



PROSIDING KONFERENSI RISET AKUNTANSI RIAU

<https://konrariau-iaikapd.web.id/index.php/konra/>



IKATAN AKUNTAN INDONESIA
KOMPARTEMEN AKUNTAN PENDIDIK

LEVERAGING SOCIAL CAPITAL FOR SUSTAINABLE COOPERATIVE PERFORMANCE: EVIDENCE ON THE MEDIATING ROLE OF COLLABORATIVE GOVERNANCE

Gusnardi¹, Yesi Mutia Basri^{2*}, Poppy Nurmayanti², Novita Indrawati², Ria Nelly Sari²,
Fauzan Dwi Resnanda², Damara Putri Hestia Indrapraja²

¹Faculty of Teacher Training and Education, Universitas Riau, Indonesia

²Faculty of Economics and Business, Universitas Riau, Indonesia

*Correspondence : yesimutiabasri@lecturer.unri.ac.id

Abstrak

Penelitian ini bertujuan untuk menganalisis pengaruh modal sosial terhadap kinerja keberlanjutan koperasi, serta menguji peran tata kelola kolaboratif sebagai mekanisme mediasi dalam konteks koperasi di Provinsi Riau, Indonesia. Berangkat dari Social Capital Theory dan Collaborative Governance Theory, studi ini menjelaskan bagaimana sumber daya relasional yang melekat dalam komunitas koperasi dikonversi menjadi kinerja keberlanjutan ekonomi, sosial, dan lingkungan. Penelitian ini menggunakan pendekatan kuantitatif eksplanatori dengan metode survei terhadap pengelola koperasi yang terdiri atas ketua, sekretaris, bendahara, dan manajer unit usaha. Data diperoleh dari 181 kuesioner valid yang dianalisis menggunakan Partial Least Squares–Structural Equation Modeling (PLS-SEM). Hasil penelitian menunjukkan bahwa modal sosial berpengaruh positif dan signifikan terhadap kinerja keberlanjutan koperasi, meskipun dengan kekuatan pengaruh yang relatif moderat. Modal sosial juga terbukti memiliki pengaruh yang sangat kuat terhadap tata kelola kolaboratif, yang pada gilirannya berpengaruh signifikan terhadap kinerja keberlanjutan. Lebih lanjut, tata kelola kolaboratif terbukti memediasi secara signifikan hubungan antara modal sosial dan kinerja keberlanjutan koperasi. Temuan ini menegaskan bahwa keberlanjutan koperasi tidak tercapai secara otomatis melalui kohesi sosial semata, tetapi sangat bergantung pada kemampuan koperasi dalam menginstitutionalisasi modal sosial melalui tata kelola kolaboratif yang inklusif, transparan, dan berbasis konsensus. Penelitian ini memberikan kontribusi teoretis dengan memperkaya literatur keberlanjutan koperasi berbasis komunitas serta implikasi praktis bagi penguatan kebijakan koperasi yang selaras dengan Sustainable Development Goals (SDGs).

Kata kunci: modal sosial; tata kelola kolaboratif; kinerja keberlanjutan; koperasi;

Abstract

This study aims to examine the effect of social capital on cooperative sustainability performance and to investigate the mediating role of collaborative governance in the context of cooperatives in Riau Province, Indonesia. Drawing on Social Capital Theory and Collaborative Governance Theory, the study explains how relational resources embedded in cooperative communities are transformed into economic, social, and environmental sustainability outcomes. A quantitative explanatory approach was employed using a survey of cooperative managers, including chairpersons, secretaries, treasurers, and business unit managers. A total of 181 valid responses were analyzed using Partial Least Squares–Structural Equation Modeling (PLS-SEM). The results reveal that social capital has a positive and significant direct effect on



PROSIDING KONFERENSI RISET AKUNTANSI RIAU

<https://konrariau-iaikapd.web.id/index.php/konra/>



IKATAN AKUNTAN INDONESIA
KOMPARTEMEN AKUNTAN PENDIDIK

sustainability performance, although the magnitude of the effect is relatively modest. Social capital also exhibits a strong and significant influence on collaborative governance, which in turn has a substantial positive effect on sustainability performance. Furthermore, collaborative governance is found to significantly mediate the relationship between social capital and sustainability performance. These findings indicate that cooperative sustainability does not emerge automatically from social cohesion alone, but rather depends on the institutionalization of social capital through inclusive, transparent, and consensus-based governance mechanisms. This study contributes to the literature by providing a mechanism-based explanation of cooperative sustainability and offers practical insights for strengthening cooperative governance in support of the Sustainable Development Goals (SDGs).

Keywords: *social capital; collaborative governance; sustainability performance; cooperatives; PLS-SEM*

INTRODUCTION

Sustainability has become a central paradigm in the global development agenda, as articulated in the Sustainable Development Goals (SDGs), which emphasize the integration of inclusive economic growth, social equity, and environmental protection (United Nations Department of Global Communications, 2020). Within this framework, cooperatives are widely recognized as organizational forms that are structurally aligned with sustainable development principles due to their collective ownership, member participation, and long-term orientation (OECD, 2006; Ergene & Ergene, 2025; Rostami & Salehi, 2024). Nevertheless, such normative alignment does not automatically translate into sustainability performance in cooperative management practices.

In response to this global agenda, the Indonesian government has positioned cooperatives as a key pillar of people-centered economic development through various affirmative policies, including the establishment of *Koperasi Merah Putih*. This initiative aims to strengthen local economies, enhance village self-reliance, and promote equitable welfare distribution by positioning cooperatives as strategic grassroots socio-economic institutions (Ministry of Cooperatives Regulation, 2025). However, the effectiveness of this policy largely depends on cooperatives' ability to achieve economic sustainability, maintain social legitimacy, and internalize environmental responsibility in their governance practices.

Empirical conditions in Indonesia reveal a substantial gap between the ideal role of cooperatives and their actual sustainability performance, particularly in resource-dependent regions such as



PROSIDING KONFERENSI RISET AKUNTANSI RIAU

<https://konrariau-iaikapd.web.id/index.php/konra/>



IKATAN AKUNTAN INDONESIA
KOMPARTEMEN AKUNTAN PENDIDIK

Riau Province. Official data from 2024 show that of approximately 6,200 registered cooperatives, only about 54% remain active, and merely 27% of active cooperatives conduct Annual Member Meetings, indicating weaknesses in accountability, transparency, and member participation (Department of Industry, Trade, Cooperatives, and MSMEs of Riau Province, 2024). Economically, low surplus-to-business-volume ratios limit reinvestment capacity, while environmentally, many cooperatives operate in natural resource-based sectors without adequate governance capacity to systematically address environmental risks (Gusliana & Separen, 2024; Megasyara et al., 2025).

Notably, cooperatives in Riau are embedded in communities characterized by relatively strong social capital, reflected in trust, social ties, and shared communal values. Prior studies consistently highlight social capital as a critical relational resource that enhances coordination, participation, organizational legitimacy, and long-term orientation in community-based organizations (Pillai et al., 2017; Chisholm & Nielsen, 2009; Igalla et al., 2020). Consequently, much of the literature assumes that social capital directly contributes to cooperative performance, including sustainability outcomes.

However, empirical evidence on the relationship between social capital and sustainability performance remains inconclusive. While some studies report positive effects, these relationships often weaken when sustainability is conceptualized multidimensionally across economic, social, and environmental domains (Lafont et al., 2023; Savari et al., 2024). Other studies suggest that strong social capital may also generate exclusivity, personalized dominance, and resistance to change, which can ultimately undermine organizational sustainability (Villalonga-Olives & Kawachi, 2017; Strindlund et al., 2021). These mixed findings indicate that social capital alone does not guarantee sustainable cooperative performance.

Such inconsistencies point to a critical limitation in existing research that treats social capital as a direct determinant of sustainability. As a latent and context-dependent resource, the impact of social capital largely depends on how social relationships are managed and institutionalized within organizational governance and decision-making processes (Pereira-Moliner et al., 2021; Wang et al., 2019). Accordingly, the key research gap lies in the limited



PROSIDING KONFERENSI RISET AKUNTANSI RIAU

<https://konrariau-iaikapd.web.id/index.php/konra/>



IKATAN AKUNTAN INDONESIA
KOMPARTEMEN AKUNTAN PENDIDIK

understanding of how social capital is transformed into measurable sustainability performance in cooperatives.

In this context, collaborative governance offers a relevant analytical framework. Grounded in Collaborative Governance Theory, it emphasizes inclusive, participatory, and consensus-oriented decision-making involving multiple stakeholders (Ansell & Gash, 2008; Emerson & Nabatchi, 2015). In cooperatives, collaborative governance can function as an institutional mechanism that formalizes social capital, enabling trust and shared norms to be translated into accountable collective decisions that support economic, social, and environmental sustainability.

Building on this gap, this study examines the effect of social capital on cooperative sustainability performance, with collaborative governance positioned as a mediating mechanism, focusing empirically on cooperatives in Riau Province, Indonesia. The study contributes theoretically by extending Social Capital Theory through a mechanism-based explanation of sustainability outcomes and conceptually by integrating Social Capital Theory and Collaborative Governance Theory in the context of community-based cooperatives. Empirically, the findings are expected to inform cooperative strengthening policies—including *Koperasi Merah Putih*—to better support the achievement of the SDGs and sustainable economic development in Indonesia.

LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

Social Capital and Cooperative Sustainability Performance

Social capital refers to relational resources embedded in social interactions among organizational members, manifested through trust, shared norms, and social networks. In the cooperative context, social capital holds strategic relevance as it can enhance collective coordination, reduce transaction costs, and encourage cooperative behavior oriented toward long-term goals. Through these mechanisms, social capital enables cooperatives to manage economic activities more efficiently, strengthen social legitimacy among members and local communities, and foster greater awareness of long-term environmental impacts (Rostami & Salehi, 2024).

From the perspective of Social Capital Theory, social capital is expected to contribute positively to sustainability performance by improving collective coordination and reinforcing a



PROSIDING KONFERENSI RISET AKUNTANSI RIAU

<https://konrariau-iaikapd.web.id/index.php/konra/>



IKATAN AKUNTAN INDONESIA
KOMPARTEMEN AKUNTAN PENDIDIK

long-term organizational orientation (Nahapiet & Ghoshal, 1998). Such relational resources may enhance operational efficiency, strengthen social legitimacy, and support more sustainable management practices, thereby improving cooperative sustainability performance. Prior studies provide empirical support for these arguments, showing that social capital positively affects economic and social performance (Westlund & Adam, 2010; Casey & Christ, 2005; Nuryani et al., 2018) as well as environmental performance (Peiró-Palomino & Picazo-Tadeo, 2019; Zhou et al., 2020).

Based on these theoretical and empirical considerations, the following hypothesis is proposed:

Hypothesis 1 : *Social capital has a positive effect on cooperative sustainability performance.*

Social Capital and Collaborative Governance

Collaborative Governance Theory emphasizes inclusive, participatory, and consensus-oriented decision-making processes involving multiple stakeholders (Ansell & Gash, 2008; Emerson & Nabatchi, 2015). The effectiveness of collaborative governance largely depends on trust, reciprocity norms, and openness—core elements of social capital. Social capital creates favorable *starting conditions* for the emergence of collaborative governance. Trust among members encourages active participation in deliberative forums, while shared norms enhance willingness to exchange information and accept collective decisions (Laurian, 2009). Accordingly, higher levels of social capital increase the likelihood that cooperatives will develop effective collaborative governance arrangements.

Hypothesis 2 : *Social capital has a positive effect on collaborative governance in cooperatives.*

Collaborative Governance and Sustainability Performance

Collaborative governance enables organizations to integrate diverse stakeholder interests into decision-making processes, thereby improving decision quality and organizational legitimacy (Emerson & Nabatchi, 2015). In cooperatives, collaborative governance strengthens transparency, accountability, and member involvement, which are essential preconditions for long-term sustainability.



PROSIDING KONFERENSI RISET AKUNTANSI RIAU

<https://konrariau-iaikapd.web.id/index.php/konra/>



IKATAN AKUNTAN INDONESIA
KOMPARTEMEN AKUNTAN PENDIDIK

The literature indicates that inclusive and participatory governance contributes to organizational stability, improved social performance, and adaptive responses to environmental challenges (Ansell & Gash, 2008; Lafont et al., 2023). By institutionalizing participation and dialogue, collaborative governance helps cooperatives align economic objectives with social and environmental responsibilities.

Hypothesis 3 : *Collaborative governance has a positive effect on cooperative sustainability performance.*

The Mediating Role of Collaborative Governance

Although social capital provides an important relational foundation, its impact on sustainability performance depends on institutional mechanisms that translate social relations into structured organizational processes. Collaborative governance serves as such a mechanism by institutionalizing social capital into accountable and long-term-oriented decision-making practices.

Accordingly, collaborative governance is positioned as a mediating variable that explains how social capital is transformed into cooperative sustainability performance. This approach addresses limitations in prior studies that often assume a direct relationship between social capital and performance outcomes.

Hypothesis 4 : *Collaborative governance mediates the relationship between social capital and cooperative sustainability performance.*

RESEARCH METHOD

Population and Sample

The research population comprises cooperatives operating in Kampar Regency and Bengkalis Regency, two representative regions in Riau Province, Indonesia. According to data from the Riau Provincial Office of Cooperatives and MSMEs (2024), of the 3,220 registered cooperatives in the province, the largest concentrations are found in Kampar (328 cooperatives) and Bengkalis (329 cooperatives). These regions were purposively selected because they represent



PROSIDING KONFERENSI RISET AKUNTANSI RIAU

<https://konrariau-iaikapd.web.id/index.php/konra/>



IKATAN AKUNTAN INDONESIA
KOMPARTEMEN AKUNTAN PENDIDIK

Riau's dominant economic structures: agriculture and plantation activities in Kampar, and fisheries and coastal trade in Bengkalis.

Field verification indicates that these two regencies have higher proportions of active cooperatives and greater institutional stability compared to other areas. Based on confirmation from local cooperative offices, approximately 160 active cooperatives in Kampar and 165 in Bengkalis met the operational criteria and were therefore defined as the study's operational population.

Purposive sampling was employed, with cooperatives as the unit of analysis and cooperative managers as the unit of observation. Respondents included chairpersons, secretaries, treasurers, and business unit managers, selected due to their direct involvement in governance practices, social relationship management, and performance achievement. This respondent selection ensured that the collected data accurately represent social capital, collaborative governance, and sustainability performance within cooperatives.

Operational Definitions

Social capital is defined as relational resources embedded in social relationships among cooperative members and between cooperatives and their communities, facilitating trust, cooperation, and collective action. This variable is measured through dimensions of trust, shared norms, and social networks, reflecting the quality of social interactions and member embeddedness (Nahapiet & Ghoshal, 1998; Putnam, 2000).

Collaborative governance refers to inclusive and participatory decision-making processes involving multiple cooperative stakeholders. It is measured through member participation, decision-making inclusiveness, transparency, and consensus mechanisms, consistent with collaborative governance principles (Ansell & Gash, 2008; Emerson & Nabatchi, 2015).

Sustainability performance denotes a cooperative's ability to achieve balanced and sustained economic, social, and environmental outcomes. This construct is measured multidimensionally based on the triple bottom line approach, encompassing economic, social, and environmental performance (Elkington & Rowlands, 1999; Lafont et al., 2023).



PROSIDING KONFERENSI RISET AKUNTANSI RIAU

<https://konrariau-iaikapd.web.id/index.php/konra/>



IKATAN AKUNTAN INDONESIA
KOMPARTEMEN AKUNTAN PENDIDIK

Data Analysis Technique

Data were analyzed using Partial Least Squares–Structural Equation Modeling (PLS-SEM) with SmartPLS software. PLS-SEM was selected due to its suitability for predictive research models, latent constructs, and mediation testing with moderate sample sizes. The analysis followed two main stages: evaluation of the measurement model (outer model) to assess construct validity and reliability, and evaluation of the structural model (inner model) to test causal relationships and mediation effects among variables.

RESULTS AND DISCUSSION

A total of 400 questionnaires were distributed to cooperative managers in Kampar Regency and Bengkalis Regency in accordance with the study's respondent criteria. Of these, 203 questionnaires were returned. Following a comprehensive data screening process covering response completeness, internal consistency, and compliance with respondent eligibility 181 questionnaires were deemed valid and suitable for further analysis. Accordingly, the usable response rate was 45.25%, which is considered adequate for PLS-SEM analysis, given the study's focus on testing causal relationships and predictive models involving latent constructs.

Outer Loading Evaluation

The measurement model was assessed by examining outer loadings to evaluate the convergent validity of indicators with respect to their underlying latent constructs. This procedure served as the basis for determining indicator adequacy and for eliminating indicators with insufficient contributions prior to proceeding to the structural model analysis. The results of the convergent validity assessment based on indicator factor loadings are presented in Table 1.



PROSIDING KONFERENSI RISET AKUNTANSI RIAU

<https://konrariau-iaikapd.web.id/index.php/konra/>



IKATAN AKUNTAN INDONESIA
KOMPARTEMEN AKUNTAN PENDIDIK

Table 1. Factor Loadings

	Loading Factor	Cronbach's alpha	Composite Reliability	AVE
Collaborative Governance		0.857	0.859	0.504
CG 1	0.594			
CG 2	0.737			
CG 3	0.685			
CG 4	0.734			
CG 5	0.762			
CG 6	0.844			
CG 7	0.640			
CG 8	0.655			
Social Capital		0.725	0.744	0.550
SC1	0.736			
SC2	0.623			
SC3	0.878			
SC4	0.608			
Sustainability Performance		0.766	0.783	0.511
SP 1	0.671			
SP 3	0.758			
SP 4	0.618			
SP 5	0.742			
SP 6	0.774			

The results of the outer loading evaluation after the elimination of indicator SP1 indicate that all remaining indicators for the Collaborative Governance, Social Capital, and Sustainability Performance constructs exhibit loading values above the minimum recommended threshold of 0.50, suggesting adequate indicator contributions in reflecting their respective latent constructs. Specifically, outer loading values range from 0.594 to 0.844 for Collaborative Governance, 0.608 to 0.878 for Social Capital, and 0.618 to 0.774 for Sustainability Performance. Accordingly, all retained indicators meet the criteria for convergent validity, and the removal of SP1 demonstrably improved the quality of the measurement model without compromising construct representativeness (Hair & Alamer, 2022). Furthermore, the Average Variance Extracted (AVE) values for all constructs exceed 0.50, providing additional confirmation of satisfactory convergent



PROSIDING KONFERENSI RISET AKUNTANSI RIAU



IKATAN AKUNTAN INDONESIA
KOMPARTEMEN AKUNTAN PENDIDIK

<https://konrariau-iaikapd.web.id/index.php/konra/>

validity. On this basis, the measurement model was deemed adequate for subsequent structural model analysis.

After establishing convergent validity, the next step involved assessing discriminant validity to ensure that each latent construct demonstrates sufficient conceptual and empirical distinctiveness and can be clearly differentiated from other constructs in the model. The results of the discriminant validity assessment are presented in Table 2.

Table 2. Fornell–Larcker Criterion

	Collaborative Governance	Social Capital	Sustainability Performance
Collaborative Governance	0.710		
Social Capital	0.735	0.742	
Sustainability Performance	0.628	0.555	0.715

The results of the discriminant validity assessment based on the Fornell–Larcker criterion indicate that the square roots of the *Average Variance Extracted* (AVE) for each construct appear on the diagonal and exceed the corresponding inter-construct correlations. Specifically, the square root of AVE is 0.710 for Collaborative Governance, 0.742 for Social Capital, and 0.715 for Sustainability Performance, all of which are higher than the cross-construct correlations ranging from 0.555 to 0.735. These findings suggest that each construct explains a greater proportion of variance in its own indicators than in those of other constructs. Accordingly, discriminant validity is established, and the three constructs social capital, collaborative governance, and sustainability performance are empirically and conceptually distinct within the measurement model.

In addition to validity, the reliability assessment presented in Table 1 demonstrates satisfactory internal consistency across all constructs. The Cronbach’s alpha values for Collaborative Governance (0.857), Social Capital (0.725), and Sustainability Performance (0.766) all exceed the recommended threshold of 0.70, indicating good reliability. Furthermore, both composite reliability measures are above the acceptable benchmark (≥ 0.70), confirming that the indicators consistently and reliably represent their respective latent constructs (Hair et al., 2022).



PROSIDING KONFERENSI RISET AKUNTANSI RIAU



IKATAN AKUNTAN INDONESIA
KOMPARTEMEN AKUNTAN PENDIDIK

<https://konrariau-iaikapd.web.id/index.php/konra/>

Taken together, these results indicate that the measurement model is both reliable and valid, and thus suitable for subsequent structural model testing.

Structural Model Assessment

The evaluation of overall model fit shows that the Standardized Root Mean Square Residual (SRMR) value is 0.113, which slightly exceeds the commonly suggested threshold of 0.08. This result indicates a moderate level of residuals between the observed and estimated correlation matrices. However, this level of fit remains acceptable within the context of PLS-SEM, which prioritizes predictive accuracy rather than strict global fit criteria, particularly in models with latent constructs and moderate complexity. Additionally, the Normed Fit Index (NFI) value of 0.584 reflects a moderate level of model fit, suggesting that while the model may not achieve optimal global fit, it remains appropriate for structural analysis. This interpretation is consistent with methodological recommendations that global goodness-of-fit indices are not the primary criteria for model evaluation in PLS-SEM (Hair Jr et al., 2021; Henseler et al., 2014). The results of the hypothesis testing are presented in **Table 3**, while the corresponding bootstrapping results of the structural model, including the estimated path coefficients and their significance levels, are illustrated in **Figure 1**

Table 3. Hypothesis Testing Results

Hypothesis	Original sample (O)	T statistics (O/STDEV)	P values	Results
H1 Social Capital -> Sustainability Performance	0.203	2.131	0.033	Accepted
H2 Social Capital -> Collaborative Governance	0.735	23.068	0.000	Accepted
H3 Collaborative Governance -> Sustainability Performance	0.479	5.148	0.000	Accepted
H4 Social Capital -> Collaborative Governance -> Sustainability Performance	0.352	5.028	0.000	Accepted



PROSIDING KONFERENSI RISET AKUNTANSI RIAU

<https://konrariau-iaikapd.web.id/index.php/konra/>



IKATAN AKUNTAN INDONESIA
KOMPARTEMEN AKUNTAN PENDIDIK

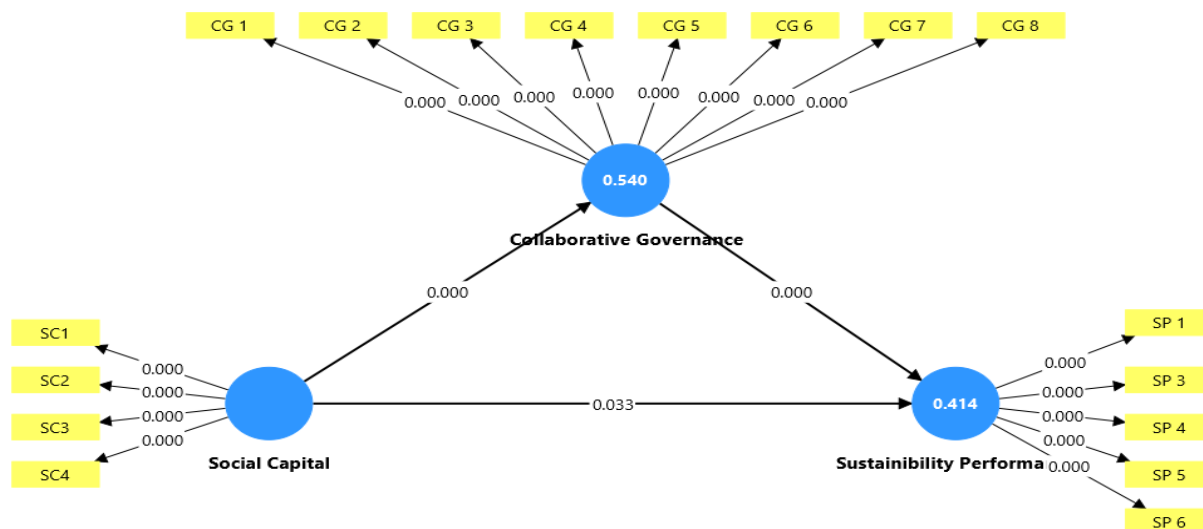


Figure 1. Bootstrapping Results of the Structural Model

Discussion

The results of the structural model analysis indicate that all proposed hypotheses (H1–H4) are empirically supported, confirming the important roles of social capital and collaborative governance in explaining cooperative sustainability performance.

Hypothesis 1 (H1) examines the direct effect of social capital on cooperative sustainability performance. The results show a path coefficient of 0.203, with a t-statistic of 2.131 and a p-value of 0.033, indicating a positive and statistically significant relationship. This finding supports Social Capital Theory, which posits that trust, shared norms, and social networks enhance coordination, reduce opportunistic behavior, and strengthen an organization’s long-term orientation (Nahapiet & Ghoshal, 1998; Putnam, 2000). However, the relatively modest magnitude of the coefficient suggests that the direct contribution of social capital to sustainability performance remains limited. This result is consistent with prior studies showing that the impact of social capital on organizational sustainability tends to weaken when sustainability is conceptualized multidimensionally, encompassing economic, social, and environmental dimensions simultaneously (Villalonga-Olives & Kawachi, 2017; Ridloah et al., 2024).



PROSIDING KONFERENSI RISET AKUNTANSI RIAU

<https://konrariau-iaikapd.web.id/index.php/konra/>



IKATAN AKUNTAN INDONESIA
KOMPARTEMEN AKUNTAN PENDIDIK

Hypothesis 2 (H2) tests the effect of social capital on collaborative governance. The findings reveal a very strong relationship, with a path coefficient of 0.735, a t-statistic of 23.068, and a p-value < 0.001 . This result indicates that social capital is a key determinant of collaborative governance in cooperatives. Trust among members, shared norms, and strong social networks create favorable *starting conditions* that encourage participation, dialogue, and consensus-based decision-making. These findings provide strong empirical support for Collaborative Governance Theory, which emphasizes social capital as a foundational element of inclusive and participatory governance practices (Ansell & Gash, 2008; Emerson & Nabatchi, 2015).

Hypothesis 3 (H3) examines the effect of collaborative governance on cooperative sustainability performance. The analysis yields a path coefficient of 0.479, with a t-statistic of 5.148 and a p-value < 0.001 , indicating a positive and significant effect. This finding suggests that collaborative governance plays a strategic role in enhancing cooperative sustainability performance. Inclusive, transparent, and consensus-oriented decision-making processes improve decision quality, strengthen organizational legitimacy, and help cooperatives balance economic objectives with social and environmental responsibilities. This result aligns with existing literature emphasizing that participatory governance contributes to organizational stability and long-term sustainability, particularly in community-based organizations (Emerson & Nabatchi, 2015; Lafont et al., 2023).

Hypothesis 4 (H4) investigates the mediating role of collaborative governance in the relationship between social capital and cooperative sustainability performance. The indirect effect is positive and significant, with a coefficient of 0.352, a t-statistic of 5.028, and a p-value < 0.001 , indicating that collaborative governance significantly mediates this relationship. Notably, the magnitude of the indirect effect exceeds that of the direct effect of social capital on sustainability performance (H1). This finding suggests that social capital primarily contributes to cooperative sustainability through collaborative governance mechanisms rather than through direct effects alone. It supports the argument that social capital must be institutionalized through governance structures and processes to generate tangible sustainability outcomes (Sabet & Khaksar, 2024; Bianchi, 2021).



PROSIDING KONFERENSI RISET AKUNTANSI RIAU

<https://konrariau-iaikapd.web.id/index.php/konra/>



IKATAN AKUNTAN INDONESIA
KOMPARTEMEN AKUNTAN PENDIDIK

Overall, the findings reveal a critical institutional mechanism within the context of cooperatives in Riau Province. Although cooperatives operate in communities characterized by relatively strong social capital, sustainability performance does not emerge automatically. Social capital exerts a meaningful impact only when activated through collaborative governance that translates trust and shared norms into transparent, participatory, and accountable decision-making processes. These results help explain the empirical paradox frequently observed in cooperatives, where high social cohesion does not necessarily correspond to strong sustainability performance.

From a theoretical perspective, this study extends Social Capital Theory by demonstrating that the effect of social capital on sustainability performance is indirect and highly dependent on institutional mechanisms. By integrating Collaborative Governance Theory, the study provides a more comprehensive explanation of how relational resources are transformed into sustainability outcomes. From a policy and practical standpoint, the findings suggest that cooperative development programs—including the Koperasi Merah Putih initiative—should not focus solely on strengthening community social capital, but also prioritize the development of collaborative governance structures to support the achievement of the Sustainable Development Goals (SDGs) and long-term cooperative sustainability.

CONCLUSION

This study aims to examine the effect of social capital on cooperative sustainability performance and to investigate the mediating role of collaborative governance in the context of cooperatives in Riau Province, Indonesia. The results show that all proposed hypotheses are empirically supported, confirming that social capital and collaborative governance are key determinants of cooperative sustainability.

Specifically, the findings indicate that social capital has a positive and significant effect on sustainability performance, although the strength of this effect is relatively moderate. This suggests that trust, shared norms, and social networks contribute to sustainability outcomes but are insufficient when operating in isolation. Social capital is found to have a very strong influence on the development of collaborative governance, which in turn significantly enhances cooperative



PROSIDING KONFERENSI RISET AKUNTANSI RIAU

<https://konrariau-iaikapd.web.id/index.php/konra/>



IKATAN AKUNTAN INDONESIA
KOMPARTEMEN AKUNTAN PENDIDIK

sustainability performance. These results highlight collaborative governance as a central institutional mechanism through which relational resources are converted into economic, social, and environmental sustainability outcomes.

Furthermore, the mediation analysis demonstrates that the indirect effect of social capital on sustainability performance through collaborative governance is stronger than its direct effect. This provides robust evidence that cooperative sustainability does not arise automatically from social cohesion alone, but rather depends on the ability of cooperatives to institutionalize social capital within inclusive, transparent, and consensus-based governance processes. In doing so, this study helps explain the recurring empirical paradox in community-based cooperatives, where high levels of social capital do not always translate into optimal sustainability performance.

From a theoretical standpoint, this study contributes to the advancement of Social Capital Theory by showing that the relationship between social capital and sustainability performance is indirect and mechanism-dependent. By integrating Collaborative Governance Theory, the study enriches the literature by clarifying the role of collaborative governance as an institutional bridge between informal social relations and organizational sustainability outcomes. This integration offers a more comprehensive conceptual framework for understanding cooperative sustainability as a feature of community-based socio-economic organizations.

From a practical and policy perspective, the findings provide important implications for cooperative strengthening initiatives in Indonesia, including the implementation of the Koperasi Merah Putih policy. Cooperative development should not focus solely on building community social capital, but also on strengthening collaborative governance mechanisms that promote active member participation, transparency, and accountability in decision-making. Such an approach is expected to enhance the effectiveness of cooperatives in supporting the Sustainable Development Goals (SDGs), particularly in advancing inclusive economic development and organizational sustainability at the local level.

Nevertheless, this study has limitations, as it focuses on only two regions in Riau Province, which necessitates caution in generalizing the findings. Future research is encouraged to expand the geographical scope and to incorporate additional institutional variables—such as regulatory



PROSIDING KONFERENSI RISET AKUNTANSI RIAU

<https://konrariau-iaikapd.web.id/index.php/konra/>



IKATAN AKUNTAN INDONESIA
KOMPARTEMEN AKUNTAN PENDIDIK

pressures or managerial capabilities—to further enrich understanding of the dynamics of cooperative sustainability.

ACKNOWLEDGEMENTS

This research was financially supported by the Institute for Research and Community Service (LPPM), Universitas Riau, through the 2025 DIPA LPPM funding scheme (Contract No. 29270/UN19.5.1.3/AL.04/2025). The authors appreciate the institutional support that enabled the completion of this study.

REFERENCES

- Adhikari, K. P. (2018). *Exploring the dynamics of social capital in the sustainability of induced community based organisations in Nepal*.
- Ansell, C., & Gash, A. (2008). Collaborative governance in theory and practice. *Journal of Public Administration Research and Theory*, 18(4), 543–571.
- Bianchi, C. (2021). Fostering sustainable community outcomes through policy networks: A dynamic performance governance approach. *Handbook of Collaborative Public Management*, 333, 356.
- Casey, T., & Christ, K. (2005). Social capital and economic performance in the American states. *Social Science Quarterly*, 86(4), 826–845.
- Chisholm, A. M., & Nielsen, K. (2009). Social capital and the resource-based view of the firm. *International Studies of Management & Organization*, 39(2), 7–32.
- Elkington, J., & Rowlands, I. H. (1999). Cannibals with forks: The triple bottom line of 21st century business. *Alternatives Journal*, 25(4), 42.
- Emerson, K., & Nabatchi, T. (2015). *Collaborative governance regimes*. Georgetown University Press.
- Ergene, E., & Ergene, S. (2025). Organizing for good: cooperatives striving for equity, justice, and ecological well-being. *Society and Business Review*, 20(2), 293–318.
- Gusliana, H. B., & Separen, S. (2024). Implementasi peran Dinas Koperasi, Usaha Kecil dan Menengah dalam mengawasi koperasi produsen kelapa sawit berdasarkan Peraturan Gubernur Nomor 20 Tahun 2015 tentang rincian tugas, fungsi, dan tata kerja Dinas Koperasi, Usaha Mikro Kecil dan Menengah. *Innovative: Journal Of Social Science Research*, 4(5), 8106–8116.
- Hair, J., & Alamer, A. (2022). Partial Least Squares Structural Equation Modeling (PLS-SEM) in second language and education research: Guidelines using an applied example. *Research Methods in Applied Linguistics*, 1(3), 100027.
- Hair Jr, J. F., Hult, G. T. M., Ringle, C. M., Sarstedt, M., Danks, N. P., & Ray, S. (2021). *Partial least squares structural equation modeling (PLS-SEM) using R: A workbook*. Springer Nature.



PROSIDING KONFERENSI RISET AKUNTANSI RIAU

<https://konrariau-iaikapd.web.id/index.php/konra/>



IKATAN AKUNTAN INDONESIA
KOMPARTEMEN AKUNTAN PENDIDIK

- Henseler, Dijkstra, T. K., & Calantone, R. J. (2014). Common beliefs and reality about PLS: Comments on Rönkkö and Evermann (2013). *Organizational Research Methods*, 17(2), 182–209. <https://doi.org/https://doi.org/10.1177/1094428114526928>
- Igalla, M., Edelenbos, J., & van Meerkerk, I. (2020). What explains the performance of community-based initiatives? Testing the impact of leadership, social capital, organizational capacity, and government support. *Public Management Review*, 22(4), 602–632.
- Lafont, J., Saura, J. R., & Ribeiro-Soriano, D. (2023). The role of cooperatives in sustainable development goals: A discussion about the current resource curse. *Resources Policy*, 83, 103670. <https://doi.org/https://doi.org/10.1016/j.resourpol.2023.103670>
- Laurian, L. (2009). Trust in planning: Theoretical and practical considerations for participatory and deliberative planning. *Planning Theory & Practice*, 10(3), 369–391.
- Megasyara, I., Wibowo, R., Febrianti, D., Bait, J. F., & Hakim, A. L. (2025). Optimalisasi Tata Kelola Keuangan dan Manajemen Operasional Koperasi Merah Putih Menuju Kinerja yang Berkelanjutan. *Jurnal Pengabdian Masyarakat*, 6(1), 9–15.
- Nahapiet, J., & Ghoshal, S. (1998). Social capital, intellectual capital, and the organizational advantage. *Academy of Management Review*, 23(2), 242–266.
- Nuryani, N. N. J., Satrawan, D. P. R., Gorda, A. A. N. O. S., & Martini, L. K. B. (2018). Influence of human capital, social capital, economic capital towards financial performance & corporate social responsibility. *International Journal of Social Sciences and Humanities*, 2(2), 65–76.
- OECD. (2006). OECD Principles of Corporate Governance. In *Corporate Governance in Japan: From the Viewpoints of Management, Accounting, and the Market* (pp. 109–117). https://doi.org/10.1007/978-4-431-30920-8_10
- Peiró-Palomino, J., & Picazo-Tadeo, A. J. (2019). Is social capital green? Cultural features and environmental performance in the European Union. *Environmental and Resource Economics*, 72(3), 795–822.
- Peraturan Menteri Koperasi, P. M. (2025). *Pengembangan Usaha Koperasi Desa/Kelurahan Merah Putih*.
- Pereira-Moliner, J., López-Gamero, M. D., Font, X., Molina-Azorín, J. F., Tarí, J. J., & Pertusa-Ortega, E. M. (2021). Sustainability, competitive advantages and performance in the hotel industry: A synergistic relationship. *Journal of Tourism and Services*, 12(23), 132–149.
- Pillai, K. G., Hodgkinson, G. P., Kalyanaram, G., & Nair, S. R. (2017). The negative effects of social capital in organizations: A review and extension. *International Journal of Management Reviews*, 19(1), 97–124.
- Ridloah, S., Pitaloka, L. K., & Maruto, S. N. (2024). International Journal of Social Science and Human Research Building Sustainable Cooperatives Environmental Base: The Role of Social Capital and Technology Adoption in Different Regional Contexts. *International Journal of Social Science and Human Research*, 07(09), 6858–6868. <https://doi.org/10.47191/ijsshr/v7-i09-17>
- Rostami, K., & Salehi, L. (2024). Rural cooperatives social responsibility in promoting Sustainability-oriented Activities in the agricultural sector: Nexus of community, enterprise, and government. *Sustainable Futures*, 7, 100150.
- Sabet, N. S., & Khaksar, S. (2024). The performance of local government, social capital and



PROSIDING KONFERENSI RISET AKUNTANSI RIAU

<https://konrariau-iaikapd.web.id/index.php/konra/>



IKATAN AKUNTAN INDONESIA
KOMPARTEMEN AKUNTAN PENDIDIK

- participation of villagers in sustainable rural development. *The Social Science Journal*, 61(1), 1–29.
- Savari, A., Sharifzadeh, M., & Karami, A. (2024). Assessing sustainability performance of community-based fish farming cooperatives: A comprehensive checklist. *Environmental and Sustainability Indicators*, 24, 100469. <https://doi.org/https://doi.org/10.1016/j.indic.2024.100469>
- Strindlund, L., Abrandt Dahlgren, M., & Ståhl, C. (2021). When cooperation turns ugly: exploring the dark side of social capital. *Qualitative Research in Organizations and Management: An International Journal*, 17(5), 1–18. <https://doi.org/10.1108/QROM-01-2020-1884>
- United Nations Department of Global Communications. (2020). *Sustainable Development Goals: Guidelines for the Use of the SDG Logo [online]*.
- Villalonga-Olives, E., & Kawachi, I. (2017). The dark side of social capital: A systematic review of the negative health effects of social capital. *Social Science & Medicine*, 194, 105–127. <https://doi.org/https://doi.org/10.1016/j.socscimed.2017.10.020>
- Wang, Z., McNally, R., & Lenihan, H. (2019). The role of social capital and culture on social decision-making constraints: A multilevel investigation. *European Management Journal*, 37(2), 222–232.
- Westlund, H., & Adam, F. (2010). Social capital and economic performance: A meta-analysis of 65 studies. *European Planning Studies*, 18(6), 893–919.
- Zhou, D., Liu, T., & Wang, Q. (2020). How social capital affects environmental performance in China. *Frontiers in Energy Research*, 7, 160.