the result of research from which shows that human capital and structural capital have an influence on business performance. Human capital business institutions have the potential to build market orientation for consumers. The better the employee competence is, the better the employees understand the needs of consumers and will increasingly also able to develop customer capital to hold consumer loyalty. MFIs UEK SP which invests heavily to become a focus on consumers and becomes a market maker will absolutely be able to improve or improve its business performance. Consumers are the key for a company whether it will survive or not. If the consumer is loyal to the company, then business performance will be well maintained.

Structural capital is a very important thing for an organization to create products with added value and to gain a competitive advantage. If an organization has very bad structural capital, it will be very difficult to take full advantage of the IC as a whole. Strong structural capital can enable an organization to maximally benefit from its own IC. It can be concluded that the structural capital of an organization consists of infrastructure, systems and policies, as well as an organization's procedures that have an influence on business performance.

![Figure 2. Research Result](image)

4. Conclusion

1) Human capital influences UEK SP business performance in Pekanbaru City. These findings indicate that empirically it can affect UEK SP business performance in Pekanbaru City

2) Structural capital influence to UEK SP business performance in Pekanbaru City. The significance of these findings indicates that empirically structural capital is always or is a determinant factor of business performance of microfinance institutions for UEK SP.

3) Human capital and structural capital influence the business performance UEK SP in Pekanbaru City. The significance of this finding of human capital in structural capital is empirically a determinant of UEK SP business performance.

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