

Enhance Empowerment And Generation Z Are Influence By Human Capital And Social Capital Through Social Media Smes Startup In Madura Indonesia

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Abstract

There is a pattern of young people in the Generation Z group who very dependent on Social Media so That it will indirectly have an impact on their economic and Social life. Therefore, efforts to maintain balance in the life of Generation Z pay attention to lifestyle and stimulus to develop and be sustainable. This is closely related to human resource empowerment. The results of this study want to examine in depth the role of SMEs as drivers of the economy in Madura, Indonesia. such as in 2019 - 2020, when there was a lockdown, but SMEs were able to grow and develop. However, in 2024 - 2025, a very concerning condition emerged. Based on BPS data, it is said that the number of unemployed people has currently increased by 83 thousand people with a total of 7.2 million people. This condition may occur due to the global situation and the national economy. Not only in Indonesia. Based on CNBC data in America, currently in 2024, 700 companies have gone bankrupt. This is the highest in 14 years. So this study examines the role of human capital and social capital in relation to empowerment and Generation Z as the actor. This article observes young people from the Generation Z group, aged 14-30, who have started pioneering SMEs startups, in Madura. With correlation regrestion analysis and multiple using AMOS Smart PLS in term of data processing. The result show that Generation Z and Empowerment are influenced by the skill. Knowledge, experience possessed by an individual or population and the networks of relationships among people who live and work in a particular society both directly and indirectly through startup businesses in Madura Indonesia. By understanding the lifestyle of the people, especially in Madura, they should get more portion from the Regional Government in tern of advancing the economic sector and maximizing the potential of young people in term of starting new businesses while also aligning them with their level of education. Observations on the pattern of young Generation Z and also their continued Empowerment as business actors in SMEs field which are now mushrooming in Madura.

Keywords - Human Capital, Social Capital, Empowerment, Gen Z, Social Media, SMEs Startup.

INTRODUCTION

Efforts to increase the Human Development Index (HDI) in Indonesia from previously only around 60% (BPS, 2022). In this case, there are several benchmarks for human development. (Radwa Ahmed Abdelghaffar & Samak, 2022) In addition to three components (age, education and economy) in measuring HDI, the next step is to look at the situation of technological developments which are increasingly advancing rapidly (Radwa Ahmed Abdelghaffar & Samak, 2022). The role of social media is now able to influence people's lifestyles.(Maria Giovanna Confetto, Claudia Covucci, Felice Addeo, 2023) Including in the world of education also take advantage of it (Ismail Celik, Muhterem Dindar, 2022). In addition, there is a comparison in terms of social capital in society which contain three elements, namely bonding, bridging, and linking in culture and technology (Ulpiana Kocollari, Alessia Pedrazzoli, Maddalena Cavicchioli, 2022). By definition, bonding is a strong bond in society because there are many similarities between its members. Meanwhile bridging is a loose bond with people outside the different communities. And linking is a bond because of someone's figure or a higher position. Social Capital significantly influences Generation Z both partially and also influence Empowerment (Marhaeni & Setiawina, 2019); (Maria Giovanna Confetto, Claudia Covucci, Felice Addeo, 2023).

So this research is to explore the relationship between human capital and social capital in relation to empowerment and generation Z through social media.

LITERATURE REVIEW

Social Media is an internet-based technology that facilitates the creation and exchange of information, ideas, interests and other forms of expression through virtual communities and networks. The technological advance encourages changes in all lines. Involvement of Social Media (SM) in influencing empowerment indirectly through Human Capital (HC) (Marhaeni & Setiawina, 2019). Social Media has an impact related to the utilization of human resources both directly and indirectly. There are two indicators to determine the extent to which empowerment is carried out, namely product innovation and sales system. Both of them carry out an analysis related to sales results which are a benchmark for the success of a sale.

While the social capital variable needs to be reviewed for several indicators including norms with elements of hard work and upholding honesty. An indicator of trust that can be achieved through maintaining the quality of its product and services, deliver goods on time and maintain consumer trust. The next indicator is a network that can be achieved by establishing relationships with consumer, maintain good relation with raw material providers, lender/banks, and also with the government. While human capital variables with indicators include knowledge, skills, and commitment. The existence of Social Media can change the behavior of a person who tends to make more friends than at first who tend to live alone (Zhou, 2011). Human capital and social capital currently play an important role due to the development of digital technology and the use of social media. The functions of Social Media there are for connecting people in different parts of the world. Being a source of news and current trends. Providing funny, interesting, or inspiring content. Important tools for digital marketing and personal branding. And social media can build a community with the same interests or goals (Nina Verishagen, 2019).

The positive impact of social media can expand social networks, supporting learning and innovation, being a means of promotion and business. Besides that, social media has negative impacts, including potential for addiction, cyberbullying, spread of hoaxes or disinformation, and data privacy crisis (Joshua Brunty and Katherine Helenek, 2014). Nowadays, social media is very important in all business worlds. Many managers or professionals use social media to measure their success (Gattiker, 2014).

Human Capital

Knowledge management development and its impact to organizational development which encourages economic growth through the education sector (Barro, 1999) the key to a country's economic growth is by minimizing transaction costs, reducing the risk of uncertainty, and facilitating access to the financial sector (Levine, 1997). The growth rate of a country's human capital is not the same, especially if it is also associated with the financial sector (Barro, 1999). The link with the availability of labor is directly proportional to the quality of education and also life opportunities (Blundell, R., Dearden, L., Meghir, C. and Sianesi, 1999). It is hoped that there will be harmony between the growth human capital index and the quality of education and economic growth in the region.

Social Capital

Social capital is the networks, relationships, norms, and trust within a community or group that enable cooperation for mutual benefit. Social capital can be formed in families, communities, organizations, and even the wider society (Alireza Ghahtarani, 2019).

In this case there is a discussion regarding relations in society are closely related to empowerment (Ulpiana Kocollari, Alessia Pedrazzoli, Maddalena Cavicchioli, 2022) There is a close bond in a community because there are many similarities between members (Hoffmán, J.J., Hoëlschër, M.L. and Shërif, 2005).

In social capital will be able to build solidarity such as mutual cooperation without waiting for government assistance and the increase in economic efficiency with the existence of community networks, in addition to improving education such as providing a place to learn and mentoring for young people. Social learning and physical and spiritual health of the community so that they become healthy and happy. Jiayuan Zhang, 2025 using a mixed method between social capital and social networking. It was found that social capital has a strong influence on social networks, but does not have much impact on people's social life.

Empowerment

The empowerment focus in this article is young people who are very different from technology. The existence of digital education technology encourages them to be more critical, active, and always want a change to be a better place. The existence of human capital and social capital will run optimally if followed by the mastery of technology that is developing at this time. Create an environment that supports the

change. For example, now they have to be friends with social media to be able to market their products. Trying to get along with business actors, both as incumbents and startups. Expanding the network through Social Media is often done in today's era. The need to create digital-based product variations (Tiszá, G., Papavlasopoulou, S., Christidou, D, Voulgari, I., Iivari, N., Giannakos, M.N., Kinnula & Márkopoulós, 2019). Regarding relationship between Empowerment and take advantage of Social Media for the future (Jennings, 2006).

Generation Z

In this case, Generation Z is synonymous with young people who are always connected to Social Media (Maria Giovanna Confetto, Claudia Covucci, Felice Addeo, 2023) consists of something continuous. Among Them are sustainable in the environment, sustainable in consumption, and sustainable in Social Media activities. Generation Z are those aged 15 to 40 years (Francis, T. and Hoefel, 2021) They use Social Media intensively hence the impact on attitudes and behavior (Duffett, 2017).

Table 1. Variable Operational Definition

N	VARIABLE	INDICATOR	Reference Source
O			
	Exogenous Variable		
1	Human Capital (X1)	X1.1 Knowledge X1.2 Skill X1.3 Commitment	(Marhaeni & Setiawina, 2019) (Voydanoff, 2001) (Voydanoff, 2001)
2	Social Capital (X2)	X2.1 Hard work and Honest X2.2 Partner X2.3 Trust X2.4 Network	(Jennings, 2006) (Jennings, 2006) (Jennings, 2006) (Jennings, 2006)
	Intervening Variable		
3	Social Media (S1)	S1.1 Connectedness S1.2 Listening and Interacting S1.3 Literature suggests	(Kiralova, A. and Pavlıceka, 2015) (Kiralova, A. and Pavlıceka, 2015) (Kiralova, A. and Pavlıceka, 2015)
	Endogenous Variable		
4.	Empowerment (Y1)	Y1.1 Education according to Character Y1.2 Be able to measure yourself. Y1.3 Have Social Responsibility Y1.4 Able to use Technology	(Rajanen, M. and Iivari, 2019) (Rajanen, M. and Iivari, 2019) (Rajanen, M. and Iivari, 2019) (Jennings, 2006; Rajanen, M. and Iivari, 2019)
5.	Generation Z (Y2)	Y2.1 Attitude Y2.2 Technology Skills Y2.3 Lifestyle	(Sfódera, F., Cáin, L.N. and Di Lèo, 2022) (Sèyfi, S., Háll, C., Vo-Thánh, T. and Zamán, 2022) (Sfodèra, F., Cáin, L.N. and Di Lèo, 2022)

Source: Author's Own Data Elaboration 2024

METHOD

Research Procedure

Research using stratified random sampling technique, primary data was obtained through distributing questionnaires to 155 respondents engaged in Small and Medium Enterprises (SMEs) in Madura, Indonesia.

The data was processed using descriptive statistics to determine the description of the object being studied. After that, the data was calculated using inferential descriptive statistics to determine the direct relationship between variables. While SEM Smart PLS analysis was also used to determine the indirect relationship as an intervening. In this study, Social Media is the intervening variable.

Population and Sampling

Populasi

The population in this study were small and medium business actors in four districts (Bangkalan, Sampang, Pamekasan, Sumenep) in Madura who actively and sustainably run online or social media-based businesses with a total of 48,188 businesses in Madura (BPS, 2023) so it is related to the research variables, namely: Human Capital, Social Capital, Social Media, Empowerment and Generation Z of Micro, Small and Medium Enterprises (SMEs) actors as many as 48,188. The following is a table of the number of Micro, Small and Medium businesses that have legal or licensed status in Madura based on data from the East Java BPS (BPS, 2023) accessed in 2024:

Table 1. Data On The number of SMEs in Madura 2024

No.	Name Of Madura Regency	2024	Teknik Stratified Sampling
1.	BANGKALAN	16.632	53
2.	SAMPANG	8.583	28
3.	PAMEKASAN	7.536	24
4.	SUMENEP	15.437	50
	Total	48.188	155

Source: BPS East Java 2024

Sample

The sample in this study uses the Slovin formula by including an element of inaccuracy allowance due to sampling errors that can still be tolerated. This tolerance value is in percentage 0.8 which is stated by the Slovin formula:

$$n = \frac{N}{1 + Ne^2}$$

Description:

n: Sampel size

N: Population size

e: Inaccuracy tolerance (in percent)

$$n = \frac{48188}{1 + 48188 (0.8)^2} = 155$$

Then to find out the number of samples per district, stratified random sampling is used.

The sampling formula with stratified random sampling is as follows:

$$n_h = \frac{Nh}{N} \times n$$

Description:

nh : sample from h-th stratum

Nh : Population size in h-th stratum

N : Total population

n : total number of samples taken

The following is the sample determination for each district area:

1. Bangkalan $n_h = \frac{16632}{48188} \times 155 = 53$
2. Sampang $n_h = \frac{8583}{48188} \times 155 = 28$
3. Pamekasan $n_h = \frac{7536}{48188} \times 155 = 24$
4. Sumenep $n_h = \frac{15437}{48188} \times 155 = 50$

Data Analysis Medhode

Measurement Model Analysis

Validity Test

A questionnaire is said to be valid if the statements in the questionnaire are able to reveal something that will be measured by the questionnaire. Valid if the loading factor is > 0.5 . The results of the validity test using the smart PLS application show that all indicators representing the four variables are declared valid because the Loading Factor value is > 0.5 .

The following Table 9 shows the results of the validity test using the smart PLS application:

Table 3 Validity test

Variable	Indicator	Construct	Outer Loading	Limit	Information
Exogenous Variable					
Human Capital (X1)	Knowledge (X1.1)	X1.1	0.849	> 0.5	Valid
	Skill (X1.2)	X1.2	0.803	> 0.5	Valid
	Comitment (X1.3)	X1.3	0.841	> 0.5	Valid
Social Capital (X2)	Hard work and Honest (X2.1)	X2.1	0.845	> 0.5	Valid
	Partner (X2.2)	X2.2	0.818	> 0.5	Valid
	Trust (X2.3)	X2.3	0.824	> 0.5	Valid
	Network (X2.4)	X2.4	0.841	> 0.5	Valid
Intervening Variable					
Social Media (S1)	S1.1 Connectedness	S1.1	0.804	> 0.5	Valid
	S1.2 Listening and Interacting	S1.2	0.818	> 0.5	Valid
	S1.3 Literature suggests	S1.3	0.803	> 0.5	Valid
Endogenius Variable					
Empowerment (Y1)	Y1.1 Education according to Character	Y1.1	0.811	> 0.5	Valid
	Y1.2 Be able to measure yourself.	Y1.2	0.812	> 0.5	Valid
	Y1.3 Have Social Responsibility	Y1.3	0.780	> 0.5	Valid
	Y1.4 Able to use Technology	Y1.4	0.800	> 0.5	Valid
Genarasi Z (Y2)	Y2.1 Attitude	Y2.1	0.860	> 0.5	Valid
	Y2.2 Technology Skills	Y2.2	0.783	> 0.5	Valid
	Y2.3 Lifestyle	Y2.3	0.819	> 0.5	Valid

Source: Data processed 2024

Validity Test Results (> 0.5)

Based on Table 3 above, the loading factor value of each statement value shows more than 0.5. Therefore, it can be said that all statements from each indicator are valid.

Reliability Test

In the reliability test, CR (construct reliability) is used, with a CR value > 0.7 , the variable can be said to be reliable.

Reliable is used to indicate consistency when measurements are repeated two or more times.

To test reliability, use the following formula:

$$\text{Contract Reliability} = \frac{(\sum \text{Factor Loading})^2}{(\sum \text{Factor Loading})^2 + \sum \text{Measurement Error}}$$

Table 4 Reliability Test It is said to be reliable if the CA and CR values are > 0.7

Konstruk	Cronbach's alpha	Composite reliability (rho_a)	Keterangan
<i>X1.1 (knowledge)</i>	0.836	0.839	Reliabel
<i>X1.2 (skill)</i>	0.727	0.728	Reliabel
<i>X1.3 (commitment)</i>	0.886	0.887	Reliabel
<i>X2.1 (Hard Work & Honest)</i>	0.841	0.842	Reliabel
<i>X2.2 (partner)</i>	0.832	0.833	Reliabel
<i>X2.3 (trust)</i>	0.831	0.832	Reliabel
<i>X2.4 (network)</i>	0.886	0.886	Reliabel
S1.1 Connectedness	0.733	0.737	Reliabel
S1.2 Listening and Interacting	0.817	0.818	Reliabel
S1.3 Literature suggests	0.885	0.887	Reliabel
<i>Y1.1 (innovate)</i>	0.767	0.777	Reliabel
<i>Y1.2 (comply with regulations)</i>	0.826	0.828	Reliabel
<i>Y1.3 (technology)</i>	0.876	0.879	Reliabel
<i>Y1.4 (medsos feedback)</i>	0.763	0.764	Reliabel
<i>Y2.1 (Character Education)</i>	0.816	0.818	Reliabel
<i>Y2.2 (measure yourself)</i>	0.817	0.818	Reliabel
<i>Y2.3 (Social Responsibility)</i>	0.787	0.792	Reliabel

Source: processed, 2024

The test results in table 4 show that the Cronbach's alpha and Composite reliability (rho_a) indicators of the research are each greater than 0.7

So based on these results it can be concluded that all of the instruments are reliable and can be used in this research.

Structural Model Analysis

The population consists of startup entrepreneurs, especially in Madura Indonesia. The sampling uses stratified random sampling to cover a large research area. The data were analyzed using Smart PLS to obtain objective results measuring exogenous and endogenous variables through intervening variables. In this article Empowerment and Generation Z as endogenous variables are influenced by Human capital and Social Capital as exogenous variable and through Social Media as Intervening variable. Population and the networks of relationships among people who live and work in a particular society through Social Media startup Business Actors in Madura Indonesia.

RESULT AND DISCUSSION

Respondent Demographic

Descriptive Statistical Analysis

Table 5 Characteristics of Respondents Based on Gender

No.	Gender	Frequency	Percentage
1	women	90	58.1%
2	Men	65	41.9%
	Total	155	100%

Source: Processed Data, 2024

Based on Table 5 above, it is shown that the majority of respondents are male, which is 90 people (58.1%). While the respondents are female, there are 65 people (41.9%). Both men and women have the same

opportunity to open a contemporary culinary business. Men as business implementers. As heads of households and have the obligation to provide for their families.

Table 6 Characteristics of Respondents Based on Age

No.	Age	Frequency	Percentage
1	15 – 25 years	27	17.4
2	26 – 30 years	44	28.3
3	31 – 40 years	71	45.8
4	> 40 years	13	8.3
	Total	155	100.0

Source: Processed Data, 2024

Based on Table 6 above, the data on the characteristics of the age of respondents ranges from 15 to 40 years. The largest group of respondents' ages ranges from less than or equal to 31 to 40 years, namely 71 people (45.8%) are mature. Then the next group of respondents' ages is 26 to 30 years, namely 44 people (28.3%) are productive age. The age at which they have reached mental and emotional maturity so that all plans or work can be done optimally. while the youngest group is between 15 and 25 years, namely 27 people (17.4%). The age group over 40 years is 13 people or (8.3%).

Table 7 Characteristics of Respondents Based on Educational Status

No	Education	Frequency	Percentage
1	SMP/MTs/ Equivalent	10	6.5
2	SMU/SMK/MA/ Equivalent	25	16.2
3	Diploma	30	19.4
4	Bachelor's (S1)	46	29.7
5	Master (S2)	44	28.4
	Jumlah	155	100

Source: Processed Data, 2024

Based on Table 7 on the characteristics of respondents based on education status. It is known that the culinary startup SME actors are dominated by entrepreneurs with Bachelor's (S1) education status as many as 46 people or 29.7 percent. Then run by community groups with the latest education status of Master (S2) as many as 44 people or 28.4 percent of the total respondents studied. While Diploma as many as 30 people or 19.4 percent and SMU/SMK/MA/Equivalent as many as 25 people or 16.2 percent and the lowest SMP/MTs/Equivalent only as many as 10 people or 6.5 percent.

Table 8 Inferential Statistical Analysis

Model Summary					
Model	R`	R Square	Adjusted Square	R	Std. error of the estimate
1	,72 ^a	,81	,023		,812
a. Predictors: (Constant), SOCIAL MEDIA (Z), SOCIAL CAPITAL (X2), HUMAN CAPITAL (X1)					

Based on table 8 about the Model Summary, it is known that the R and R Square values are 0.72 and 0.81. This means that the influence of human capital, social capital, and social media is 72% and 81%. When both values are above 50%, it means good.

Table 9 Anova

Model		Sum of Squares	DF	Mean Square	F	Sig.
1	Regretting	1,541	3	,514	,779	,000 ^b
	Residual	17,159	26	,660		

Total	18,700	29			
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a. Dependent Variable: EMPOWERMENT (Y1)

b. Predictors: (Constant), SOCIAL MEDIA (Z), SOCIAL CAPITAL (X2), HUMAN CAPITAL (X1)

Based on table 9 about the ANOVA table. It is known that the sig. value of 0.000 is less than the alpha level of 0.05. This means that simultaneously human capital (X1), social capital (X2), and Social Media (Z) have a significant effect on Empowerment (Y1).

Tabel 10 Anova

Model		Sum of Squares	DF	Mean Square	F	Sig.
1	Regretting	12,616	3	4,205	1,186	,000 ^b
	Residual	92,184	26	3,546		
	Total	104,800	29			

a. Dependent Variable: GENERATION Z (Y2)

b. Predictors: (Constant), SOCIAL MEDIA (Z), HUMAN CAPITAL (X1), SOCIAL CAPITAL (X2)

Based on the Anova table 10 above, it is known that Human Capital (X1), Social Capital (X2), and Social Media (Z) have a significant simultaneous effect on Generation Z (Y2) because the sig. value is less than 0.05.

Measurement Model Analysis

Results of Structural Equation Modeling (SEM) Smart Partial Least Squares (PLS) Calculation Analysis.
This calculation

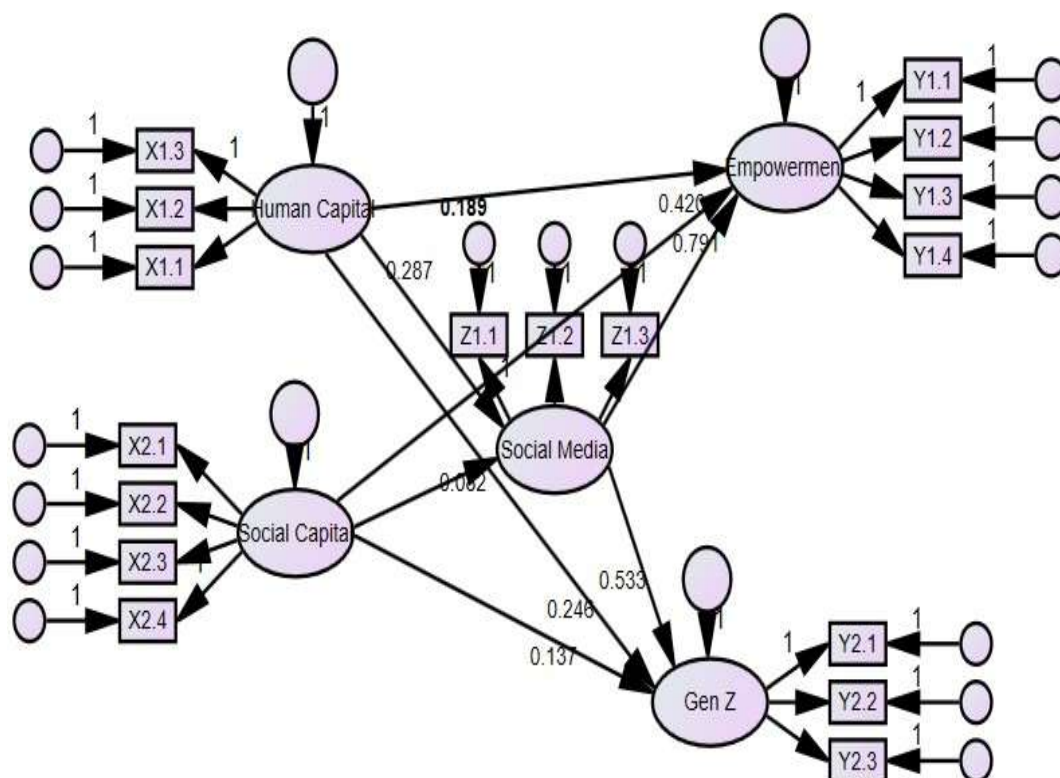


Figure 1: Empowerment And Generation Z Are Influence by Human Capital and Social Capital Through Social Media

HC → EMP = 0.189 HC → Gen Z = 0.246 HC → SM = 0.287 →	SC → EMP = 0.420 SC → Gen Z = 0.137 SC → SM = 0.082
HC + SM → EMP = 0.791 SC + SM → Gen Z = 0.533	

Table 11 *Outer loading*

Variable	Indicator	Konstruc	Outer Loading
Human Capital (X1)	Knowledge (X1.1)	X1.1	0.849
	Skill (X1.2)	X1.2	0.803
	Comitment (X1.3)	X1.3	0.841
Social Capital (X2)	Hard work and Honest (X2.1)	X2.1	0.845
	Partner (X2.2)	X2.2	0.818
	Trust (X2.3)	X2.3	0.824
	Network (X2.4)	X2.4	0.841
Social Media (S1)	Connectedness (S1.1)	S1.1	0.791
	Listening and Interacting (S1.2)	S1.2	0.812
	Literature suggests (S1.3)	S1.3	0.632
Empowerment (Y1)	Y1.1 Education according to Character	Y1.1	0.811
	Y1.2 Be able to measure yourself.	Y1.2	0.809
	Y1.3 Have Social Responsibility	Y1.3	0.784
	Y1.4 Able to use Technology	Y1.4	0.807
Gen Z (Y2)	Attitude (Y2.1)	Y2.1	0.860
	Technology Skill (Y2.2)	Y2.2	0.783
	Lifestyle (Y2.3)	Y2.3	0.819

Source: Processed Data, 2024

Based on Table 11 above shows the loading factor value of each statement value shows greater than 0.5. therefore it can be said that all statements from each indicator are said to be valid. The highest value in the exogenous variable is Knowledge (X1.1) 0.849. while the lowest is skill (X1.2) 0.803. while in the endogenous variable the highest is Attitude (Y2.1) 0.860 while the lowest value in the endogenous variable is Technology Skill (Y2.2) 0.783.

Table 12 *It is said to be reliable if the CA and CR values are > 0.7*

Konstruk	Cronbach's alpha	Composite reliability (rho_a)
<i>X1.1 (knowledge)</i>	0.836	0.839
<i>X1.2 (skill)</i>	0.727	0.728
<i>X1.3 (commitment)</i>	0.886	0.887
<i>X2.1 (Hard Work & Honest)</i>	0.841	0.842
<i>X2.2 (partner)</i>	0.832	0.833

<i>X2.3 (trust)</i>	0.831	0.832
<i>X2.4 (network)</i>	0.886	0.886
<i>S1.1 (Connectedness)</i>	0.791	0.791
<i>S1.2 (Listening and Interacting)</i>	0.812	0.812
<i>S1.3 (Literature suggests)</i>	<i>0.632</i>	<i>0.533</i>
<i>Y1.1 (Education according to Character)</i>	0.767	0.777
<i>Y1.2 (Be able to measure yourself)</i>	0.826	0.828
<i>Y1.3 (Have Social Responsibility)</i>	0.876	0.879
<i>Y1.4 (Able to use Technology)</i>	0.763	0.764
<i>Y2.1 (attitude)</i>	0.816	0.818
<i>Y2.2 (technology skill)</i>	0.817	0.818
<i>Y2.3 (lifestyle)</i>	0.787	0.792

Source: Processed Data, 2024

The test results of table 12 show that the Cronbach's alpha and Composite reliability (rho_a) values of the research indicators are each greater than 0.7. So based on these results, it is concluded that the entire instrument is reliable and can be continued in this study. This is in line with the opinion of Ghazali (2017). The highest shown in table 12, especially in Human Capital, is the commitment indicator (X1.3) 0.886 and 0.887, meaning that business owners and their employees have the will and ability to run a business, becoming one of the intrinsic and positive capitals in the form of a desire to develop a business. While the highest social capital variable is the network indicator (X2.4) 0.886. This has indeed proven to be a necessity for all types of businesses to build networks with various parties. Such as cooperation with banks and suppliers of raw materials for production. For the highest empowerment variable, the Technology indicator (Y1.3) 0.876 and 0.879. This is very clear that technology plays an important role in running a business. As a business actor, it is mandatory and able to adapt to the dominant technology today. If you want to progress and develop, mastering technology is a must. The year 2025 will be the starting point for technological progress such as the presence of Artificial Intelligence (AI) or ChatGPT. While in the SME performance variable, the highest is the indicator of Mastering Technology (Y2.4) 0.885 and 0.887. It is similar that technology is a determining factor as a tool that will produce information. Technology and information are now determining factors that cannot be separated. If you want to survive in the business war, master technology and strengthen information.

Structural Model Analysis

The structural model describes the relationship between latent contracts, namely the causal relationship tested in the hypothesis. In analyzing the structural model, it is necessary to pay attention to the following things:

Tabel 13 Path coefficients

interrelationship between variables	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values	Description
X1 (human capital) -> Y2 (Gen Z)	0.396	0.396	0.104	3.804	0.000	positive and significant influence
X1 (human capital) -> Y1 (empowerment)	0.047	0.050	0.084	0.560	0.575	No Influence
X2 (social capital) -> Y2(Gen Z)	-0.066	-0.057	0.085	0.772	0.440	No Influence
X2 (social capital) -> Y1 (empowerment)	0.268	0.295	0.088	3.048	0.002	positive and significant influence

Y1 (empowerment) -> Y2 (Gen Z)	0.418	0.422	0.090	4.641	0.000	positive and significant influence
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Source: data processing results with Smart PLS 2024

Path coefficients describe the direct relationship between two or more variables in a path model. They indicate the strength and direction of the relationship between variables connected through a path. They are similar to regression coefficients, which measure how much a dependent variable changes due to a unit change in the independent variable.

Based on Table 13 on Path Coefficients, it is shown that:

- Human Capital (X1) has a positive and significant effect on Generation Z (Y2) of 0.396
- Human Capital (X1) has a positive but insignificant effect on Empowerment (Y1) of 0.575
- Social Capital (X2) has a negative and insignificant effect on Gen Z (Y2) of 0.440
- Social Capital has a positive and significant effect on Empowerment (Y1) of Probability Value 0.002
- Empowerment (Y1) has a positive and significant effect on Gen Z (Y2) of 0.00

Tabel 14 Indirect effect

interrelationship between variables	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values	Description
X1 (human capital) -> S1 (Social Media) -> Y1 (Empowerment)	0.021	0.020	0.035	0.543	0.586	variable S1 does not mediate between variable X1 and Y1
X1 (human capital) -> S1(Social Media) -> Y2 (Gen Z)	0.111	0.125	0.052	2.188	0.028	variabel S1 mediate between variable X1 and Y2
X2 (social capital) -> S1(Social Media) -> Y1 (Empowerment)	0.112	0.126	0.054	2.181	0.029	variabel S1 mediate between X2 and Y1
X2 (social capital) -> S1(Social Media) -> Y2 (Gen Z)	0.020	0.020	0.036	0.544	0.587	variabel S1 does not mediate between variable X2 and Y2

Source: data processing results with Smart PLS 2024

Based on Table 14 on the indirect effect, it is known that S1 (Social Media) does not mediate between variable X1 (Human Capital) and Y1 (Empowerment) because the Probability Value is $0.586 > 0.05$. So the null hypothesis is rejected. Variable S1 (Social Media) mediates between variable X1 (Human Capital) and Y2 (Gen Z) because the Probability value is $0.028 < 0.05$. So the Hypothesis is accepted. Variable S1 (Social Media) mediates between variable X2 (Social Capital) and Y1 (Empowerment) because the Probability value is $0.029 < 0.05$. So the Hypothesis is accepted. While Variable S1 (Social Media) does not mediate between variable X2 (Social Capital) and Y2 (Gen Z) because the Probability value is $0.587 > 0.05$. So the Hypothesis is rejected.

DISCUSSION

Theoretical Implications There is a deeper understanding of theory, especially Human Resources Management (HRM) theory, which is related to the fields of Human Capital, Social Capital, Social Media, Empowerment and Generation Z.

Deskripsi Human Capital, Social Capital, Social Media, Empowerment, Generasi Z.

Human capital in this study focuses on business actors. Humans are one of the most important elements in advancing a business. The knowledge possessed by each individual or group needs to be continuously improved. Skills also strive to always be honed. So that the business can be run well according to plan. Then to be able to run and maintain a business that is running, commitment is needed from business actors and also their employees so that they have a sense of belonging and loyalty to the organization. This is supported by the abilities possessed by business actors and all their employees.

In human capital concerns education, skills, experience, and competencies possessed by business actors and employees so that they are capable of problem-solving and soft skills. While Social Media concerns its development, profitability and innovation, customer satisfaction, competitiveness and business sustainability. Human capital has a direct and indirect influence on Gen Z through Social Media. The direct influence of human capital because it contains elements of training, managerial skills, and trained workers will produce higher quality products and can reduce production costs so that it can increase profits. Meanwhile, influence through Social Media can be achieved by maximizing the capabilities and providing greater autonomy to business owners and employees so that they are able to make decisions or take initiatives and speed up work.

While the variable social capital or social capital is the same as social responsibility which is currently often done by the Company every year. For example, giving a 5% discount for loyal customers. Often cooperating with raw material providers, giving bonuses for employee hard work. Social capital also contains elements of building trust (Trust) both internally (Employees, Managers, Investors) and externally (consumers, government, banking) and increasing networks, this is done because it has a positive impact on business continuity.

Social capital can influence Empowerment through several patterns. First, access through social networks will accelerate the acquisition of information, new technology, obtain business opportunities, build partnerships with external parties so that it is easy to get new markets. Second, increasing trust and cooperation, this will have a positive impact and reduce transaction costs and increase efficiency. Social capital also reduces market uncertainty and business environment uncertainty by ensuring a sense of security and economic stability.

Empowerment aims to develop small and medium enterprises (SMEs) through an empowerment system. This means that the potential possessed by employees can be utilized if given the opportunity, but conversely, the opportunity cannot be utilized if the quality of employees is still below what is expected, therefore training is needed so that they can be competent in working and the business can be run effectively and efficiently. Having the ability to measure oneself based on social responsibility. And being able to compete through mastery of technology.

Elements in empowerment include: first, improving technical skills and knowledge and managerial abilities so that businesses can be run professionally. Second, finding sources of long-term capital such as low-interest bank credit so that this is easy for small businesses and increases competitiveness. The third element, utilizing technology and innovating products and services. The fourth element, developing human resources, this is a form of long-term investment and as a driver of competent business actors and employees. The fifth element, expanding the network. This is done to expand market share and strengthen competitiveness.

The impact of Social Media on Gen Z includes increasing productivity through training and utilization of technology to increase efficiency. Growing entrepreneurs' self-confidence in decision-making that impacts business continuity and development. Increasing product quality and market access to attract more customers.

The strategy to increase Empowerment is by collaborating with government and private institutions in the form of providing training and access to capital. Holding a business incubation program at the early stages of formation such as conducting business mentoring. Increasing financial literacy for better business management and utilizing digital technology such as online and offline marketing so that it is useful for business development.

The discussion of research related to Generation Z involves an in-depth analysis of the influencing factors and their measurements and the influencing variables. Limited resources and minimal access to capital and rapid market changes. Internal and external factors that influence Empowerment are: Internal factors include human resources who have experience, sufficient education so that they are able to develop a

business, managerial skills in terms of planning, organizing, to the controlling stage so as to increase the effectiveness of the SME operations themselves. Pay attention to product quality and innovate to attract consumer interest. Manage financial aspects such as financing factors, cash flow, or other capital elements. While external factors in the form of easy and easy sources of capital and financing, changes in economic conditions and inflation and government policies will have a significant impact on Empowerment and Gen Z. Tight competition forces breakthroughs in new innovations, increases efficiency, and seeks new market gaps.

The Influence of Human Capital and Social Capital on Empowerment

The results of this study indicate that Human Capital includes skills, knowledge, and competencies possessed by business actors and employees, which have a positive but insignificant effect on the Empowerment variable in the form of providing strength and autonomy and support between individuals or groups because the sig. value is 0.575. The results of this study contradict Marhaeni & Setiawina (2019) whose research results show that Human Capital has a positive and significant effect on human resource empowerment. while the social capital variable has a positive and significant effect on Empowerment with a sig. value of 0.002. These results are in line with Boris Urban et al (2022) who both stated that social capital has a positive and significant effect on Empowerment.

In terms of Social Media as an intervening variable, it becomes a link or strengthens the influence between human capital and Empowerment. Increasing the effectiveness and efficiency of human capital use by providing autonomy, training and access to resources and opportunities for innovation and decision making.

The Influence of Human Capital and Social Capital on Generation Z

Understanding human capital has a direct impact on Gen Z. The results of this study are in line with the research of Asmy Mohamed et al. (2020) which states that human capital has a significant impact on the development of Gen Z that he conducted in Malaysia. Human capital can be realized in the form of training for both hard skills and soft skills, because having skills and experience as well as individual knowledge increases productivity and product quality development and the ability to innovate. The main components that need to be considered regarding human capital Tjahjadi et al. (2022) are formal and non-formal education and training, work experience owned by business actors and their employees, having creativity and innovation, and physical and mental health. Mandy (2019) also observed the relationship between human capital and Gen Z and applied technology.

The role of human capital is to increase efficiency and productivity which will ultimately increase profits. Become the main driver or motivator in carrying out innovation and technological development. Participate in economic development through binding individual competencies. Increase regional or national competitiveness. The advantage is that it has a direct impact on economic output and increases investment in education and training.

Meanwhile, the relationship between social capital and Gen Z is in line with John's research (2024) whose results show that social capital has a significant direct effect on Gen Z. The main components of social capital are trust between individuals and organizations. Utilization of both formal and non-formal social networks. Complying with social and cultural norms. And building solidarity and togetherness regardless of SARA.

The role of social capital includes facilitating cooperation and collaboration with both internal and external partners. Growing community networks and social stability. Tends to collective decision-making. The advantage of social capital is the ease of obtaining access to information through social networks. The formation of an inclusive and harmonious society.

The relationship between human capital and social capital is the tendency to be more able to utilize effective social capital for those who have high human capital. For example, conducting collaboration or cooperation between broad social networks. Strong social capital can create a conducive and harmonious environment for the development of human capital.

The relevance in the modern context is that organizations need to combine human capital with social capital to compete globally. Investment in education or human capital must be balanced with strengthening social capital and maintaining public trust to encourage inclusive growth.

The Influence of Human Capital and Social Capital on Empowerment through Social Media

Human Capital and Social Capital have a significant influence on Empowerment. This influence when connected with Social Media as an intervening variable will be stronger but can also weaken between the two. SMEs can achieve increased productivity, sustainable innovation, and long-term business sustainability. This can be achieved if there is an increase in individual skills, strong social networks, and the right empowerment program.

The basic concept between variables includes Human capital: focusing on individual abilities (skills, knowledge, experience) will be able to increase productivity and innovation in SMEs. It will be more adaptive to change if the business is well managed and can take advantage of business opportunities. While Social capital Has elements of mutual trust between individuals, building strong social networks, complying with existing norms in society, collaborating with various parties or preventing isolated markets, speed in obtaining information, and strengthening business competitiveness. As for Empowerment: it is an empowerment process that ultimately is an SME that is able to be independent after going through stages of learning, enriching experience, and increasing self-confidence and the granting of authority in decision making. While Empowerment is all elements to achieve goals both short and long term. Such as increasing sales turnover, making operational efficiency efforts, market control, and business sustainability.

The Influence of Human Capital and Social Capital on Generation Z through Social Media

Social media (S1) as an intervening variable is able to be a connecting variable or mediate between exogenous variables in this case Human Capital (X1) to endogenous variables in this case Generation Z (Y2). This finding can be seen from the indirect effect table that the P-value of 0.028 is smaller than 0.05. T statistics of 2.188. standard deviation of 0.052. sample mean 0.125. and original sample 0.111.

Based on the indirect effect table, it is also known that social media does not mediate between social capital and Generation Z. This is known from the p-Value value of $0.587 > 0.05$. T statistics of 0.544. T table 1.984. Standard Deviation 0.036. sample mean 0.020 and original sample 0.020. So from these results it shows that social media (S1) does not become a link between Social Capital (X2) and Generation Z (Y2).

CONCLUSION

The conclusion that requires technology such as Social Media is not only for children but also applies to the general public, this is in line with the opinion of (Fischer, 2013). For Generation Z, continue to improve their abilities especially in term of digital technology so that they can be useful throughout their lives. This is also in line with the opinion Björgvinsson, E., Ehn, P. and Hillgrén, 2010; Fischer, 2013. In the future, digital technology is developing rapidly without any restrictions made by experts (Vainionpää, F., Kinnulä, M., Iiväri, N. and Mölin-Juustilä, 2019).

The results of this study indicate that Human capital has no effect on empowerment. This finding is contrary to Marhaeni & Setiawina (2019) whose research results show that Human capital has a positive and significant effect on human resource empowerment.

Meanwhile, Human Capital has a direct and significant effect on Generation Z. The results of this study are in line with the research of Asmy Mohamed et al. (2020) which states that Human capital has a significant effect on the development of Gen Z which he conducted in Malaysia.

Based on the path or direct effect test table, it is also known that social capital has a direct positive and significant effect on empowerment, but social capital has no effect on Generation Z. The role of social media as an intervening variable is able to connect exogenous variables (human capital and social capital) to endogenous variables (empowerment and Generation Z)

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