Analysis of the Contribution of Islamic Social Capital to Increasing MSMEs

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Abstract

MSMEs often face various problems that hinder their business growth. MSMEs run by students from the Faculty of Economics and Islamic Business, North Sumatra State Islamic University (FEBI UINSU) experience limited capital, limited market access and a lack of managerial knowledge. Islamic social capital, which consists of trust (X1), norms (X2), networks (X3), and religiosity (X4), can play an important role in overcoming these challenges. This research aims to discuss the contribution of Islamic social capital to improving MSMEs run by FEBI UINSU students. The method used is multiple linear regression with a questionnaire survey as a data collection instrument. The research sample is students who actively manage MSMEs on the FEBI UINSU campus. The results of data analysis show that Islamic social capital has a significant positive influence on increasing UMKM FEBI UINSU students. These findings show that Islamic social capital plays an important role in building networks, improving service quality, and supporting the growth of MSMEs. This research is expected to provide practical implications in helping students understand the importance of utilizing Islamic social capital to improve the performance and sustainability of their businesses, as well as providing theoretical implications that can enrich understanding of the role of social capital in the context of Islamic economics.

Keywords: Islamic Social Capital; Trust; Norm; Network; Religiosity

Abstrak

UMKM sering menghadapi berbagai permasalahan yang menghambat pertumbuhan usaha mereka. UMKM yang dijalankan oleh mahasiswa Fakultas Ekonomi dan Bisnis Islam Universitas Islam Negeri Sumatera Utara (FEBI UINSU) mengalami keterbatasan modal, akses pasar yang terbatas, dan kurangnya pengetahuan manajerial. Modal sosial Islam, yang terdiri dari kepercayaan (X1), norma (X2), jaringan (X3), dan religiusitas (X4), dapat memainkan peran penting dalam mengatasi tantangan ini. Penelitian ini bertujuan untuk menganalisis kontribusi modal sosial Islam terhadap peningkatan UMKM yang dijalankan oleh mahasiswa FEBI UINSU. Metode yang digunakan adalah regresi linier berganda dengan survei kuesioner sebagai instrumen pengumpulan data. Sampel penelitian adalah mahasiswa yang aktif mengelola UMKM di kampus FEBI UINSU. Hasil analisis data menunjukkan bahwa modal sosial Islam mempunyai pengaruh positif signifikan terhadap peningkatan UMKM mahasiswa FEBI UINSU. Temuan ini menunjukkan bahwa modal sosial Islam berperan penting dalam membangun jaringan, meningkatkan kualitas layanan, dan mendukung pertumbuhan UMKM. Penelitian ini diharapkan memberikan implikasi praktis dalam membantu mahasiswa memahami pentingnya memanfaatkan modal sosial Islam untuk meningkatkan kinerja dan keberlanjutan usaha mereka, serta memberikan implikasi teoritis yang dapat memperkaya pemahaman tentang peran modal sosial dalam konteks ekonomi Islam.

Kata Kunci: *Modal Sosial Islam; Kepercayaan; Norma; Jejaring; Religiositas*

INTRODUCTION

Micro small and Medium Enterprises (MSMEs) have an important role in the economy, especially in Indonesia, especially in creating jobs to support Indonesia's local economic growth. The MSME sector has contributed 61% to GDP, or IDR 9,580 trillion, actually represents the employment contribution of MSMEs has reached 97% of the total workforce , so that in 2023 the number of MSMEs will reach the cumulative total. 22.68 million MSMEs as of June 2023 (Noor, 2023). According to Pierre Bourdieu (1930-2002), a French thinker defined that capital is the accumulation of workers, when allocated individually or in groups it will produce energy. The importance of social values in community life. According to him, capital always leads to the economy which is measured through money (Nurbaiti et al., 2023). The importance of Islamic values in forming sustainable social relations provides a foundation for economic cooperation (Harahap et al., 2020). In this research, students, as agents of change, are increasingly interested in being involved in the world of entrepreneurship that applies Islamic values, especially MSMEs as an alternative early career with all its cultural diversity and local wisdom, which plays a significant role in socio-economic contributions. However, MSMEs often face challenges in accessing social capital ranging from trust, norms, networks and religiosity (Natasya & Hardiningsih, 2021)

In trust, the challenge of building and maintaining customer trust is the main factor in increasing MSMEs which influences product trust, product quality consistency, and trust with fellow business partners. The existence of this trust can certainly benefit and expand MSMEs so that their relationship can strengthen their mutual position in the market (Zulganef et al., 2022). Consumer trust in a product is of course determined based on the quality of the product, the good and bad of the product and the trust between business partners in developing it. However, in terms of social capital, namely the trust of MSME entrepreneurs, they often forget and consider trivial things at this point, such as product quality which often decreases over time, especially when the situation is busy, portions that are no longer the same, and the emergence of doubts about business partners which results in difficult business. to be developed (Image et al., 2023).

Social norms play a very important role in creating and maintaining social values in society as controlling behavior that grows in society. The form of norms in social capital can avoid detrimental actions between fellow members who do business. Unclear or ambiguous norms in the business world can create uncertainty. For example, a producer lacking ethics and morals in running MSMEs can have a negative impact on reducing the development of MSMEs, a lack of respect for consumers, business partners, a lack of responsibility for products, and a lack of principles of justice in a business. Of course, this often happens when an MSME forgets the norms in doing business that MSME entrepreneurs should carry out, especially beginner MSMEs (students), sometimes forget the principles of Islamic ethics and morals in running their business, whether towards consumers or business partners (Image et al., 2023).

Networks as collaborative reinforcements formed through interactions in social contexts play an important role in business. The power of a network can provide access to resources that are still weak in a business and can be a means for business actors to increase their business profits. With this important role, some MSMEs, especially beginner MSMEs, tend to be little involved in other MSME networks. Personal relationships with business coalitions and organizations are needed as a form of expanding business networks for the purpose of increasing business. Collaborative networks have a positive impact on the innovation performance of small businesses (Egger & Erhardt, 2023). The quality of interaction as indicated by the depth of knowledge absorbed from external parties and interaction ties (bonding) is a better predictor than the diversity of interactions over networks in influencing product innovation. The stronger the network (ties) allows for increased trust in small businesses as social capital to access external resources, including the accumulation of skills through a combination of complementary skills and collective learning that occurs in the network (Analia et al., 2019).

Religiosity (Religious Values) in Islam prioritizes not only advocating business but encouraging business, trade and entrepreneurship. In Islamic Social Capital, the religious dimension will shape business values and practices based on Islamic teachings. Engaging in religious activities involves more than just worshiping ritualistically it also involves engaging in other behaviors motivated by supernatural influences. Human relationships and humans (*hablum minannas*) and the relationship between humans and Allah (*hablum minallah*) is an aspect that should be balanced. However, currently the value of religiosity is not often forgotten by individuals due to their busy activities. MSME actors who uphold the religious dimension will build and run their businesses with Islamic ethical and moral principles (Widiastuti et al., 2022). In the context of religiosity, a consumer who has a high level of religiosity will certainly consider purchasing a product, as well as a business person who has a high level of religiosity will certainly prioritize human relationships with Allah (*Hablum minallah*). The religious values recognized in Islamic Social Capital create a business environment filled with mutual comfort, trust and openness. Customers who prioritize religion can feel more comfortable interacting with MSMEs that integrate Islamic values in their business. The existence of a religious dimension in Islamic Social Capital not only characterizes the identity of MSMEs, but also forms the basis and moral ethics in running a business (Asdiansyuri, 2020).

As in Islamic economic development theory, it is explained that economic principles that are in accordance with Islamic teachings to achieve sustainable economic development such as MSMEs include the principles of economic justice, community empowerment, participation and sustainable economic growth to be the main focus of this theory. Avoidance of usury and speculation, as well as a balance between rights and obligations, are important elements in creating an economic system that is in accordance with Islamic sharia principles (Halvorsen et al., 2022).

The results of Janni Efendi's study (2020) show that social capital plays an important role in the development of MSMEs in Batu Merah Village. In his research, it was found that norms and social values, such as trust, mutual benefit and participation, are important in regulating trade transactions and maintaining good relationships between individuals (Effendy, 2018). Nesy Vashti Engracia, Elya Kurniawati, and Nur Hadi (2022) in their research on the Role of Social Capital in the development of MSMEs in Kampung Tahu Kediri during the Covid-19 Pandemic found that MSMEs in Kampung Tahu Kediri made a large contribution to labor absorption (99.45%) and the country's GDP (about 30%). At that time, Indonesia's GDP experienced an average increase of 18.33 % every year and 99.5% of the workforce worked in the MSME sector. Around 97.16% of the total industrial workforce in Indonesia while the rest are in large-scale businesses (Engracia, Kurniawati, and Hadi 2022) . Muhammada Halim Maimun, Hafidh Munawair (2022) in their research showed that the resilience of MSMEs is influenced by social capital and Islamic entrepreneurial traits. A substantial statistical value (P Value <0.05) in the hypothesis analysis supports this table, as well as an R2 value of 0.543 which shows that 54.3% of MSME resilience can be explained by the variability in the construction of Islamic entrepreneurial characteristics in Islamic social capital (Maimun and Munawir 2022) . This research reveals a new dimension by integrating the concept of Islamic Social Capital with MSMEs run by students in an Islamic campus environment, providing new insights into how Islamic values can be applied to improve business performance among students. In addition, this research offers a model that has not been widely explored in the academic business context. Using data from the fairly large FEBI UINSU student population, including 4,571 students from various study programs, and applying the Slovin formula to determine a representative sample size, namely 98 respondents.

Islamic values in carrying out its activities, especially in terms of business. Apart from that, the existence of the Faculty of Economics and Islamic Business, a business and trust network, can be connected to business experts (lecturers), internal and external organizations or other students to help in improving MSMEs and the presence of a high level of religiosity in students can add value. Islam to achieve success (Imnur, Harahap, and Inayah 2023) . However, in fact, it was found that there were difficulties for students to improve MSMEs which were caused by students' lack of access to business development, few relationships in business development, and students' lack of understanding of how to improve MSMEs. Therefore, with this research, the total number of FEBI UINSU students was 4,571, consisting of 1,166 Islamic Economics Students, 1,124 Accounting Students, 444 Insurance Students, 1,318 Sharia Banking Students and 519 Management Students (UINSU, nd) . The total of all students is included in the Slovin formula as determining the research sample to be 98 sample sizes or number of respondents. This research aims to determine the understanding of UINSU students regarding the contribution of Islamic Social Capital as a way to improve MSMEs for UINSU students which will be linked to research variables, namely trust, norms, networks and religiosity.

LITERATURE REVIEW

Islamic Social Capital

Imam Al-Ghazali emphasized the importance of ethical and moral values in social relations. In his works, such as "Ihya Ulumuddin" (Renewal of Religious Knowledge), he discusses concepts such as justice, compassion and mutual care as elements of Islamic social capital. According to Sayyid Qutb, a contemporary Islamic thinker and writer, he highlights the importance of developing society based on Islamic principles. In his view, the application of Islamic teachings in social life can create strong social capital. Muhammad Yunus, a Muslim economist and founder of Grameen Bank, is known for his contribution to economic empowerment through the concept of microfinance. His thinking underscores values such as economic justice and social concern which can be considered elements of Islamic social capital. Meanwhile, Coleman, a sociologist, says that social capital is an aspect of the structure of relationships between individuals that allows them to create new values. According to Berns (2004), a person's social capital is determined by their internal capital rather than by their possessions (Haryanti, Nurbaiti, and Ikhsan Harahap 2023) . Syed Farid Alatas, who is one of the thinkers who introduced Islamic Social Capital, defines Islamic Social Capital as a concept of social networks, beliefs, norms and values that are formed in Muslim society (Imsar, Nasution, and Ndraha 2023) . The potential and group dynamics of ties inside and between groups are highlighted by social capital. Given that the existence of social networks is the fundamental component of social capital, Field (2010) defines social capital as a component of the social basis of life, networks, norms, and beliefs that motivate individuals to behave more cooperatively to achieve shared objectives. Networks are useful, and inside them are social connections that impact both individual and group productivity and strengthen bonds between them (Syaharuddin et al. 2021) .

Social capital is crucial to the development of a Muslim nation like Indonesia. Islamic Social Capital is a concept that combines social values, norms and social networks in Muslim society which are influenced by Islamic teachings. The importance of Islamic Social Capital can be seen in its ability to mobilize economic, social resources and Islamic values. Therefore, trust, norms, networks, and religiosity as elements of Islamic Social Capital represent the practical application of "social values" in business. Trust builds solid relationships, social norms shape ethical business practices, networks provide support and market access, and religiosity strengthens integrity and commitment in business. By focusing on these elements, the research explores how Islamic values concretely influence improving the performance of MSMEs (Analia et al. 2019) .

Trust

Trust is an attitude that arises from customers as a result of evaluating the potential behavior of other members or as a result of previous purchases. Trust can arise due to references from other customers and can also arise due to product purchasing activities (Febrianty et al. 2023) . Kotler and Keller define trust as a company's readiness to depend on its business associates. Many interpersonal and interorganizational

elements, including business competency, integrity, honesty, and kindness, are necessary for building trust. Trust can be defined as the confidence that one party has in another to carry out a transactional relationship, based on the conviction that the person they trust will complete all duties correctly and according to expectations. This interpretation is supported by a number of definitions. Belief is a general hope maintained by individuals whose words from one party to another are trustworthy (Sahatma and Suprapto 2012) . As mentioned in the Al-Qur'an surah An-nisa verse 29.

$$\text{يَٰٓأَيُّهَا الَّذِينَ اٰمَنُوْا لَا تَأْكُلُوْٓا اَمْوَالَكُمْ بَيْنَكُمْ بِالْبَاطِلِ اِلَّآ اَنْ تَكُوْنَ تِجَارَةً عَنْ تَرَاضٍ}$$

$$\text{مِّنْكُمْ ۗ وَلَا تَقْتُلُوْٓا اَنْفُسَكُمْ ۗ اِنَّ اللّٰهَ كَانَ بِكُمْ رَحِيْمًا}$$

O you who have believed, do not consume one another's wealth unjustly but only [in lawful] business by mutual consent. And do not kill yourselves [or one another]. Indeed, Allah is to you ever Merciful.

The verse in Surah An-Nisa (4:29) which prohibits consuming other people's property unlawfully and killing oneself can be linked to ethical principles in the world of MSMEs. In the context of MSMEs, this verse emphasizes the importance of running a business honestly and fairly, and avoiding fraudulent or exploitative practices that harm other parties. These efforts must be carried out based on transparent and mutually beneficial agreements, ensuring that all parties involved feel they are being treated fairly. Apart from that, although this verse does not directly discuss business, the prohibition against suicide can be interpreted metaphorically as a recommendation to avoid making decisions that are too detrimental to oneself, as well as maintaining health and well-being when running a business. By implementing these principles, MSMEs can build a good reputation and ensure business continuity in an ethical and sustainable manner (Munandar & Hasan Ridwan, 2023).

In social and business contexts, trust plays an important role in forming mutually beneficial relationships, promoting cooperation, and strengthening social networks. The role of MSMEs in Islamic Social Capital, trust is the main focus in forming and maintaining relationships between MSME players, customers and business partners. Islamic values, such as honesty and trustworthiness, are the basis for the trust embedded in the concept of Islamic Social Capital. Trust in MSMEs' commitment to Islamic ethical principles can open the door to obtaining financial support and sustainable development (Khairunnisa, Lubis, and Hasanah 2020) . Trust in Islamic Social Capital can be a determining factor in obtaining external support which is important for the growth and sustainability of MSMEs. The trust that exists within the Islamic Social Capital environment creates a solid foundation for building a business community that is ethical, mutually supportive, and based on Islamic values that makes a positive contribution to the development of MSMEs (Hasugian 2022) .

Norm

According to Craig Calhoun, an American sociologist, norms are a guideline or rule that states how an individual should act in a situation in society. Meanwhile, according to Bellebaum, who is a sociologist from Germany, social norms are a tool used to regulate each individual in a social environment to act and behave in accordance with certain attitudes and beliefs that apply in the surrounding environment. Norms can be said to refer to rules or standards of behavior that are accepted and recognized by a group or society (Puspa, Arif, and Imsar 2022) . In a society, norms can direct the behavior of its members and form the basis of an orderly life. MSMEs in Islamic Social Capital, Islamic norms play an important role in shaping behavior between MSME actors, customers and business partners. These norms include Islamic ethical and moral principles , such as justice, honesty and mutual respect, which serve as guidelines for running a business. MSMEs that follow Islamic ethical norms tend to create products or services that meet quality and integrity standards. Norms in Islamic Social Capital not only create a moral and ethical basis for MSME actors, but also form a strong foundation for fostering sustainable and collaborative relationships. By being rooted in Islamic values, these norms play an important role in forming the MSME community (Analia et al. 2019) .

Network

In Sydow and Windeler (2003) define networks as cooperative arrangements created by interactions between actors situated in a social setting. This definition aligns with social network theory. Agusyanto (2014) defines a social network as a unique kind of network in which the links connecting two points inside the network are social relationships. With the power of a network, it can provide access to resources that are still weak in a business and can be a means for business actors to increase their business profits. Apart from that, the benefit of this network for business actors is that it can increase opportunities to share knowledge needed for sustainable innovation. In developing MSMEs, social capital such as networks is one of the important things that is developed for business sustainability. Network refers to a system consisting of connections or relationships between individuals, groups or entities that are interrelated (Adriani and Ma'ruf 2020) . In a social context, networks typically include interpersonal relationships, business coalitions, or partnerships aimed at exchanging information, resources, or support. The network formed in Islamic Social Capital allows for the exchange of experience and knowledge between MSME owners, strengthening involvement and participation in business initiatives inspired by Islamic values (Guvenen et al., 2022). The existence of social networks in Islamic Social Capital can help MSMEs to connect with sharia financial institutions, social investors and other business actors with Islamic values. Networks in the context of Islamic Social Capital are not only a means for exchanging material and information, but also a forum for MSMEs to be involved in a business ecosystem that is empowered by Islamic values, creating a strong foundation for ethical and sustainable business growth (Analia et al., 2019)

Religion (Religiosity)

Religiosity according to the Big Indonesian Dictionary (KBBI) means obedience to religion. Golck and Stark describe religiosity as belief in certain religious teachings and the impact of those religious teachings on people's lives. In simpler language, Dister (1994) characterizes religiosity as a person's internalization of religion. According to him, those who identify as religious will feel obligated to substances they consider to be a source of virtue. Islamic experts such as Ansari (1987) stated that the religious dimensions of Islam include faith, worship and morals. Meanwhile, Abdullah (2002) stated that a person's religiosity has three dimensions, namely faith, Islam and Ihsan. On the other hand, contemporary religious psychologists generally believe that the dimensions of religiosity include belief, ritual, consequential, experiential and intellectual (Sungadi, 2020).

Islamic principles , including in the context of business and economics. MSME actors who uphold the religious dimension will build and run their businesses by paying attention to Islamic ethical and moral principles (Adriani & Ma'ruf, 2020). They will bring religious values to the production process, marketing and business relations. The values of diversity that are recognized as shared in Islamic Social Capital create a business environment filled with mutual understanding, trust and openness (Adriani & Ma'ruf, 2020). Customers who prioritize religion can feel more comfortable interacting with MSMEs that integrate Islamic values in their business. Thus, the religious dimension in Islamic Social Capital not only reflects the identity of MSMEs, but also forms a moral and ethical basis for running a business based on Islamic principles, creates strong social ties, and provides a positive impact on economic and social development (Asdiansyuri, 2020).

RESEARCH METHOD

This type of research uses a quantitative linear or multiple linear regression method. This method was chosen to test the relationship and impact of the factors that were the focus of the research, on increasing FEBI MSMEs students at UIN North Sumatra (UINSU). This research involves collecting primary data through surveys or questionnaires distributed to FEBI UINSU students with criteria for being involved in MSMEs (Puspa, Arif, and Imsar 2022). The variables in this research that will be measured include elements of Islamic Social Capital, namely Trust (X1), Norms (X2), Networks (X3), Religious Affairs (X4) and Improvement of MSMEs (Y). The use of multiple linear regression methods will allow analysis of the extent to which these variables contribute to the improvement of MSMEs. The Slovin formula as a way to determine the sample was used in research where with a population of 4,571, there was a sample size of 98 (UINSU, n.d.). The data collected is then checked using statistical software appropriate for the work, such as SPSS (Statistical Package For the Social Sciences). The analytical techniques used in research analysis are reliability to measure the consistency of research results, validity to measure whether the data is valid or not, classical assumption tests to see the analytical relationship between each variable, and inferential which involves hypothesis testing, t-test, .anova, multiple linear regression. The findings of this multiple linear analysis will give us a better understanding of the variables that contribute to influencing the role of Islamic social capital in increasing UINSU MSME students.

RESULTS AND DISCUSSION

Table 1. Validity Test Results

Variable	Question	R Count	R Table	Information
Trust (X1)	X1.1	0.871	0.197	Valid
	X2.2	0.873	0.197	Valid
	X3.3	0.761	0.197	Valid
	X4.4	0.839	0.197	Valid
	X5.5	0.882	0.197	Valid
Norms (X2)	X2.1	0.888	0.197	Valid
	X2.2	0.871	0.197	Valid
	X2.3	0.871	0.197	Valid
	X2.4	0.835	0.197	Valid
	X2.5	0.890	0.197	Valid
Network (X3)	X3.1	0.815	0.197	Valid
	X3.2	0.731	0.197	Valid
	X3.3	0.886	0.197	Valid
	X3.4	0.857	0.197	Valid
	X3.5	0.876	0.197	Valid
Religiosity (X4)	X4.1	0.915	0.197	Valid
	X4.2	0.902	0.197	Valid
	X4.3	0.917	0.197	Valid
	X4.4	0.907	0.197	Valid
	X4.5	0.877	0.197	Valid
MSME Improvement (Y)	Y.1	0.893	0.197	Valid
	Y.2	0.898	0.197	Valid
	Y.3	0.912	0.197	Valid
	Y.4	0.798	0.197	Valid
	Y.5	0.819	0.197	Valid

Source: Primary Data in SPSS Processing, 2024

Judging from this table, it is known that the r value is determined from measuring 5 questions for each variable. R Calculate > R Table where the R table value is 0.197. Therefore, all questions are said to be substantial.

Table 2. Reliability Validity Test Results

Variable	Cronbach's Alpha	Coefficient Alpha	Information
Trust (X1)	0.893	0.7	Reliable
Norm (X2)	0.920	0.7	Reliable
Network (X3)	0.887	0.7	Reliable
Religiosity (X4)	0.943	0.7	Reliable
Increase in MSMEs (Y)	0.915	0.7	Reliable

Source: Primary Data in SPSS Processing, 2024

According to Al Ghazali (2009), high or poor dependability is demonstrated empirically by a figure known as the reliability coefficient value. An rxx value around 1 indicates high reliability. Reliability is generally regarded as excellent when it is ≥ 0.700. Consequently, since the Cronbach's Alphe for 25 is known to be larger than0.7, the totality of the questionnaire is declared reliable, so that if the questionnaire is reliable it can be distributed to respondents to be used a research.

Classical Assumption Test

Multicollinearity Test

The multicollinearity test is intended to see the relationship or correlation between each variable . This is a condition where two or more variables in a regression model have a close relationship with each other. The multicollinearity test is carried out to detect whether multicollinearity problems exist in a study.

Table 3. Multicollinearity Test

Model		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
		B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	.109	1,095		,099	,921		
	Trust (X1)	.102	.104	,098	,983	,328	,213	4,687
	Norm (X2)	,150	,094	,149	1,600	.113	,246	4,062
	Network (X3)	,535	,085	,520	6,263	,000	,310	3,225
	Religiosity (X4)	,186	,069	,205	2,686	,009	,367	2,726

a. Dependent Variable: Increase in MSMEs (Y)

Source: Primary Data in SPSS Processing, 2024

Based on the table above, it is evident that multicollinearity does not arise because the tolerance value is bigger than > 0.10. Furthermore, the FIV value is less than <10.00, indicating the absence of multicollinearity. Consequently, it is evident that multicollinearity problems between variables so that the analysis results are more consistent.

Hypothesis testing

Statistical t-test

The t test was used to evaluate the study hypothesis on the relative contributions of each independent variable to the dependent variable. To ascertain whether a hypothesis which states that there is no significant difference between two sample means is true, a statistical test known as the T test (Test) is utilized randomly selected from the same population is true or false (Sudjiono, 2010). The t test functions to help researchers or data analysts determine whether the difference between the sample mean and the expected value is statistically significant or simply occurs due to random variation. The decision to accept or reject the null hypothesis is based on the significance threshold that was previously established and the t value. Determining whether or not variable X and variable Y have a combined influence on Y is the goal of the t test.

Table 4. Statistical t-test

Model		Unstandardized Coefficients		Standardized Coefficients	E	Sig.
		B	Std. Error	Beta		
1	(Constant)	.109	1,095		,099	,921
	Trust (X1)	.102	.104	,098	,983	,328
	Norm (X2)	,150	,094	,149	1,600	.113
	Network (X3)	,535	,085	,520	6,263	,000
	Religiosity (X4)	,186	,069	,205	2,686	,009

a. Dependent Variable: Increase in MSMEs (Y)

Source: Primary Data in SPSS Processing, 2024

It is known from the t-statistical test results that the computed t value is 0.983 < t table 1.985 and the Sig value for the influence of X1 on Y is 0.328 > 0.05. The computed t value is 1.600 < t table 1.985, and the influence of X2 on Y is 0.113 > 0.005. 0.000 < 0.05 is the influence of X3 on Y, and 6.263 > t table 1.985 is the computed t value. The computed t value is 2,686 > t table 1.985, and the influence of X4 on Y is 0.009 < 0.05. Thus, it can be said that while Ha is rejected, Trust (X1) and Norm (X2) H_o are accepted. This indicates that X1 and X2 have no effect on the MSMEs' growth (Y). Ha is accepted although Network (X3) and Religiosity (X4) H_o are refused. This indicates that X3 and X4 have an impact on the rise in MSMEs (Y).

f Test (Simultaneous)

Simultaneous Test (F Test) is carried out to find out whether the impact of each There is equality between the independent and dependent variables. concurrently helps determine the overall significance of the regression model. Although the t test on each coefficient provides information about the influence of the independent factors independently, the F test establishes if a set of these variables together has a significant impact on the dependent variable. The F test is used to ascertain the overall impact of each independent variable on the dependent variable. When the independent variable influences the dependent variable concurrently, or vice versa, the significant value F <0.05 demonstrates this. A level of 0.5 or 5% is used (Ghozali, 2016).

Table 5. f Test (ANOVA)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1132.672	4	283,168	93,608	,000(a)
	Residual	281,328	93	3,025		
	Total	1414,000	97			

a Predictors : (Constant), Religiosity (X4), Norms (X2), Network (X3), Trust (X1)

b Dependent Variable: Increase in MSMEs (Y)

Source: Primary Data in SPSS Processing, 2024

One can conclude that H 0 is rejected and H 1 is accepted based on the given table. The computed F value, which is 93.608, illustrates this. In the meantime, the significance value that is obtained is 0.000, which is less than 0.05. Therefore, it can be said that the multiple regression model is appropriate for usage and that the dependent variable is simultaneously influenced by the independent variables of trust, norms, networks, and religion increasing MSMEs.

Determination Coefficient (R ^{2})

The goal of The measure of the model's ability to adapt to changes in the dependent variable is the coefficient of determination (R2). The presence of a coefficient of determination can be shown using the modified R-Squared value, which is a measure of the model's capacity to explain how the influence of the independent variables collectively (simultaneously) influences the dependent variable (Ghozali, 2016).

Table 6. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,895(a)	,801	,792	1.73926

a Predictors : (Constant), Religiosity (X4), Norms (X2), Network (X3), Trust (X1)

Source : Primary Data in SPSS Processing, 2024

In the Model Summary test results, above there is some important information that provides an overview of how well the regression model used is in explaining the variability of the dependent variable (Increase in MSMEs) based on the independent variables entered. The R Square (R^2) value obtained is 0.801, indicating that around 80.1% of the variability in the increase in MSMEs can be explained by the independent variables (Trust, Norms, Network, Religiosity) which are included in the regression model which shows a relatively high level of model fit.

Discussion

Based on the results of research characteristics tests carried out by distributing research questionnaires, it was found that the majority of respondents were in the 21-23 year age group. In the gender distribution analysis, there were significant differences with 68.4% of respondents being women and 31.6% being men. These results illustrate that MSMEs owned by women have greater representation in the research sample. The type of MSME most widely represented in the sample is culinary business (50%), followed by service business (30.6%) and fashion business (14.3%). Referring to respondents' income, the majority of respondents (49%) with an income range of IDR 500,000 to IDR 1,000,000, followed by a range (26.5%) of IDR 1,000,000 to IDR 2,000,000 range (14.3%) with an income of IDR 2,000,000 to IDR 3,000,000 and range (10.2%) with income > IDR 3,000,000.

The Influence of Trust on Increasing MSMEs

The t-statistical test results indicate the value of Sig in the t test findings, which are used to ascertain the influence between the independent and dependent variables. X1 has a 0.328 > 0.05 effect on Y, and the computed In the t table, 1.985 < t value of 0.983. According to Ghazali (2016), the regression findings are tested at a 95% confidence level or a 5% significance level ($\alpha = 0.05$). If the significance value of the t test is more than 0.05, Ha is rejected and H0 is accepted. This suggests that the dependent and independent variables have no relationship of influence on one another. The rejection of H0 and acceptance of Ha occur when the significance value of the t test is less than 0.05. This suggests that there is mutual influence between the independent and dependent variables. Therefore, it can be concluded that there isn't much of a difference (H0 is accepted). The test findings demonstrate that there is not enough information to contest the null hypothesis, which holds that trust (X1) has no discernible impact on increasing MSMEs (Y) (I 2016) .

These results indicate that trust does not have a significant impact on increasing MSMEs. Because, the subjects of this research believe that the quality of the product or

service they offer is more important than building trust. They argue that aspects such as innovation, competitive prices, or product superiority are more decisive in winning the market. However, trust In improving MSMEs, it is closely related to the concept of taqwa or devotion to Allah. The existence of trust can ensure that business is run with Islamic morals and ethics, including transparency and fairness in transactions, becoming the foundation for building trust. Apart from that, values such as ukhuwah (brotherhood) and community economic empowerment are important foundations in forming an ethical and mutually supportive business community. Thus, the trust built in the Islamic Social Capital environment creates a solid foundation for sustainable MSME growth. The results of this research contradict previous research, namely research by Ahbid Muhtarom, Imam Syairozi, Nuriyah Dita Wardani which found that subjective trust increases sales (Muhtarom et al., 2022). However, this research is in line with research conducted by Isti (2019), Vina Endah Susant (2021), whose research stated that trust has a low influence on buying interest on the Traveloka site (Susanti, 2021).

The Influence of Norms on Increasing MSMEs

Using the t test findings to assess the independent variable's influence This suggests that the null hypothesis cannot be rejected due to a lack of statistical support. Given that the Sig value is large, it can be said that the variations between variables X2 and Y occurred by chance and cannot be considered the result of a significant influence. Apart from that, the calculated t value of 1.600 turns out to be smaller than the relevant table t value (1.985). This analysis indicates that the influence of variable X2 on increasing Y cannot be considered significant as has been explained (Ghazali 2016) Ha is not accepted, and if the significance value of the t test is more than 0.05, then H0 is. This suggests that the dependent and independent variables have no relationship of influence on one another. The rejection of H0 and acceptance of Ha occur when the significance value of the t test is less than 0.05. The null hypothesis can thus be accepted, indicating that there is insufficient data to back up the assertion that variable X2 significantly influences increasing Y in the context of the analysis carried out.

The results show that norms do not have a significant impact on increasing MSMEs. Because social norms vary in various societies and cultures, the subject of this research believes that differences in business values and ethics between individuals or groups draw varying lines towards norms. However, norms in improving MSMEs can encourage business practices that are based on good morals, such as honesty. , justice, and integrity. MSMEs that run business with good ethics will build customer trust and be positive contributors to business reputation in the long term . The findings of this study go counter to those of earlier studies, particularly those conducted in 2021 by Tedy Irawan, Aliffiar Hendardi Pramudya, and Leonard Adrie Manafe which found that norms are subjective to consumer buying interest (Irawan et al., 2021). However, This study supports that of Novita Nurul Islami (2017), who found no evidence that subjective norms significantly influenced students' willingness to start their own businesses. business ownership (Islami, 2017).

The Influence of Networks on Increasing MSMEs

It is possible to conclude that there is statistical significance in the link between these two variables based on the t test findings, which demonstrate the impact of variable X3 on Y. The variable amounting to 6,263 is significantly more than the t table value, which should be 1.985, according to the null hypothesis is strongly supported by the p-value of 0.000, which is less than the significance level of 0.05. These outcomes provide strong support for the importance of variable differences or relationships observed in samples do not occur by chance. The lower the p-value, the stronger the statistical evidence. So, in the context of research or analysis, these findings can be a strong basis for making decisions or recommendations regarding factors or variables X3 that influence variable Y.

These results show that the social network in Islamic Social Capital can help MSMEs to connect with sharia financial institutions, social investors and other business actors with Islamic values. Networks in the context of Islamic Social Capital are not only a means for exchanging material and information, but also a forum for MSMEs to be involved in a business ecosystem that is empowered by Islamic values, creating a strong foundation for ethical and sustainable business growth the study's findings concur with those of Andy Hendrawan and Andi Wijaya (2020), who discovered that subjective networks influence the performance of MSME businesses in West Jakarta (Hendrawan & Wijaya, 2020).

The Influence of Religiosity on Increasing MSMEs

It is possible to conclude that there is statistical significance in the link between these two variables based on the t test findings, which demonstrate the impact of variable X4 on Y. Because the As the p-value of 0.009 is smaller than the significance level of 0.05, it can be said that the null hypothesis cannot be supported by the available statistical evidence. According to this idea, the variable As stated before, if the significance value of the t test is higher than 0.05, Ha is rejected and H0 is accepted. This suggests that the dependent and independent variables have no relationship of influence on one another. The rejection of H0 and acceptance of Ha occur when the significance value of the t test is less than 0.05. Consequently, it is evident that variable X4 has a noteworthy influence on variable Y in the context of this analysis. These findings provide support for the relevance of variable X4 in explaining variations or changes in variable Y.

These results show that the religious dimension in Islamic Social Capital not only reflects the identity of MSMEs, but also forms the moral and ethical basis for running a business based on Islamic principles, creates strong social ties, and provides a positive impact on economic and social development. The findings of this study are consistent with those of Oza Aidha Putri's research. Linda Hetri Suriyanti, Adriyanti Agustina Putri (2022) which found that subjective religiosity affects MSME taxpayer compliance (Putri et al., 2022).

CONCLUSION

The contribution of MSMEs to Indonesia's GDP emphasizes the importance of developing MSMEs as a driver of local economic growth with a figure reaching 61%. This research found that Islamic social capital has a significant positive influence on improving the performance of MSMEs managed by students of the Faculty of Economics and Islamic Business, North Sumatra State Islamic University (FEBI UINSU). The elements of Islamic social capital analyzed include trust, norms, networks and religiosity. Trust between business actors increases collaboration and support, good social norms encourage ethics and responsibility, strong networks help access markets and resources, and high religiosity influences business decisions and reputation. The analysis results show that all of these elements contribute to building networks, improving service quality, and supporting the growth of MSMEs, thereby having a positive impact on student business performance.

The implications of this research are practical for students, providing insight into the importance of utilizing Islamic social capital to improve business performance and sustainability. This research also provides a theoretical contribution in understanding the role of social capital in the context of Islamic economics, and can be a basis for further research regarding the factors that influence the performance of MSMEs (Kurnyasih & Syahbudi, 2022). These findings can also be a reference for policy makers in formulating programs that support the development of MSMEs, especially those managed by students, by utilizing social capital as an economic development strategy. Overall, these findings show the importance of integrating social capital in MSME development strategies to achieve better sustainability and growth (Fauja et al., 2023). The suggestions in this research are that there is hope for collaboration between MSME students and lecturers, business experts and external organizations to expand business networks and support the growth of MSMEs locally and nationally. And future research involves further exploration of the factors influencing MSMEs, as well as the possible inclusion of additional variables that could provide deeper insights in this context.

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