Impact of Socio Demographic, Social Capital and Human Capital to Job Opportunity and Community Satisfaction Wellbeing Case Study of North Bali Province Indonesia

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ABSTRACT

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The social capital and human capital have been growing important to community development in rural sector. Moreover, socio demographic is relatively abundance in emerging countries that occupied in rural sector. To be expand, social capital can be significant factor as determinant for making income generating resources in rural sector integrated by human capital to improve satisfaction wellbeing of the community.

We develop model integration of social capital and human capital as instruments to have information available of job opportunity and its potentially impact to satisfaction wellbeing of community in rural sector as focused in the case of rural sector in Indonesia. The results have found that social capital took a significant role in rural sector. The social capital and human capital have significant link strong impact to have a look more job opportunity. Social capital and human capital almost figured as mediator latent variable in connecting social demographic as main sources to create job opportunity and positively impact to satisfaction wellbeing of the rural community in Bali, Indonesia.

Introduction.

Demographic variables as the determinant factors in developing economic growth is one of relevant focus study intense for Indonesia, with population today is more than 240 billion and with decentralized to local government distributed in 34 provinces. This paper is focus on demographic as economic variable that affect social capital and human capital as the double mediator that effect the employment outcome based on

Gezinski (2011), find-out that social capital and human capital have successfully mediated demographic variables to influences job search and employment outcome.

Theoretical development recommended that the differentials in worker productivities have long been recognized as an important source of wageinequality (Becker, 1964). Carrillo-Tudela (2012) developed the correlation between wage inequality and human capitalas the determinant factor searching for jobs. Empirical evidence shown the policy needed to encourage the accumulation of human capital,and community participatory interventions needed to increase social capital (Gezinski, 2011). To be expanded, the last target of job available is to form individual satisfaction well-being, therefore the relation between job involvement and satisfaction well-being can be the aspect of long-term consideration of the employee as human capital asset.

The strategic issues of employee as an asset of human capital cab be connected with the environment work, job condition and wages different that will be impact satisfaction well-being of the employee. Many studies have shown that the work environment can have a major effect on employee well-being. Some factors that coincide with reduced well-being of employee such as the condition of work overload, time pressure, and lonely that all caused job stress, otherwise job resources generally have a favorable effect on well-being. Resources such as job learning opportunities, and performance feedback have been observed to have a positive effect on work engagement (Bakker, 2011and job satisfaction (Sousa-Poza & Sousa-Poza, 2000).

The employee opportunities is not only the problems of the lack of human capital quality, but also it relation with effective of communication among individual. In this case, as Putnam (1995) and Coleman (1988) states that the concept of social capital can be as an extension of human capital strengthen. Social capital as an assets like human capital is considered to have potential solution for strengthening human capital capability to build more productivity within the labor market. Schneider (1996) defines that social capital is a social relationships and patterns of trust which enable people to gain access to resources such as government services or jobs and social capital refers to the social relationships which people try to cultivate

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within various social settings as well as the potential resourcesof these relationships that people may use to pursue social and economic goals (Li, 2004).

Brisson (2009) have found that the higher levels of social capital have boosted employment opportunities and incomes, reduced poverty and work-family conflict, increased savings and assets, and improved access to credit. Social capital is also associated with positive outcomes regarding satisfaction well-being reform efforts, as the acquisition of social capital that successfully assist in low-income persons 'efforts to secure employment and improved valuable services child care and health care (Lévesque, 2005). See figure 1.

Figure 1. Construct and Dimensions

Resources	Primary Construct	Secondary Construct	Indicator	Symbol
Putnam (1995); Schneider (2002) Brisson (2009)	2. Social Capital (X2) - Reflective	Network	Fittingness	X2.12
			Cheapness	X2.13
			Peacefullness	X2.15
		Trust	Communication	X2.21
			Responsiveness	X2.22
			Corporation	X2.23
		Norms	Rule	X2.31
			Punishment	X2.32
			Institutions	X2.33
Lewinski(2011) Bakker(2011)	1. Socio emographic X1 Reflective		Age	X1.1
			Family size	X1.2
			Housing quality	X1.3
Carrillo-Tudela (2012) Lévesque, 2005	3. Human Capital (X3) - Formative		Formal education	X3.1
			Training practice	X3.2
			Body health	X3.3
Becker, 1964 Carrillo-Tudela (2012) Sousa-Poza , 2000).	4. Job Opportunities (Y1) - Reflective		Extravagance	Y1.1
			Togetherness	Y1.2
			Neurotic	Y1.3
			Inner	Y1.4
			Openness	Y1.5
Campbell, *et.al.*, (1976), Andrews & Robinson 1991 Kim et al (2013	5. Life of Satisfaction		Material well being	Z1.1
	(Z1) - Reflective		Community well being	Z1.2
			Emotional well being	Z1.3
			Save and secure	Z1.4

Job opportunities success would be greater impact to satisfaction well-being. The measurement of satisfaction wellbeing is developed as an extension of tradition in mainstream welfare economic suggests that higher levels of income areas associated with higher levels of wellbeing. The main premise of that mainstream is that welfare is solely dependent on income.

Some development concepts of satisfaction wellbeing as developed by Cambell et al (1976), Andrew & Robinson (1991) and Kim et al (2012) provide empirical evidence that supports the positive relationship between income and well-being and happiness. The development of satisfaction wellbeing measurement have four dimension that that is (a) material wellbeing, (b) community well-being, (c) emotional wellbeing and (d) save and secure. This paper in developed SEM PLS research perception modeling that captures relational causality between constructs and it dimension, as Shawn in Figure 1.

RESEARCH METHODOLOGY

Research Design

Our study has been conduct primary data sources using questionnaire as research instrument. First, we evaluated the validity of instrument used using small sample with 30 respondents collected from household selected located in in North Bali Indonesia. Based on cronbach procedure for reliability and factor analysis of Keizer-Meyer-Ohlin (KMO) for testing validity of the instruments. Supporting by statistical software, we found that cronbach Alpha is 0.89 and KMO score is 0.97. According to both of statistical results, we can concludes that instruments we used is ready for doing research with sampling methodology drawn from population. .

Study Location

The study was focus on demographic latent variable and the dynamic of social capital and human capital as determinant factors in influencing job opportunities and therefore will be impact to satisfaction wellbeing. Our study location is being choose because of outside from the center of economic growth that located in south of Bali. Our research is conducted for clearly reason that the development strategy for north

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Bali area will be expected to have contributed the way solution for redistribution income reason and reducing income gap between south and north of Bali regions, Indonesia.

Population and Sample Size Estimation

The household population of North Bali area is more then 100.000 , however, this research is focus on rural sector with sample estimates for 100 sample . We targeting by 100 sample under consideration of the basic study of predicted orientation using SEM PLS, as recommended by Chin (1988); Tenenhouse (2004). However, we applied proportional random sampling to ensure that the sample size sources that can be representative from the population of rural sector in north Bali region.

RESULTS AND DISCUSSSION

SEM PLS is applied as meteorological tools to find some empirical testing procedures using SmartPLS version 3.1.5.2 (Ringle et al., 2012).An advantages of SEM PLS is the ability of statistical methods that would be developed this research model to specify reflective and formative indicators. As recommended by Jarvis et al (2003); Petter et al (2007), when indicators are incorrectly specified, there is an increase in both Type I and Type II errors. In this model, human capital construct is design as formative construct because of some theoretical consideration that indicator potentially caused the construct (Diamantopoluos and Winkhofer, 2001); Jarvis et al, 2003); Hair et al (2012).

First, under reflective constructs, all of the indicators were manifests with unidimensional covary (Jarvis et al, 2003). Second, under formative construct, all the indicators arrows were reverse that directly moved from indicators to the construct. Third, the evaluation of reliability and discriminant validity only focus for reflective constructs that were conducted using cronbach Alpha, composite reliability, rho_A and evaluation supporting by average variance extracted (AVE). The validity testing procedure of reflective constructs have been done usingFornell Larcker (1981), cross-loading evaluation and heterotrait-monotrait ratio (HMR) as recommended by Henseler et al (2015). The last steps of validity testing of the research instrument is to evaluate the formative construct VIF multicollinearity test to ensure the information quality of the formative construct. According to Lowry and Gaskin (2014), a VIF value of 10 is accepted.

Hair et al. (2016) suggested that the VIF above 5.00 can be signed of collinearity exist. Our data have founds that all indicators in the inner and outer model exhibited VIF below 4.00, therefore confirming absence of collinearity problems. We believe that validation evaluation of the research instrumentsshould be conducted before entering the next inner-model testing procedure.

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Measurement Model Estimation

The goal of empirical measures of the model is to determine how well the theory fits the data, so that empirical measures delivered information about the relationships between the indicators and the constructs must under the consideration before the next inner model is applied. SmartPLS is used and apply a set of non-parametric evaluation criteria such as bootstrapping methods to evaluate the measurement results. The Statistical report of reliability test is presented in Table 1.

There were four basic evaluation types conducted to form a reflective measurement model connecting with reliability test as presented in Table 1.1. The cronbach Alpha is found greater than 0.60, as followed by the same result of rho_A, composite reliability, and the last evaluation of AVE indicates greater then 0.50, so that all statistical result supporting for reliability of constructs (Chin, 2010); Hair et al (2014).

Table 1. Statistical report of reliability test.

	Name of construct	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
X1	Socio Demographic	0.833	0.832	0.900	0.751
X2	Social Capital				
X2.1	Network	0.626	0.652	0.802	0.579
X2.2	Trust	0.727	0.730	0.846	0.647
X2.3	Norms	0.846	0.848	0.907	0.764
Y1	Job opportunities	0.883	0.889	0.915	0.682
Z1	Satisfaction well being	0.874	0.876	0.914	0.726

The next steps is to investigate the validity test using Fornell-Larcker discriminant validity test, and cross-loading validity test and heterotrait-monotrait ratio as developed by Henseler et al (2015).

Table2. Statistical report of Fornell-Larcker Test

	X1	X2	X2.1	X2.2	X2.3	Y1	Z1
X1	0.867						
X2	0.582	0.652					
X2.1	0.486	0.614	0.761				
X2.2	0.498	0.858	0.342	0.805			
X2.3	0.399	0.871	0.352	0.677	0.874		
Y1	0.434	0.741	0.451	0.599	0.722	0.826	
Z1	0.251	0.430	0.207	0.326	0.495	0.526	0.852

Based on Table 1.3, all constructs indicated discriminant validity existed because the square root of the AVE value on the diagonal for each latent variable was larger than the correlations among the latent variables. In this case, the Fornell-Larcker criterion of discriminant validity is support. An others validity test procedure is the cross-loading testing procedure that is presented in Table 1.4. Based on Table 1.4, each indicator loading on the associated latent variable was greater than all indicator loadings latent variables; so that we can conclude that the research instruments designed is indicated valid discriminant.

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Table3. Statistical report of Cross-loading

	X1	X2.1	X2.2	X2.3	Y1	Z1
X1.1	0.904	0.429	0.456	0.289	0.369	0.208
X1.3	0.891	0.438	0.411	0.357	0.393	0.235
X1.6	0.802	0.395	0.425	0.387	0.366	0.208
X2.11	0.301	0.608	0.420	0.445	0.453	0.200
X2.12	0.362	0.819	0.270	0.252	0.356	0.231
X2.13	0.441	0.838	0.275	0.293	0.368	0.072
X2.14	0.409	0.707	0.314	0.360	0.356	0.226
X2.15	0.298	0.605	0.234	0.263	0.302	0.175
X2.21	0.561	0.224	0.738	0.614	0.513	0.225
X2.22	0.488	0.305	0.818	0.542	0.461	0.299
X2.23	0.465	0.218	0.705	0.625	0.527	0.263
X2.24	0.363	0.224	0.774	0.540	0.441	0.248
X2.25	0.352	0.293	0.821	0.554	0.539	0.241
X2.31	0.229	0.269	0.427	0.504	0.408	0.344
X2.32	0.367	0.305	0.623	0.882	0.644	0.406
X2.33	0.362	0.397	0.599	0.875	0.643	0.502
X2.34	0.314	0.211	0.550	0.865	0.605	0.386
Y1.1	0.454	0.397	0.557	0.660	0.853	0.440
Y1.2	0.333	0.290	0.493	0.596	0.796	0.311
Y1.3	0.410	0.400	0.508	0.619	0.858	0.464
Y1.4	0.238	0.381	0.558	0.600	0.854	0.474
Y1.5	0.353	0.384	0.339	0.499	0.763	0.470
Z1.1	0.183	0.183	0.313	0.398	0.439	0.856
Z1.2	0.231	0.170	0.356	0.444	0.487	0.830
Z1.3	0.118	0.145	0.159	0.432	0.415	0.833
Z1.4	0.315	0.206	0.267	0.410	0.442	0.887

The third test evaluation of validity is heterotrait-monotrait ratio that presented in Table 1.5. Under SmartPls calculation, the computed HTMTvalues were distributed more than a half less than 0.85, so that we confirm discriminant validity.

Table 4. Statistical report of Heterotrait-monotrait Ratio

	X1	X2	X2.1	X2.2	X2.3	Y1
X2	0.682					
X2.1	0.672	0.895				
X2.2	0.640	1.041	0.507			
X2.3	0.472	0.969	0.484	0.862		
Y1	0.505	0.823	0.607	0.741	0.833	
Z1	0.291	0.476	0.285	0.404	0.573	0.593

Empirical result of using reflective model based on the testing procedure that have done for the three methods support for discriminant validity. The next measurement test is to evaluate formative human capital construct using VIF multicollinearity test. The statistical result is presented in Table 5.6. As a matter of fact, all value of VIF distributed below then 3, so that we have said that the formative construct is free from the multicollinearity problems.

Table 5. Inner-VIF and Outer-VIF

	X3	Y1	Discription
X3.	-	1.474	Inner-VIF
X3.1	2.381	-	Outer-VIF
X3.2	1.737	-	Outer-VIF
X3.3	1.871	-	Outer-VIF

Hypothesis Testing Results

The structural model were first evaluated and inspecting the coefficients of determination (R^2) to ensure the quality criteria of the model. Table 1.5 shows the obtained R^2 values. The R^2 values ranged from 0.276 to 0.682. Since all the constructs have value greater than R^2 adjusted, indicates that the research model still have opportunity to insert some others latent variable for future research development. The R^2 value of Job opportunity construct is 0.682 indicates as the domain role of the model construction of this research.

Table 6. The Quality criteria of R^2 and R^2 adjusted

	R Square	R Square Adjusted
X2 Social Capital	0.339	0.330
X3 Human Capital	0.322	0.304
Y1 Job Opportunity	0.682	0.669
Z1 Satisfaction WB	0.276	0.267

Another important information is the Cohen's effect size f^2. Table 7 provides the computed values for Cohen's effect size f^2. From Table 7 can be notes that both of social capital and human capital have value greater than 0.30, so that strong possible of mediation will be exist.

Table 7. Cohen f^2 Calculation

	R Square	f_excludes	f_includes	f2
X2 Social capital	0.339	0.34	0.682	0.52
X3 Human Capital	0.322	0.36	0.682	0.53
Average	0.331	0.352	0.682	0.53

The five constructs of this research have contains seven direct effect relation with four mediation detection. First, is the indirect effect of socio demographic to job opportunities through social capital. Second, is the indirect effect relation of socio demographic to job opportunity through human capital. The third, is the indirect effect of socio demographic to human capital through social capital. The last is the indirect effect relation of human capital to job opportunity through human capital. The seven direct relations with four mediations that hypothesize in this research are presented in Figure 2.
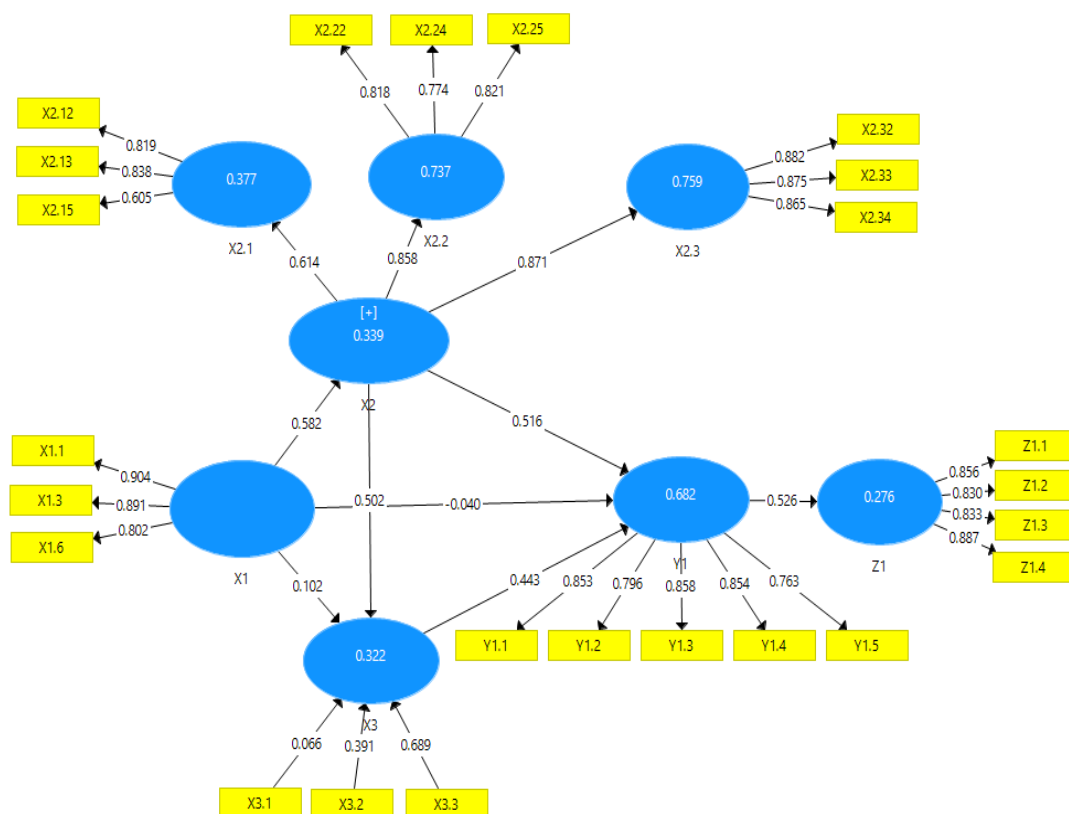
Figure 2. Path relation between Constructs

Empirical test found five hypothesis successfully answered, two others fail to get a significant level.To be expanded, all the mediation test empirically successfully answered. Figure 8 presented the statistical report of seven construct indicates two constructs fail to answer hypothesis, 5 others were successfully answer with 5% significant level. The two constructs were fail to statistical significant report is socio demographic relation to human capital and the socio demographic relation to job opportunities. Table 8 present statistical report of all the direct effects of model constructions.

Table 8.The Statistical Report and the Level of Significant

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics O/STDEV	P Values	Discription
X1 -> X2	0.582	0.582	0.088	6.589	0.000	Support
X1 -> X3	0.102	0.095	0.137	0.744	0.229	Not Support
X1 -> Y1	-0.040	-0.046	0.070	0.573	0.284	Not Support
X2 -> X3	0.502	0.517	0.115	4.351	0.000	Support
X2 -> Y1	0.516	0.523	0.113	4.586	0.000	Support
X3 -> Y1	0.443	0.441	0.110	4.015	0.000	Support
Y1 -> Z1	0.526	0.537	0.113	4.672	0.000	Support

Research Question 1.

The research question number 1 is that socio demographic (X1) have positive influence to social capital (X1) successfully answered. The statistical t test value of 2.045 is greater than 5% t.05 = 1.96, hence we can conclude that socio demographic have positive impact to increase social capital.

The R^2 value of 0.339 indicates medium level. The value of f^2 of social capital is 0.35is can be categorized as strong effect (Cohen, 1988) and will be possible as moderator of socio demographic to have impact on job opportunity. We can conclude that the change dimension of socio demographic will be increased the positive impact of social capital dimension.See Table 8.

Research Question 4.

The research question number 4 : that social capital have positive impact to human capital is successfully answered. The statistical t test value of 4.353 is greater than 5% t.05 = 1.96, hence we can conclude that social capital dimension has positive impact to increase human capital. The R^2 value of human capital construct is 0.332 indicates medium level. The value of f2 of human capital is 0.35 that has strong effect (Cohen, 1988). and will be possible as moderator of social capital and socio demographic to have impact on job opportunity. We can conclude that the increasing dimension of social capital in strengthen the capacity of human capital is empirically support.

Research Question 5.

The research question number 5, that social capital have positive impact to job opportunity is successfully answered. The statistical t test value of 4.351 is greater than 5% t.05 = 1.96, hence we can conclude that social capital has positive impact on job opportunity is support. We can conclude that the the positive change of social capital is strengthen and expanding job opportunity is empirically support.

The Research Question 6.

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Research question number 6, that human capital have positive impact directly to job opportunity is successfully answered. The statistical t test value of 3.758 is greater than 5% for t.05 = 1.96, hence we do believe that that human capital has impact beneficial directly to expand job opportunity.

The research question number 7

Research question number 7, that job opportunity have positive impact to satisfaction well-beingis successfully answered. The statistical t test value of 4.804 is greater than 5% for t.05 = 1.96, hence we can conclude that job opportunity construct has positive impact to increase satisfaction well-being. We can conclude that the expansion of job opportunity will be change positively of satisfaction well-being of the society and have to believe that the more greater chance of job opportunity will be increased satisfaction wellbeing of the society.

DISCUSSION AND FACT FINDING

A mediation role as important investigation that a mediator when it lies in the way of a causal chain between two other constructs. The mediator may have full mediation or partial mediation so that the independent variable has no statistically significant effect or a diminishing statistically significant effect on the dependent variable is possible to be an outcome. Test for mediation is performed to establish the full homological validity of the model and the test is done in stages (Baron & Kenny, 1986; Hair et al (2014), but can be done in Smarts in one run by doing a bootstrap and examine the total effects portion of the default report (Lowry & Gaskin, 2014); (Sestet et al (2014).

The next step is to check for the strength of mediation in the two relationships in order to convey its practical significance. We used VAF (Variance Accounted For) to evaluate the strength of indirect effect compared with total effect (Shroud& Bolger, 2002). Table 9 presented the calculation result of VAF formula.

Table 9. Statistical Calculation of VAF

	Direct Effect	Indirect Effect	Total Effect	P Values	VAF
X1 -> X3	0.102	0.292	0.394	0.000	0.74
X1 -> Y1	-0.04	0.475	0.435	0.000	1.09
X2 -> Y1	0.516	0.222	0.738	0.001	0.30

Our finding have found as presented in Table 9, as notes from the theory that VAF > 80% could be full mediation, the range between 20% and below 80% could be partial and less than 20% will be no mediation. Based on Table 9, we have found four mediated relation successfully answered as partial and full

mediation. Social capital successfully mediated social demographic to impact job opportunity and human capital successfully mediated social capital to impact job opportunity, both of them were captured as partial mediation by the VAF value reason below than 0.80. Otherwise, we have found the couple mediation of socio demographic mediated by social capital together with human capital to strengthen job opportunity as full mediation by the VAF value more than 0.80.

The next step was the mediation role of social capital together with human capital as the fact finding outcome and would be stand as contribution study of this research. As presented in Table 10, one couple mediation and two others have found to be significant with 5% significant test. According to this empirical statistical support, our finding confirm both of social capital and human capital were significant contribution study in this research. First, is the role of social capital and human capital as a couple mediations for encouraging job opportunity. Second, is the role of social capital mediated socio demographic through human capital. Third, is the role of human capital mediated social capital throught job opportunity.

Table 10.Statistical report of Indirect Effect

Relations	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics O/STDEV	P Values
X1 -> X3	0.292	0.302	0.086	3.383	0.000
X1 -> Y1	0.475	0.482	0.097	4.905	0.000
X2 -> Y1	0.222	0.226	0.074	3.000	0.001

This study investigated the contributions of social capital such as network, trust and norms that empirically supportas directly effect to job opportunity and also the form of social capital as intervening. Klyver and Terjesen (2007) and Gezinski (2011)confirm empirically evidence of social capital as mediator of demographic component through impact to economic benefit, and the same empirical research also have been found in Lin (1999).

This research have found the different focus study with Grootaert (1999) for the case of rural sector in Indonesia. Our research have found that norms is typically strong reflection of socialcapital dimension, otherwise Grootaert have found network ties bonding as significant dimension reflection for community in rural sector Indonesia. However, in the context of human capital, this research have the same direction with Cunningham (2004) that the strong social capital impact to decision making process of household that dominated by social structure rather than individual decision process. Otherwise, socio demographic characterized as the bahavior of that Bjarnason and Thorlindsson, (2006) states, that rural sector fully

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demonstrated as people tends to have a dream as *bright lights effect* (Rye, 2006), moved to urban area to see more job opportunity after training they can get, and rural sector occupied with un-skilllabor.

However, this research have been noted that social capital and human capital have strong linked can be found in some studies (Glaeser, et.al., 2002; Florin, *et.al.*, 2003; Lester, *et.al.*, 2008). Spencer and Pahl (2006) states that social capital become more important study in the future because of it significant role in determinant society welfare. This research also notes that human capital dimension can be developed more priority of training rather than formal education. Society culture and income level have strong combined effect to place on training practice is more essential solution for expanding more job opportunity as differ from Abowd et al (1999); Hornstein et al (2011) where formal education is more important solution for finding jobs.

Contribution Study

This research is built on many previous research works, mostly Gezinski (2011), (Becker, 1964). Carrillo-Tudela (2012);Sousa-Poza & Sousa-Poza, 2000).Putnam (1995) Cambell et al (1976), Andrew & Robinson (1991) and Kim (2015)   The primary contribution of this research is the role of social capital together with human capital as mediator of socio demographic in support satisfaction wellbeing.   The research model adopts the positivist paradigm and takes into account the effects ofbehavioral social capital perceptions tohave contributed to economic value, intention, attitude,and perceived behavioral support to satisfaction wellbeing for rural community cases. The study also offers a new evidence that social capital attitude   empirically support as mediation in strengthen human capital dimension for job opportunity expanding and generating income satisfaction wellbeing for rural community. Third, this study verifies and clarifies some results from previous studies,as covered in Glaeser, et.al., 2002; Florin, *et.al.*, 2003; Lester, *et.al.*, 2008). Spencer and Pahl (2006) that social capital become more important subject for future research.

CONCLUSIONS

The results have found that social capital took a significant role in rural sector. The social capital and human capital empirically could be integrated and empirically have strong impact to have a look more job

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opportunity. Socio demographic fail to get direct effect to job opportunity, so that social capital and human capital almost figured as mediator latent variable in connecting social demographic as main sources to create job opportunity. We believe that better together community behavior should be more attention and make an effort to create some advanced innovation for strengthen social capital ties as the key solution for rural community solution to support the income generating community in rural sector.

Limitations And Future Extensions

This study's results are subject to some limitations that need to be considered. , Firstly, this study is developed a small model integration of social capital and human capital as an instrument of satisfaction wellbeing, while the complexity of satisfaction wellbeing will be determined more than those of the constructs.

Finally, the inherent algorithm on which the PLS-SEM is based on three month time periods of primary data, hence this limitation of data survey should not guarantee to predict an establishment attitudes in the future. The future research should be plan to organize longitudinal data that will be need to ensure the behavior change of community participation in determining the tourism destination quality.

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