


**SOCIAL CAPITAL AND CORPORATE SOCIAL RESPONSIBILITY: PATHWAYS TO THE SUSTAINABILITY OF COMMUNITY ENTERPRISES IN CHUMPHON PROVINCE**

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ARTICLE INFO	ABSTRACT
<p><b>Article history:</b></p> <p><b>Received</b> 01 September 2023</p> <p><b>Accepted</b> 21 December 2023</p>	<p><b>Purpose:</b> In this research, the objective is to study the impact of social responsibility and social capital on the sustainability of community enterprises.</p> <p><b>Theoretical Framework:</b> Community enterprises play a crucial role in promoting sustainable growth at the community level by creating economic opportunities, fostering social equality, and ensuring environmental sustainability. In the context of community enterprises, social capital and corporate social responsibility can lead to the enhancement of community problem-solving capabilities, the achievement of community objectives, and the sustainability of both the community enterprise and the community as a whole.</p> <p><b>Design/Methodology/Approach:</b> A quantitative approach was employed. The sample group used for the study consists of 200 members of community enterprises in Chumphon province. The instrument used for the study is a questionnaire, adapted from previous academic research, which has undergone content validity and reliability tests with a Cronbach's alpha coefficient of 0.85. Data analysis was conducted using structural equation modeling statistics.</p> <p><b>Findings:</b> Studies have found that social costs are positively correlated with both corporate social responsibility activities and balanced operational outcomes, while no relationship was found between social responsibility and balanced performance outcomes.</p> <p><b>Research Practical and Social Implication:</b> The study clearly demonstrates that social capital is a crucial factor for the sustainable operation of community enterprises.</p> <p><b>Originality/Value:</b> Social responsibility and social capital have great impact on the sustainability of community enterprises, therefore, potential and successful community enterprises must equip with social capital and responsibility.</p>
<p><b>Keywords:</b></p> <p>Social Capital; Corporate Social Responsibility; Community Enterprises.</p> <div data-bbox="172 882 480 1128" style="text-align: center;">  </div>	<p>Doi: <a href="https://doi.org/10.26668/businessreview/2023.v9i1.4174">https://doi.org/10.26668/businessreview/2023.v9i1.4174</a></p>

**CAPITAL SOCIAL E RESPONSABILIDADE SOCIAL CORPORATIVA: CAMINHOS PARA A SUSTENTABILIDADE DAS EMPRESAS COMUNITÁRIAS NA PROVÍNCIA DE CHUMPHON**

**RESUMO**

**Objetivo:** Nesta pesquisa, o objetivo é estudar o impacto da responsabilidade social e do capital social na sustentabilidade das empresas comunitárias

**Quadro Teórico:** As empresas comunitárias desempenham um papel crucial na promoção do crescimento sustentável a nível comunitário, criando oportunidades econômicas, promovendo a igualdade social e assegurando a sustentabilidade ambiental. No contexto das empresas comunitárias, o capital social e a responsabilidade social corporativa podem levar ao aprimoramento das capacidades de resolução de problemas da comunidade, à

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realização dos objetivos da comunidade e à sustentabilidade tanto da empresa comunitária quanto da comunidade como um todo.

**Projeto/Metodologia/Abordagem:** Foi utilizada uma abordagem quantitativa. O grupo amostral utilizado para o estudo é composto por 200 membros de empresas comunitárias na província de Chumphon. O instrumento utilizado para o estudo é um questionário, adaptado de pesquisas acadêmicas anteriores, que passou por testes de validade de conteúdo e confiabilidade com coeficiente alfa de Cronbach de 0,85. A análise de dados foi conduzida usando estatísticas de modelagem de equações estruturais

**Constatações:** Estudos concluíram que os custos sociais estão positivamente correlacionados com as atividades de responsabilidade social das empresas e com resultados operacionais equilibrados, não tendo sido encontrada nenhuma relação entre responsabilidade social e resultados de desempenho equilibrados

**Pesquisa Implicação Prática e Social:** O estudo demonstra claramente que o capital social é um fator crucial para o funcionamento sustentável das empresas comunitárias.

**Originalidade/Valor:** A responsabilidade social e o capital social têm grande impacto na sustentabilidade das empresas comunitárias, portanto, as empresas comunitárias potenciais e bem-sucedidas devem equipar-se com capital social e responsabilidade.

**Palavras-chave:** Capital Social, Responsabilidade Social Corporativa, Empresas Comunitárias.

## CAPITAL SOCIAL Y RESPONSABILIDAD SOCIAL EMPRESARIAL: CAMINOS HACIA LA SOSTENIBILIDAD DE LAS EMPRESAS COMUNITARIAS EN LA PROVINCIA DE CHUMPHON

### RESUMEN

**Objetivo:** En esta investigación, el objetivo es estudiar el impacto de la responsabilidad social y el capital social en la sostenibilidad de las empresas comunitarias

**Marco Teórico:** Las empresas comunitarias desempeñan un papel crucial en la promoción del crecimiento sostenible a nivel comunitario mediante la creación de oportunidades económicas, el fomento de la igualdad social y la garantía de la sostenibilidad ambiental. En el contexto de las empresas comunitarias, el capital social y la responsabilidad social de las empresas pueden contribuir a mejorar la capacidad de la comunidad para resolver problemas, alcanzar los objetivos de la comunidad y lograr la sostenibilidad de la empresa comunitaria y de la comunidad en su conjunto.

**Diseño/Metodología/Enfoque:** Se utilizó un enfoque cuantitativo. El grupo muestral utilizado para el estudio está conformado por 200 miembros de empresas comunitarias de la provincia de Chumphon. El instrumento utilizado para el estudio es un cuestionario, adaptado de investigaciones académicas previas, que ha sido sometido a pruebas de validez de contenido y confiabilidad con un coeficiente alfa de Cronbach de 0,85. El análisis de los datos se realizó utilizando estadísticas de modelado de ecuaciones estructurales

**Conclusiones:** Los estudios han encontrado que los costos sociales están correlacionados positivamente con las actividades de responsabilidad social de las empresas y los resultados operacionales equilibrados, mientras que no se encontró relación entre la responsabilidad social y los resultados equilibrados del desempeño

**Investigación Implicación Práctica y Social:** El estudio demuestra claramente que el capital social es un factor crucial para el funcionamiento sostenible de las empresas comunitarias.

**Originalidad/Valor:** La responsabilidad social y el capital social tienen un gran impacto en la sostenibilidad de las empresas comunitarias, por lo tanto, las empresas comunitarias potenciales y exitosas deben dotarse de capital social y responsabilidad.

**Palabras clave:** Capital Social, Responsabilidad Social Corporativa, Empresas Comunitarias.

### INTRODUCTION

Community enterprises play a crucial role in promoting sustainable growth at the community level by creating economic opportunities, social equality, and environmental sustainability (Somerville & McElwee, 2011). These enterprises operate on the foundation of connection and collaboration among community members, focusing on addressing the needs and challenges of the local community (Aiken et al., 2016). In 2001, the Thai government

launched the "One Tambon One Product" project with the objectives of creating jobs, increasing income for communities, strengthening community resilience, utilizing local wisdom, developing human resources, and promoting the community's creativity to develop products that align with local lifestyles and cultures (Natsuda et al., 2012). The Ministry of Agriculture and Cooperatives has laid out strategies for enhancing the quality of life and sustainability of community enterprises, linking them to the policies of Chumphon province and the 13th National Economic and Social Development Plan (2019-2023). This plan aims for Thailand to be a stable, prosperous, sustainable, and developed nation, based on the philosophy of a self-sufficient economy, by creating sustainable jobs, strengthening social capital, and supporting positive changes at the community level. Community enterprises enhance community resilience and problem-solving abilities (Aiken et al., 2016).

The sustainability of community enterprises encompasses various factors. The Organization for Economic Co-operation and Development (OECD) recognizes the immense value of social capital and its significant impact on economic growth and sustainable development, ultimately leading to the prosperity of a nation's people (OECD, 2021). It is directly related to the thriving of communities and acts as a driving factor in achieving sustainability goals (Putnam, 2000). Social capital plays a vital role in stimulating economic growth and the well-being of locals and is an essential component in promoting economic progress (Daskalopoulou, 2020; Zmyslony et al., 2020).

Social capital primarily stems from trust, social structures, and community participation. An increase in trust and cooperation within a community can lead to enhanced economic collaboration, which is crucial for sustainable prosperity. Moreover, social capital influences the creation of understanding, equality, and a supportive society through training, education, and information sharing. In the context of community enterprises, social capital can foster the community's problem-solving capabilities, achievement of community goals, and sustainability of both the community enterprises and the entire community (OECD, 2021). Individual social capital is not only utilized for personal and community benefits but is also vital for macroeconomic dimensions. Social capital supports the potential to promote job creation. Those with high social capital can achieve economic growth faster than those without it (Engbers & Rubin, 2018). Community enterprises possessing social capital, consisting of social foundations, trust, and the creation of closely related networks, contribute to the strengthening of community enterprises (Nongnuch Srisuk, 2020). This is in line with supporting data that widely acknowledges social capital as knowledge that aids societies in achieving desired

economic growth levels. Components of social capital also serve as productive resources that can stimulate economic growth and local citizens' welfare (Daskalopoulou, I., & Karakitsiou, A., 2020). Social capital is a valuable asset that can be integrated into the equation of economic growth. Social capital can play a pivotal role in economic development (Zmyslony et al., 2020).

One of the factors that contribute to the sustainability of an organization or institution is its corporate social responsibility. This links business stability with meeting the needs and expectations of society. Through operations that emphasize mitigating environmental impacts, fostering a sustainable society, and promoting better development within the communities where businesses operate, there's a connection between economic and social progress. Porter & Kramer (2006) highlighted this interplay, noting the essential relationship between business success and social well-being. Because of this, modern businesses aim to integrate the principles and practices of Corporate Social Responsibility (CSR) and sustainability into their strategies. This integration facilitates the achievement of sustainability objectives and provides a competitive advantage in the market. Recent studies, such as those by Liakh & Spigarelli (2020) and Pakorn Udomthanasansakul (2021), support this approach, underscoring the benefits that socially responsible practices offer to businesses in the current landscape. The assertion that social responsibility contributes to the sustainability of community enterprises and SMEs (Small and Medium Enterprises) is underpinned by numerous studies and research. When businesses, including SMEs, practice social responsibility, they not only enhance their reputation but also build trust within the community, leading to sustained business growth. By understanding and addressing the social and environmental impacts of their operations, businesses can better align with the needs and expectations of their stakeholders, including customers, employees, and the community at large.

Chumphon province is recognized for its potential in agriculture, tourism, and integrated industries. The province's economy, measured by its Gross Provincial Product (GPP), had a total value of 94,203 million baht in 2019. This represents 0.86% of the nation's GDP. Agriculture is the driving force behind the province's economy, particularly the production of durian, oil palm, and rubber. The average GPP per capita is 208,835 baht per person per year, or 17,402.91 baht per person per month. In terms of economic structure, based on the 2019 GPP, agriculture makes up 48.77%, while services and tourism account for 41.40%. Chumphon has 120 community enterprises that have been certified by the Office of Industrial Standards (as of November 29, 2020). These enterprises play a significant role in the local economy and contribute to the quality of life of the residents. They also bolster the province's foundational

strength. Currently, the Ministry of Agriculture and Cooperatives has set a strategy to enhance the quality of life and sustainability of community enterprises. This is in line with Chumphon's provincial policies and the 13th National Economic and Social Development Plan (2023-2027), which aims to make Thailand a developed country that is secure, wealthy, and sustainable. The development aligns with the philosophy of the sufficiency economy.

Given the significance of community enterprises, and upon reviewing the literature on the importance of social responsibility in terms of social environment, governance, and social capital, it becomes evident that these factors can help promote the sustainable operation of community enterprises. Hence, it is crucial to study how the aspects of social environment, governance, and social capital affect the performance of community enterprises. This understanding will serve as a guideline to further promote and drive community enterprises in the future, aiming to create jobs and increase income for the community. Strengthening the community and utilizing local wisdom will ensure its long-term sustainability.

## **THEORETICAL REFERENCE**

### **Social Capital**

Social capital is an abstract concept. In 1986, Pierre Bourdieu stated that social capital refers to "the sum of resources, actual or potential, that are linked to durable and consistent institutionalized relationships. This results from mutual familiarity and mutual recognition, or in other words, being a member of a group that allows members to benefit from the social capital that belongs to that community as a whole. The origins of social capital arise from social, economic, and cultural structures that create different powers and statuses for individuals (Saukani, N., & Ismail, N. A., 2019). Coleman (1988) argued that social capital arises from social networks and leads to collective actions through expectations, obligations, and mutual trust. From a community perspective, social capital is the foundation of community development, formed by individuals of similar backgrounds, mutual trust, and shared beliefs and perspectives in a network (Putnam, 2001). The benefits of social connections in diverse communities and the relevance of social networks for developing resources and skills stem from prominent social networks with shared values, mutual responsibilities, and relationships built on trust and reciprocity. Social capital also encompasses the idea that social obligations are the foundation of sustainable living. Hence, social capital is crucial as a basis for assessing positive changes both individually and collectively (Kizos et al., 2018). When considering the

characteristics and dimensions of social capital, it can be categorized into structural, relational, and relationship dimensions (Nahapiet & Ghoshal, 1998).

According to Nahapiet & Ghoshal (1998), social capital refers to the resources located within the relationship networks between individuals that can produce economic and/or competitive benefits for organizations. Nahapiet and Ghoshal divide social capital into three dimensions:

1. **Structural Dimension:** Refers to the network and connections between individuals or organizations, often involving communication and information exchange.
2. **Cognitive Dimension:** Refers to the level of shared thinking and perspectives that can help promote communication and mutual understanding.
3. **Relational Dimension:** Refers to trustworthiness, obligations, and feelings towards each other, which can enhance exchange and cooperation.

Therefore, according to Nahapiet & Ghoshal's concept, social capital is not just about having relationships, but also involves emotions, communication, and mutual understanding within that relationship network.

In conducting business, it's vital to prioritize actions that align with societal expectations, emphasizing social responsibility concerning societal and environmental preservation. Such a focus leads to sustainable business development and creates a positive image among stakeholders, making society aware of a business's genuine concern and accountability. This conscious approach can offer a competitive advantage in business operations, contributing to overall business success.

### **Corporate Social Responsibility**

The concept of Corporate Social Responsibility (CSR) is now considered a crucial business strategy in the modern era. It signifies not just a commitment to society and the environment, but also a determination to benefit all stakeholders. Moreover, it aims to ensure the sustainability of business operations. Currently, CSR is garnering significant attention due to various societal and environmental challenges (National Economic and Social Development Board, Prime Minister's Office, 2017). Emphasizing social responsibility not only builds a favorable image for businesses but also promotes sustainable development (Siriphat, P., 2016). Businesses that prioritize and demonstrate responsibility towards society positively impact their performance outcomes (Boonnual et al., 2017).

The Securities and Exchange Commission (2017) defines corporate social responsibility (CSR) as the act of ensuring a balance among business, society, and the environment

(Economic-Social-Environment) for sustainable coexistence. Similarly, Pakorn Udomthanasanskul (2021) interprets CSR as a company's sense of responsibility towards the community and the environment, emphasizing the importance of ecological and social aspects. The CSR process must be ongoing and integrated into various company activities, being conducted with ethics and contributing to the sustainable economic development to enhance the quality of life of employees, locals, the community, and society. This aligns with the Triple Bottom Line concept, which consists of three primary dimensions: Environmental, Social, and Economic. Furthermore, it is in line with the United Nations Sustainable Development Goals (SDGs) which resonate with CSR principles (ElAlfy et al., 2020). This demonstrates that CSR activities are crucial for achieving business sustainability.

In an era where the world faces environmental challenges and frequent social issues, many businesses globally recognize the importance of Corporate Social Responsibility (CSR) in seeking ways to direct their operations towards sustainability. Additionally, there's support for community enterprises which are small in scale and primarily utilize local intellectual and material resources to address issues and enhance community sustainability. Embracing CSR can yield enduring benefits and social advantages for community enterprises, provided they thoroughly understand and adhere to these principles (Smith et al., 2019). Community enterprises that undertake social responsibility have a greater chance of achieving success and sustainability (Jones & Bowden, 2017). In conclusion, community enterprises that engage in CSR not only have a higher likelihood of success and sustainability but also offer income and employment opportunities to the community. Furthermore, they can bolster community resilience and sustainability by conducting business with a strong sense of social responsibility.

### **Balanced Scorecard**

The Balanced Scorecard (BSC) is a performance evaluation approach that relies heavily on defining Key Performance Indicators (KPIs) as its central mechanism. It is a management tool designed to aid in the strategic implementation by relying on measurement criteria that ensure the entire organization aligns harmoniously and focuses on what is crucial for the organization's success. By emphasizing such alignment and focus, the BSC facilitates the translation of an organization's strategy into tangible actions.

The balanced scorecard (BSC) is a widely adopted tool for managing business performance. It is applicable to managers across various types of organizations, both in the public and private sectors, to effectively track the execution of activities and monitor the

outcomes of improvement initiatives. The BSC framework encompasses four key perspectives—financial, customer, internal business processes, and learning/growth—that enable comprehensive strategic planning and control within a company (Sartor 2019).

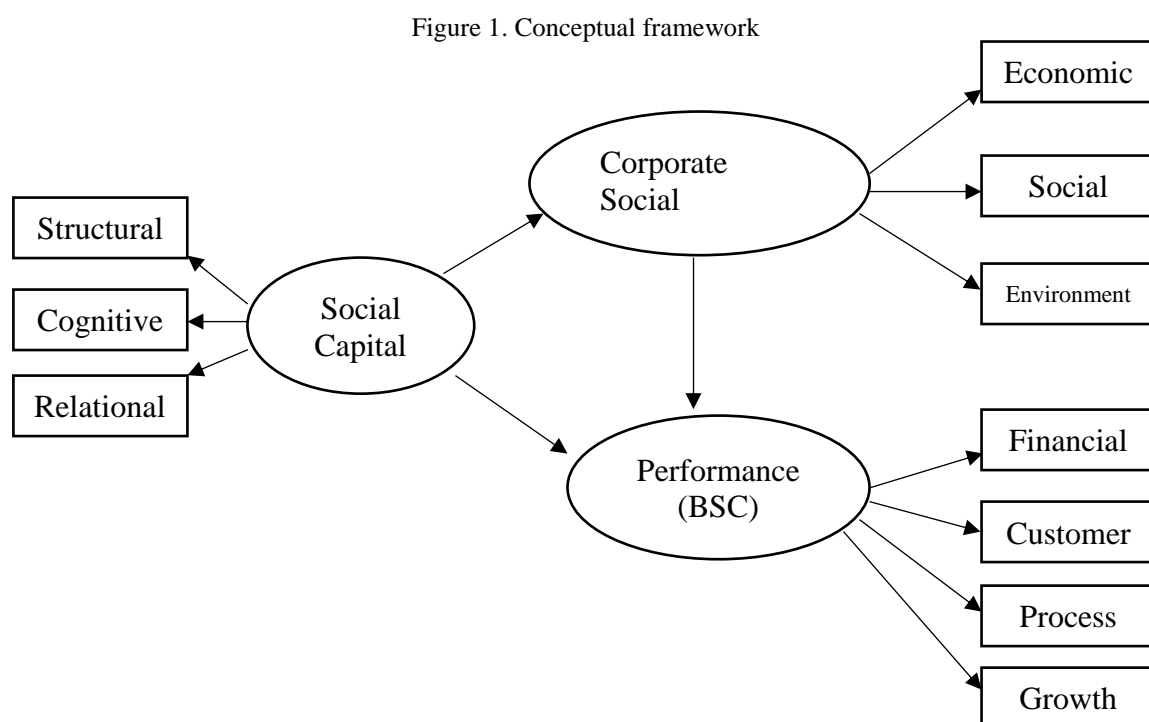
Based on the preliminary data suggesting that social capital is a key factor in promoting and ensuring the sustainability of community enterprises, combined with the notion that businesses have a responsibility towards society, which is a major factor in creating organizational sustainability, it is supported that enterprises with social capital and social responsibility tend to perform better. Thus, this study posits the following hypotheses and conceptual framework.

H1: The social capital of community enterprises is positively correlated with the social responsibility of community enterprises.

H2: The social capital of community enterprises is positively correlated with the performance outcomes of community enterprises.

H3: The social responsibility of community enterprises is positively correlated with the performance outcomes of the enterprise.

Based on the theoretical concepts and research hypotheses in this study, a conceptual framework has been developed, as illustrated in Figure 1.



Source: Boonnual et al, 2023.



## METHODOLOGY

This research is a quantitative study that employs a questionnaire as a tool to collect data and analyze it. The population of this study consists of community enterprise personnel in Chumphon province, with one representative from each of the 440 community enterprises. Based on the rule for Structural Equation Modeling (SEM), the minimum sample size should be at least five times the number of observable variables to be analyzed. The more acceptable sample size ratio is 20:1 (Kline 2023). In this study, there are a total of 10 observable variables, consisting of 3 variables for social capital, 3 variables for social responsibility, and 4 variables for balanced performance outcomes. Using the 20:1 rule, the sample size for this study is 200, which is considered an acceptable sample size for structural equation modeling studies (Comrey and Lee, 2013; Thakkar, 2020).

The researcher conducted a try-out of the questionnaire draft, with a group that had similar qualifications to the target population. This group consisted of managers who were not part of the sample for this research. 30 sets of questionnaires were distributed for the try-out. The reliability measure, Cronbach's Alpha Coefficient, was found to be 0.85. Typically, a higher value indicates better reliability, and it should not be less than 0.80, confirms that the questionnaire is both appropriate and reliable (Nunnally & Bernstein, 1994).

The research employed the Structural Equation Modeling (SEM) approach, chosen due to its versatility and proficiency (Byrne, 2016). Two main analytical techniques incorporated were Confirmatory Factor Analysis (CFA) and path analysis. While path analysis assessed the magnitude and direction of the model's relationships, CFA was used to examine the measurement model and pinpoint latent variables (Byrne, 2016; Kline, 2023). The subsequent equations depict the hypothesized associations of the theoretical framework.

$$\text{CSR} = a_1 + \beta_1 \text{ Social Capital} + e_1 \quad (1)$$

$$\text{Balance Scorecard} = a_2 + \beta_2 \text{ Social Capital} + e_2 \quad (2)$$

$$\text{Balance Scorecard} = a_3 + \beta_3 \text{ CSR} + e_3 \quad (3)$$

## RESULTS AND DISCUSSION

### Results

#### Descriptive results

The researcher conducted a descriptive statistical analysis to evaluate the levels of social capital, corporate social responsibility (CSR), and the balanced scorecard. The findings, presented in Table 1.

- **Social Capital** emerged with a high mean score of 4.01, suggesting a robust level of social capital among the entities studied. The standard deviation of 0.77 indicates a moderate dispersion of responses around this high average.
- **Corporate Social Responsibility (CSR)** also showcased a high level of engagement with an impressive mean score of 3.98. The associated standard deviation of 0.51 points to a relatively lower spread of responses, denoting a more consistent appraisal among the participants regarding CSR practices.
- **Balanced Scorecard** achieved a high mean score as well, recorded at 4.02, which further signifies its strong implementation within the surveyed organizations. The standard deviation of 0.78 is comparable to that of social capital, suggesting a similar range of responses.

These high mean scores are indicative of a strong presence and favorable assessment of social capital, CSR, and balanced scorecard practices within the surveyed groups. The standard deviations signify that there is some variation in how respondents perceive these practices, but overall, the consensus leans positively.

Table 1. Descriptive Analysis

	Mean	S.D.	Interpretation
<b>Social Capital</b>	<b>4.01</b>	<b>0.77</b>	<b>high</b>
1. Structure	3.89	0.84	high
2. Cognitive	4.04	0.73	high
3. Relational	4.10	0.73	high
<b>Corporate Social Responsibility</b>	<b>3.98</b>	<b>0.51</b>	<b>high</b>
1. Economic	4.00	0.37	high
2. Social	3.82	0.69	high
3. Environment	4.11	0.48	high
<b>Balance Scorecard</b>	<b>4.02</b>	<b>0.78</b>	<b>high</b>
1. Financial	4.07	0.79	high
2. Customer	4.01	0.78	high
3. Internal Business Process	4.04	0.76	high
4. Learning and Growth	3.94	0.81	high

Source: Boonnual et al., 2023.

### Measurement model fit

This study evaluates the fit of a research model utilizing seven key indicators. Firstly, the Chi-square ( $\chi^2$  or CMIN) should have a p-value greater than 0.05 for a consistent model-data fit (Hu & Bentler, 1999). The second metric, the ratio of Chi-square to degrees of freedom ( $\chi^2/df$  or CMIN/df), should be less than 5.0 to indicate model fitness. CFI and IFI are subsequent indicators, both of which should exceed 0.9 for a good fit. The adjusted goodness of fit index (AGFI) stands as the fifth criterion and should be greater than 0.9. For the PGFI, a value exceeding 0.5 indicates acceptable fit. Lastly, the RMSEA should be less than 0.05 for an optimal fit and between 0.05 and 0.08 for a reasonable fit.

A favorable alignment between the hypothesized structural equation model (SEM) and the observed data, as indicated in Table 2, supports the model's appropriateness and validity in explaining the relationships among the latent constructs and observed variables.

Table 1. Goodness of Fit Measurement

Model	Model Fit Criteria	Statistical Results
Chi- square	-	35.345
p- value	>.05	.104
CMIN/DF	< 3	1.359
CFI	> .90	.996
IFI	> .90	.996
AGFI	> .90	.967
PGFI	< .05	.457
RMSEA	< .08	.041

Source: Hu & Bentler (1999).

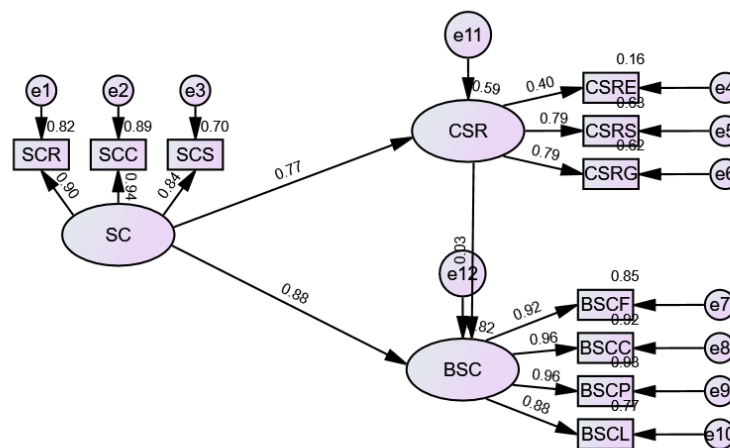
The results from the Confirmatory Factor Analysis (CFA) have confirmed the indicators of the components within the measurement model of social capital, corporate social responsibility, and the balanced performance outcomes of community enterprises in the Chumphon province. By considering the regression weights of each question and the importance of the components, a Critical Ratio (C.R.) value of  $> 1.96$  and a p-value  $< 0.05$  are required (Vanichbuncha 2017) for significance.

The statistical outcomes allow us to conclude that social capital can be measured by three variables: structural, cognitive, and relational dimensions. The assessment of corporate social responsibility comprises three variables: economic, social, and environmental dimensions. And the measurement of performance outcomes can be gauged by four variables, which include the Financial Perspective, Customer Perspective, Internal Business Process Perspective, and Learning and Growth Perspective. Every variable has a C.R. value greater than 1.96 and a p-value less than

0.05. This indicates that all variables are valid measures of social capital, corporate social responsibility, and performance outcomes, aligning with empirical data.

The structural equation modeling analysis indicates a positive and statistically significant relationship between social capital and both corporate social responsibility and the operational performance of community enterprises in the Chumphon province. Specifically, the standardized regression weights for these relationships were found to be 0.031 with a Critical Ratio (CR) of 5.186, and 0.067 with a CR of 14.436, respectively, both significant at the p-value of <0.000. On the other hand, the analysis did not reveal a significant relationship between corporate social responsibility and the operational performance within the community enterprises of the province.

Figure 1. Measurement Model



Source: Boonnual, et al., 2023.

Table 3. Regression Weights

			Estimate	STD. Estimate	S.E.	C.R.	P
CSR	←-	SC	.158	.763	.031	5.186	***
BSC	←-	SC	.964	.881	.067	14.436	***
BSC	←-	CSR	-.078	-.015	.282	-.275	.783
SCS	←-	SC	1.000	.845			
SCC	←-	SC	.963	.940	.051	18.973	***
SCR	←-	SC	.942	.916	.059	15.999	***
CSRE	←-	CSR	1.000	.400			
CSRS	←-	CSR	3.753	.800	.703	5.336	***
CSRG	←-	CSR	2.505	.781	.471	5.317	***
BSCL	←-	BSC	1.000	.966			
BSCP	←-	BSC	.951	.973	.042	22.723	***
BSCC	←-	BSC	.963	.961	.044	22.105	***
BSCF	←-	BSC	1.014	1.037	.055	18.449	***

Source: Boonnual, et al., 2023.

## DISCUSSION

The role of community enterprises in fostering sustainable growth is underscored by their potential to generate economic opportunities, promote social equity, and maintain environmental stewardship. The current research focused on examining the impact of social capital and CSR on the sustainability of these enterprises within the Chumphon province. The findings from the analysis provide a strong indication that social capital plays a crucial role in reinforcing corporate social responsibility and operational performance in community enterprises in the Chumphon province. The clear positive correlations not only highlight the importance of social capital but also suggest that social capital is integral to the sustainable development of community enterprises. While corporate social responsibility did not show a direct significant impact on operational performance, this does not undermine its value. CSR could have an indirect effect on long-term sustainability and success through factors such as improved community relations, enhanced brand image, and customer satisfaction which were not directly measured in this study.

### **Social Capital as a Catalyst for Sustainability**

Confirmatory Factor Analysis (CFA) and Structural Equation Modeling (SEM) have provided empirical support for the pivotal role of social capital in community enterprises. As indicated by the statistically significant relationships, the structural, cognitive, and relational dimensions of social capital are integral to both CSR activities and operational outcomes, underscoring the theory that social capital is an essential asset for sustainable development (Putnam, 2000; Woolcock & Narayan, 2000).

The findings suggest that social capital facilitates collective action and resource sharing, leading to enhanced problem-solving capabilities and the achievement of community goals. This is reflective of the 'collective capital' concept, where community cohesion can lead to better communal and economic outcomes (Coleman, 1988).

### **Corporate Social Responsibility and Performance**

The lack of a statistically significant relationship between CSR and operational performance introduces a complex dynamic into the discourse on sustainable practices within community enterprises. This result could suggest that while CSR is inherently valuable, its impact on the tangible outcomes of an enterprise may not be immediate or directly measurable. This calls into question the direct instrumental value of CSR, suggesting that its benefits may be more diffuse and

long-term, potentially impacting aspects such as community goodwill, stakeholder trust, and brand reputation, which are not captured in immediate operational metrics.

## **CONCLUSION**

### **Theoretical Implications**

This research contributes to the theoretical understanding of how social capital and CSR contribute to the sustainability of community enterprises. It aligns with the resource-based view by identifying social capital as a strategic asset for these enterprises. However, it challenges the assumption of a direct link between CSR initiatives and performance outcomes, indicating the need for a nuanced understanding of this relationship in the context of community enterprises.

### **Practical Implications**

For practitioners and policymakers, the study underscores the importance of fostering social capital within communities. It suggests that efforts to build trust, establish networks, and encourage collaboration may be more effective for enhancing sustainability than focusing solely on CSR initiatives. The findings indicate that community enterprises should invest in building and maintaining strong social bonds to support their sustainable development objectives.

### **Limitations and Directions for Future Research**

The study's generalizability is limited due to its focus on community enterprises in a specific province. Future research could explore whether these findings hold in other regions or in different cultural contexts. Additionally, the cross-sectional design of the study limits the ability to infer causality. Longitudinal research could provide further insights into the long-term impacts of social capital and CSR on sustainability.

In conclusion, this study offers valuable insights into the factors contributing to the sustainability of community enterprises, with social capital emerging as a crucial element. It invites further research into the mechanisms through which social capital and CSR interact with the multifaceted concept of sustainability, particularly in community-based settings.

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