

Seminar Nasional FMI 2024 Manado

Prosiding



e-ISSN: 3026-4499
Vol. 2
5-7 November 2024

The Social Capital Saga: Harnessing Hyper Adaptive Business Framework Shaping Financial Destiny in a Turbulent MSME World

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Abstract

In today's dynamic business environments, adaptability is essential for sustained competitive advantage, especially for micro, small, and medium enterprises (MSMEs), which often face resource constraints. This study explores the role of social capital, specifically its structural, relational, and cognitive dimensions, in fostering the development of a hyperadaptive business framework within MSMEs. We examine how this framework mediates the relationship between social capital and market, operational, and financial performance. Using a sample of MSMEs, our results reveal that all three dimensions of social capital significantly enhance a firm's adaptability, improving market and operational outcomes. Notably, market performance has a more substantial impact on financial performance than operational efficiency, underscoring the importance of customer responsiveness in competitive markets. Contrary to expectations, environmental dynamism did not significantly moderate these relationships, suggesting that adaptable firms may be less sensitive to external volatility. This study extends the Resource-Based View (RBV) by demonstrating how social capital enables adaptability, transforming intangible assets into performance drivers for MSMEs. Practitioners are encouraged to cultivate social capital and adaptability to navigate uncertainty and sustain competitive success.

Keywords social capital, hyperadaptive business framework, MSME performance, resource-based view (RBV), environmental dynamism.

1. Pendahuluan

In an era marked by rapid technological advancement, globalization, and heightened market competition, micro, small, and medium enterprises (MSMEs) face unprecedented challenges in sustaining long-term growth and profitability. Representing a vital segment of global economies, MSMEs contribute significantly to employment and innovation but are often constrained by limited resources (Kanini et al., 2022; Prasetyo et al., 2020). The traditional business models that once sufficed are no longer viable in environments characterized by volatility and uncertainty. In this context, social capital, understood as the network of relationships, trust, and shared values that businesses cultivate, emerges as a critical strategic resource (Adler & Kwon, 2002; Nahapiet & Ghoshal, 1998). However, its application in the context of environmental dynamism where markets and external forces are in constant flux remains underexplored, particularly for resource-constrained MSMEs (Ferreira de Araújo Lima et al., 2020; Pérez-Orozco et al., 2024).

Seminar Nasional FMI 2024 Manado

Prosiding



e-ISSN: 3026-4499
Vol. 2
5-7 November 2024

Social capital is traditionally categorized into three dimensions: structural, relational, and cognitive (Ali et al., 2022; Nahapiet & Ghoshal, 1998). The structural dimension refers to the configuration of social networks that connect actors (Lee, 2009), the relational dimension involves trust, norms, and obligations (Svetek, 2022), while the cognitive dimension focuses on shared goals and values (Pirolo & Presutti, 2010). Together, these dimensions facilitate the flow of information, knowledge, and resources, enhancing organizational resilience and adaptability (Chien & Tsai, 2021; Leana & Pil, 2006). For MSMEs, effective use of social capital can mean the difference between surviving environmental turbulence and succumbing to market pressures (Demircioglu & Chowdhury, 2021; Membiela Pollán et al., 2020).

However, existing research largely overlooks how social capital, particularly in its multidimensional form, integrates within a hyperadaptive business framework to influence financial performance (Malesios et al., 2021; Menne et al., 2022). The concept of hyperadaptivity is gaining traction as firms navigate increasingly dynamic environments, emphasizing the need for continuous strategic realignment, flexibility, and innovation (Garrido et al., 2020; D. J. Teece, 2018, 2023). Firms with hyperadaptive capabilities can better align their internal operations with external changes, thus improving both operational performance and market performance, which are critical drivers of long-term financial success (Peteraf et al., 2013). Yet, the specific mechanisms through which social capital drives hyperadaptive processes and, by extension, performance outcomes in MSMEs remain inadequately addressed in the literature.

Research Problem Although the role of social capital in enhancing organizational outcomes is well-documented (Qomariyah et al., 2022; Vanoorbeek & Spolverato, 2022), there is limited understanding of its function within hyperadaptive business frameworks under conditions of environmental dynamism. Furthermore, the existing body of work lacks clarity on how operational and market performance mediate the relationship between social capital and financial performance, particularly for MSMEs. While large corporations possess the resources to adapt to market turbulence, MSMEs face distinct challenges in mobilizing their social capital to navigate hyperadaptive strategies effectively (Asumah et al., 2024; Kusa et al., 2021). This research gap necessitates a comprehensive examination of how MSMEs can leverage their social capital to build hyperadaptive capacities that enhance financial outcomes amid volatile external conditions.

Research Gap The literature has yet to fully explore the interaction between social capital and hyperadaptivity in shaping financial performance in MSMEs operating under environmental dynamism. Existing studies have primarily focused on isolated dimensions of social capital or on large firms (Crowley & Barlow, 2022; Jääskeläinen et al., 2022; Strindlund et al., 2021). Furthermore, the mediating roles of operational and market performance in this dynamic process are often neglected. This study addresses these gaps by proposing an integrative model that explicates how social capital fuels hyperadaptivity, leading to enhanced financial performance through improved operational and market outcomes, especially under conditions of market volatility (Håkansson & Ford, 2021; Anderson et al., 2020).

Seminar Nasional FMI 2024 Manado

Prosiding



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5-7 November 2024

Research Objectives This study aims to achieve the following objectives: (1) To examine the role of social capital in enhancing the financial performance of MSMEs, focusing on its structural, relational, and cognitive dimensions. (2) To investigate the mediating effect of hyperadaptive business frameworks, with a focus on how adaptability fosters improvements in operational and market performance. (3) To analyze the moderating influence of environmental dynamism on the relationship between social capital, hyperadaptivity, and financial outcomes.

Contribution to the Literature This study offers a significant contribution to both theoretical and practical discourse by developing a comprehensive model that links social capital, hyperadaptivity, and performance metrics in MSMEs. The research provides novel insights into the mechanisms by which social capital can be harnessed to develop hyperadaptive strategies, which are crucial for maintaining competitiveness in dynamic environments. By integrating environmental dynamism as a moderating variable, this study further extends the understanding of how firms can adapt to external pressures and leverage their relational assets for sustained financial success. The findings will be invaluable for MSMEs seeking to navigate the complexities of modern markets while building robust adaptive capacities.

In conclusion, MSMEs that successfully integrate hyperadaptive capabilities with their social capital will be well-positioned to convert environmental challenges into strategic opportunities. This study seeks to elucidate the pathways through which MSMEs can thrive in the face of market dynamism, forging sustainable growth and financial prosperity through the effective deployment of their relational networks and adaptive frameworks.

2. Tinjauan Literatur

The Resource-Based View (RBV) in the Context of MSMEs and Hyperadaptivity. The Resource-Based View (RBV) has been a cornerstone in strategic management, providing a framework for understanding how firms can achieve sustained competitive advantage by leveraging unique internal resources (Barney, 1991). This perspective posits that organizations can outperform competitors by identifying, developing, and deploying valuable, rare, inimitable, and non-substitutable (VRIN) resources (Wernerfelt, 1984). However, traditional RBV has largely focused on large firms, leaving gaps in the literature regarding how micro, small, and medium enterprises (MSMEs) can harness their limited resources, such as social capital, to remain competitive in dynamic environments (Berraies et al., 2020; Carradore, 2022). This literature review explores how RBV principles can be applied to MSMEs and extends the theory by integrating the concept of hyperadaptivity and addressing the impact of environmental dynamism. The foundational principle of RBV is that firms achieve competitive advantage by acquiring and managing strategic resources that are valuable, rare, difficult to imitate, and non-substitutable (Ployhart, 2021; Priem & Butler, 2001). For MSMEs, these resources often include intangible assets such as social capital, which encompasses the network of relationships, trust, and shared values that firms build over time (Adler & Kwon, 2002; Nahapiet & Ghoshal, 1998). Unlike large firms that may rely on extensive financial and technological resources, MSMEs often leverage their social capital to access external resources and capabilities that would otherwise be unavailable (John, 2024; Le et al., 2023).

Seminar Nasional FMI 2024 Manado

Prosiding



e-ISSN: 3026-4499
Vol. 2
5-7 November 2024

Social capital plays a particularly critical role in MSMEs due to its ability to foster knowledge sharing, innovation, and collaborative problem-solving (Tabouli et al., 2016; Tsai & Ghoshal, 1998). These networks enable MSMEs to access resources that are not owned internally, such as technical expertise or market knowledge, thus compensating for their limited tangible assets (Handley & Molloy, 2022; Serrasqueiro et al., 2023). Social capital, therefore, aligns well with RBV's focus on inimitable resources, as these relational assets are often difficult for competitors to replicate due to their embeddedness in firm-specific relationships (Inkpen & Tsang, 2011; S. Zhang et al., 2023).

Hypothesis Development. The relationship between social capital and business performance has been extensively studied, particularly in the context of how firms leverage social networks, trust, and shared values to access resources and enhance competitiveness (Martin & Bachrach, 2018; Tsai & Ghoshal, 1998). However, less attention has been given to how hyperadaptive business frameworks mediate this relationship, especially under conditions of environmental dynamism, where firms must adapt quickly to remain competitive (Feiler & Teece, 2014; D. J. Teece, 2023). This section develops hypotheses linking social capital to financial performance via hyperadaptivity, operational performance, and market performance. Social capital encompassing structural, relational, and cognitive dimensions plays a critical role in enabling firms to be agile and adaptive in rapidly changing environments. Structural social capital, or the network of relationships and connections within and across firms, facilitates the flow of information and resources that are essential for adaptability (Adler & Kwon, 2002). Relational social capital, which includes trust and norms of reciprocity, strengthens collaboration and reduces transaction costs, fostering flexibility in response to external pressures (Mishchuk et al., 2022). Finally, cognitive social capital, defined as shared goals and values, aligns organizational efforts toward adaptive changes (Berraies et al., 2020; Jääskeläinen et al., 2022). The hyperadaptive business framework allows firms to continuously realign their strategies and reconfigure their resources, enabling them to respond more effectively to environmental changes. Social capital enhances this framework by providing access to information and fostering collaboration, both of which are essential for developing adaptive strategies (Garcia-Martinez et al., 2023; Gherghina et al., 2020). Thus, we hypothesize:

H1a-c: Social capital positively influences the development of a hyperadaptive business framework.

A hyperadaptive business framework enables firms to continuously adjust their internal processes in response to changing market conditions, enhancing operational performance. By integrating and reconfiguring their resources and capabilities, firms become more efficient in their operations, leading to improved productivity and cost management (Eisenhardt et al., 2010; Protogerou et al., 2012). Hyperadaptivity, supported by the firm's social capital, fosters flexibility in operations, allowing firms to respond to market demands more swiftly and efficiently. This adaptability becomes a key competitive advantage, particularly in volatile environments where operational flexibility is crucial for survival (Tshiaba et al., 2021). Therefore, we hypothesize:

Seminar Nasional FMI 2024 Manado

Prosiding



e-ISSN: 3026-4499
Vol. 2
5-7 November 2024

H2a: The hyperadaptive business framework positively influences operational performance.

In addition to improving operational performance, a hyperadaptive business framework enhances market performance by enabling firms to better align their products and services with shifting market demands. Firms that are more adaptable are able to seize market opportunities more effectively, leading to greater market share, customer satisfaction, and overall competitiveness (Helfat & Martin, 2015; Wang, 2022). Social capital provides firms with valuable market information and resources, which are crucial for making timely and informed decisions in dynamic markets (Qomariyah et al., 2022). This, in turn, strengthens the firm's ability to respond to external changes and capitalize on new opportunities (Arend, 2014; Sijabat et al., 2021). Thus, we hypothesize:

H2b: The hyperadaptive business framework positively influences market performance.

The final link in the framework connects social capital and the hyperadaptive business framework to financial performance. Firms that leverage their social capital to enhance hyperadaptivity are better positioned to achieve superior operational and market performance, which ultimately translates into improved financial outcomes (Teece et al., 2016b, 2016a). As firms improve their adaptability, they are able to respond to market opportunities and operational challenges more effectively, resulting in increased profitability and sustained financial growth (Asumah et al., 2024; Kusa et al., 2021). Therefore, we hypothesize:

H3a-f: The hyperadaptive business framework mediates the relationship between social capital and financial performance.

Operational performance refers to a firm's ability to efficiently manage its internal processes, including production, logistics, and resource management. High operational performance allows firms to reduce costs, improve productivity, and increase resource utilization, all of which are crucial for maintaining competitive advantage and profitability (Ployhart & Hale, 2014; Tamirat & Amentie, 2023; Zhang et al., 2023). Firms that excel in operational performance are typically able to enhance financial performance through cost reductions, economies of scale, and improved operational efficiencies (Teece et al., 2016a). Operational performance becomes particularly critical in environments characterized by high dynamism. In such contexts, firms need to be flexible in managing their internal operations to cope with external changes, allowing them to maintain or improve profitability despite market fluctuations (Gutierrez-Gutierrez et al., 2020; Rofiaty et al., 2022). Therefore, firms that invest in optimizing operational performance often realize direct improvements in financial outcomes such as profitability, return on investment (ROI), and overall financial stability (Kramar, 2014). Thus, we hypothesize:

H4a: Operational performance positively influences financial performance.

Market performance refers to how well a firm performs in relation to its market position, including customer satisfaction, market share, and brand strength (Ebegbetale & Okon, 2022; Furnival et al., 2019). Firms that achieve high market performance are able to capture and sustain a larger share of the market, attract loyal customers, and increase sales volume, all of

Seminar Nasional FMI 2024 Manado

Prosiding



e-ISSN: 3026-4499
Vol. 2
5-7 November 2024

which contribute directly to financial performance (Anand et al., 2009; Teece, 2014).

The relationship between market performance and financial performance is well-documented. Firms that are able to differentiate themselves in the marketplace and provide superior value to customers typically achieve higher revenue growth, profitability, and shareholder returns (Centobelli et al., 2017). Strong market performance enables firms to better withstand competitive pressures and respond to changes in consumer preferences, allowing them to maintain financial stability even in volatile market conditions (Ma'aji et al., 2023). Moreover, in dynamic environments, firms that continuously align their market strategies with evolving customer needs are more likely to see sustained financial success (Teece et al., 2016a). Thus, market performance acts as a key driver of financial performance, particularly in industries characterized by rapid technological and consumer shifts (Gyamera et al., 2023; Menne et al., 2022). Therefore, we hypothesize:

H4b: Market performance positively influences financial performance.

The hyperadaptive business framework plays a crucial mediating role in linking social capital to operational and market performance, as discussed in prior hypotheses. However, operational and market performance are also key mediators in translating adaptability into superior financial outcomes (Jayasekara et al., 2020; Teece et al., 2016a). Firms that leverage their social capital and develop hyperadaptive capabilities can enhance both operational efficiency and market positioning, which in turn improve financial performance (Garcia-Martinez et al., 2023). This mediating relationship suggests that the effect of social capital and hyperadaptivity on financial outcomes is largely realized through the firm's ability to optimize internal processes and capture market share (George et al., 2023; Rosita et al., 2023). Thus, we hypothesize:

H5a-b: Operational and market performance mediate the relationship between hyperadaptive business frameworks and financial performance.

Finally, the impact of social capital and hyperadaptivity on firm performance is likely moderated by environmental dynamism, which refers to the frequency and unpredictability of changes in the firm's external environment (Drnevich & Kriauciunas, 2011; Eisenhardt et al., 2010; Ringov, 2017). In more dynamic environments, the ability to adapt quickly becomes even more critical, amplifying the positive effects of social capital and hyperadaptivity on operational, market, and financial performance (George et al., 2023; Rosita et al., 2023). Thus, we hypothesize:

H6a-c: Environmental dynamism positively moderates the relationship between social capital and hyperadaptive business framework.

The relationship between operational and market performance with financial outcomes is likely influenced by environmental dynamism, characterized by the unpredictability of changes in the market environment (Fainshmidt et al., 2019; Ambad & Wahab, 2016; Ringov, 2017). In highly dynamic environments, firms that excel in operational and market performance are better equipped to sustain their financial performance as they adapt quickly to external pressures (Eisenhardt et al., 2010). Thus, we hypothesize:

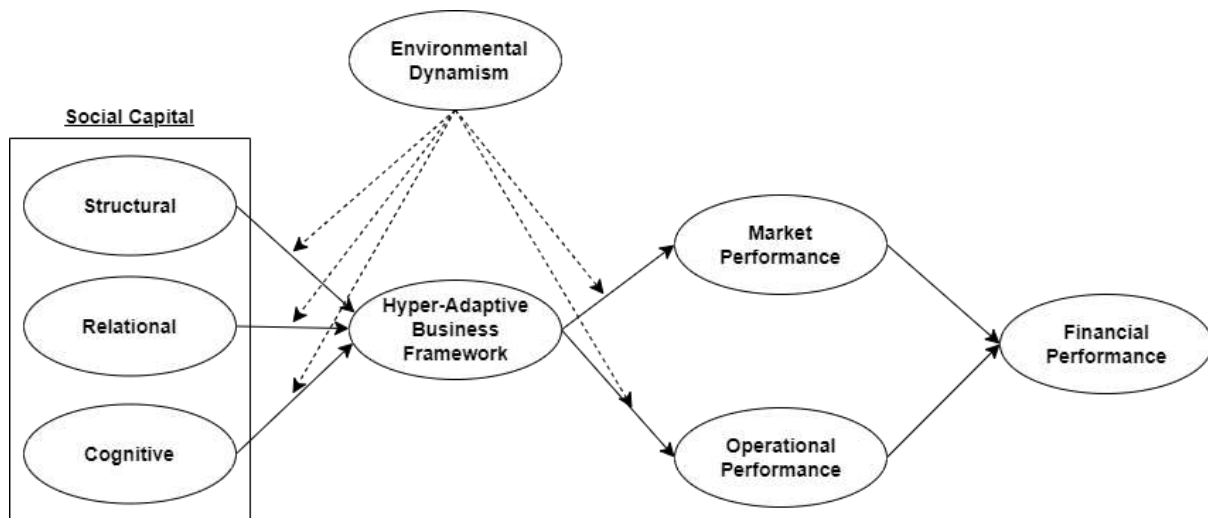
Seminar Nasional FMI 2024 Manado

Prosiding



e-ISSN: 3026-4499
Vol. 2
5-7 November 2024

H7a-b: Environmental dynamism positively moderates the relationship between operational and market performance with financial performance.



3. Metode Penelitian

This study adopts a quantitative explanatory design to explore and analyze the complex relationships between multiple variables. This approach is chosen to efficiently handle complex models with several constructs and indicators, making it suitable for the research objective of testing and validating a theoretical model. The model aims to provide empirical evidence on the impact of operational excellence on operational performance and market performance, and how these influence financial performance.

To ensure adequate statistical power (typically 80%), larger samples are recommended. The inverse square root method was employed to determine the necessary sample size for detecting a path coefficient of 0.2 at a 5% significance level, with an estimated required sample size of 117 respondents. A total of 250 questionnaires were distributed directly to microbusiness owners via printed surveys. Within one month, 227 questionnaires were returned, and after data processing and modification, 200 respondents were included for analysis. Each variable was measured using a Likert scale ranging from 1 to 5.

The questionnaire instruments were carefully selected based on objective considerations from various literature sources to provide a comprehensive perspective. The questionnaires were hard copy and distributed to MSME business owner directly. In conducting the offline survey, we adhered to ethical practices such as: (i) informed consent regarding the research dynamics, (ii) confidentiality of participant information, (iii) conducting research with integrity and transparency, managing potential conflicts of interest appropriately, and (iv) reporting research findings accurately and objectively, without misrepresentation or selective reporting.

The data were analyzed using PLS-SEM with the SmartPLS software. Generally, the data analysis was divided into three parts: (i) evaluation of the measurement model or outer model

Seminar Nasional FMI 2024 Manado

Prosiding



e-ISSN: 3026-4499
Vol. 2
5-7 November 2024

(convergent and discriminant validity, and internal reliability), (ii) evaluation of the structural model or inner model (multicollinearity and hypothesis testing), and (iii) evaluation of the model fit (SRMR and GoF indices).

4. Hasil dan Pembahasan

Convergent validity was evaluated by examining factor loadings, average variance extracted (AVE), and outer loadings for each indicator in the measurement model. The results, as shown in Figure 2, indicate that all factor loadings exceed the recommended threshold of 0.60, ranging from 0.637 to 0.863. Additionally, the AVE values in Table 3 for each construct surpass the acceptable threshold of 0.50, with values ranging from 0.468 to 0.813. Furthermore, all constructs in Table 3 exhibit satisfactory composite reliability, exceeding 0.70, with a range of 0.869 to 0.932. Even when AVE values are below 0.5 but the composite reliability (ρ_c) is above 0.7, convergent validity is still considered valid (Fornell & Larcker, 1981; Hair et al., 2017). These findings strongly support the convergent validity of the measurement model, demonstrating that each latent construct successfully captures the variance shared by its indicators.

Discriminant validity was assessed using the Heterotrait-Monotrait Ratio (HTMT), which compares the average correlation between constructs (heterotrait correlation) with the average correlation between indicators of the same construct (monotrait correlation). The HTMT analysis results in Table 2 show that all HTMT ratios are below the recommended threshold of 0.90, ranging from 0.040 to 0.875, providing strong evidence of discriminant validity. These findings suggest that the constructs in the measurement model are distinct from one another, as they show stronger correlations with their own indicators than with those of other constructs.

Reliability was evaluated by examining Cronbach's alpha coefficients and composite reliability values for each latent construct. The results in Table 3 indicate that all constructs achieved a satisfactory level of internal consistency, with Cronbach's alpha coefficients exceeding the recommended threshold of 0.60, ranging from 0.773 to 0.915. Additionally, composite reliability values for each construct exceeded the threshold of 0.70, ranging from 0.869 to 0.932. These findings demonstrate that the measurement model exhibits a high level of reliability, indicating that the latent constructs are reliably measured by their indicators.

Overall, the results of the confirmatory factor analysis provide strong evidence of convergent validity, discriminant validity, and reliability in the measurement model. These findings support the strength and validity of the measurement model and confirm its overall suitability.

Seminar Nasional FMI 2024 Manado

Prosiding



e-ISSN: 3026-4499
Vol. 2
5-7 November 2024

Table 1. Items, means (M), standard deviations (SD), Cronbach's alphas (α), and factor loadings.

Items	M	SD	Min	Max	α	Factor Loadings	
						1	2
Structural					0.773		
SCS 1	4.310	0.659	2	5		0.838	0.877
SCS 2	4.280	0.634	3	5		0.867	0.926
SCS 3	4.205	0.666	3	5		-0.275	Dropped
SCS 4	2.385	1.038	1	5		-0.426	Dropped
SCS 5	4.025	0.815	2	5		0.466	Dropped
SCS 6	3.135	0.968	1	5		-0.182	Dropped
SCS 7	2.375	0.935	1	5		-0.325	Dropped
Relational					0.820		
SCR 1	3.845	0.801	2	5		0.720	0.714
SCR 2	4.165	0.706	1	5		0.700	0.706
SCR 3	2.645	1.081	1	5		-0.290	Dropped
SCR 4	1.935	0.933	1	5		-0.275	Dropped
SCR 5	4.215	0.639	2	5		0.749	0.763
SCR 6	4.285	0.651	2	5		0.740	0.758
SCR 7	3.360	0.922	1	5		0.424	Dropped
SCR 8	3.960	0.801	2	5		0.742	0.732
SCR 9	4.505	0.706	2	5		0.655	0.676
Cognitive					0.832		
SCC 1	4.450	0.589	3	5		0.572	Dropped
SCC 2	3.780	0.795	1	5		0.667	0.664
SCC 3	3.800	0.693	2	5		0.635	0.643
SCC 4	3.995	0.718	1	5		0.775	0.790
SCC 5	3.920	0.673	2	5		0.786	0.805
SCC 6	4.180	0.614	3	5		0.787	0.790
SCC 7	4.330	0.641	2	5		0.730	0.724
Hyper Adaptive Business Framework					0.872		
HAF 1	3.490	0.848	1	5		0.703	0.737
HAF 2	4.075	0.803	2	5		0.708	0.719
HAF 3	4.155	1.025	2	5		0.685	0.700
HAF 4	4.070	0.692	2	5		0.581	Dropped
HAF 5	3.925	0.649	1	5		0.679	0.674
HAF 6	4.250	0.667	2	5		0.711	0.725
HAF 7	4.095	0.734	2	5		0.396	Dropped
HAF 8	4.085	0.630	1	5		0.511	Dropped
HAF 9	3.790	0.660	2	5		0.553	Dropped

Seminar Nasional FMI 2024 Manado

Prosiding



e-ISSN: 3026-4499
Vol. 2
5-7 November 2024

Items	M	SD	Min	Max	α	Factor Loadings	
						1	2
HAF 10	4.095	0.631	2	5	0.889	0.657	0.671
HAF 11	3.900	0.834	1	5		0.624	0.637
HAF 12	3.900	0.854	1	5		0.559	Dropped
HAF 13	4.065	0.713	1	5		0.712	0.706
HAF 14	4.015	0.696	1	5		0.724	0.730
Market Performance							
FPM 1	3.765	0.774	2	5	0.915	0.774	0.773
FPM 2	3.820	0.705	2	5		0.821	0.821
FPM 3	3.950	0.646	2	5		0.809	0.808
FPM 4	4.075	0.591	2	5		0.761	0.762
FPM 5	4.235	0.574	3	5		0.779	0.780
FPM 6	4.225	0.570	3	5		0.776	0.776
FPM 7	4.195	0.606	3	5		0.702	0.702
Operational Performance							
FPO 1	4.100	0.616	1	5	0.854	0.787	0.790
FPO 2	4.325	0.879	2	4		0.227	Dropped
FPO 3	3.800	0.762	2	5		0.746	0.745
FPO 4	3.885	0.736	2	5		0.803	0.804
FPO 5	3.975	0.628	2	5		0.803	0.799
FPO 6	3.895	0.688	2	5		0.820	0.821
FPO 7	4.045	0.577	2	5		0.868	0.871
FPO 8	4.045	0.602	2	5		0.862	0.866
Financial Performance							
FPF 1	3.750	0.882	1	5	0.862	0.842	0.842
FPF 2	3.730	0.847	1	5		0.839	0.839
FPF 3	3.915	0.713	2	5		0.758	0.758
FPF 4	3.555	0.792	2	5		0.845	0.845
FPF 5	3.525	0.793	1	5		0.657	0.657
FPF 6	3.915	0.713	1	5		0.617	0.617
Environmental Dynamism							
BEE 1	3.795	0.723	1	5	0.862	0.557	Dropped
BEE 2	3.630	0.814	2	5		0.794	0.839
BEE 3	3.675	0.877	2	5		0.734	0.816
BEE 4	2.835	1.090	1	5		0.517	Dropped
BEE 5	3.365	0.923	1	5		0.479	Dropped
BEE 6	3.350	0.841	2	5		0.807	0.863
BEE 7	3.520	0.818	2	5		0.646	0.706
BEE 8	3.265	0.951	1	5		0.705	0.770
BEE 9	3.665	0.832	1	5		0.411	Dropped
BEE 10	3.445	0.893	1	5		0.566	Dropped

Seminar Nasional FMI 2024 Manado

Prosiding



e-ISSN: 3026-4499
Vol. 2
5-7 November 2024

	Cognitive	Environme	Financial F	Hyper Ada	Market Per	Operation	Relational	Structural	Environme	Environme	Environme	Environme
Cognitive												
Environme	0.245											
Financial F	0.627	0.21										
Hyper Ada	0.635	0.514	0.643									
Market Per	0.663	0.22	0.821	0.734								
Operation	0.619	0.374	0.717	0.795	0.875							
Relational	0.8	0.167	0.607	0.672	0.677	0.574						
Structural	0.619	0.092	0.449	0.498	0.524	0.513	0.648					
Environme	0.119	0.178	0.277	0.271	0.244	0.259	0.189	0.131				
Environme	0.129	0.028	0.178	0.113	0.12	0.152	0.049	0.029	0.641			
Environme	0.076	0.279	0.198	0.214	0.168	0.187	0.14	0.034	0.683	0.678		
Environme	0.04	0.154	0.145	0.135	0.105	0.144	0.074	0.12	0.464	0.53	0.611	

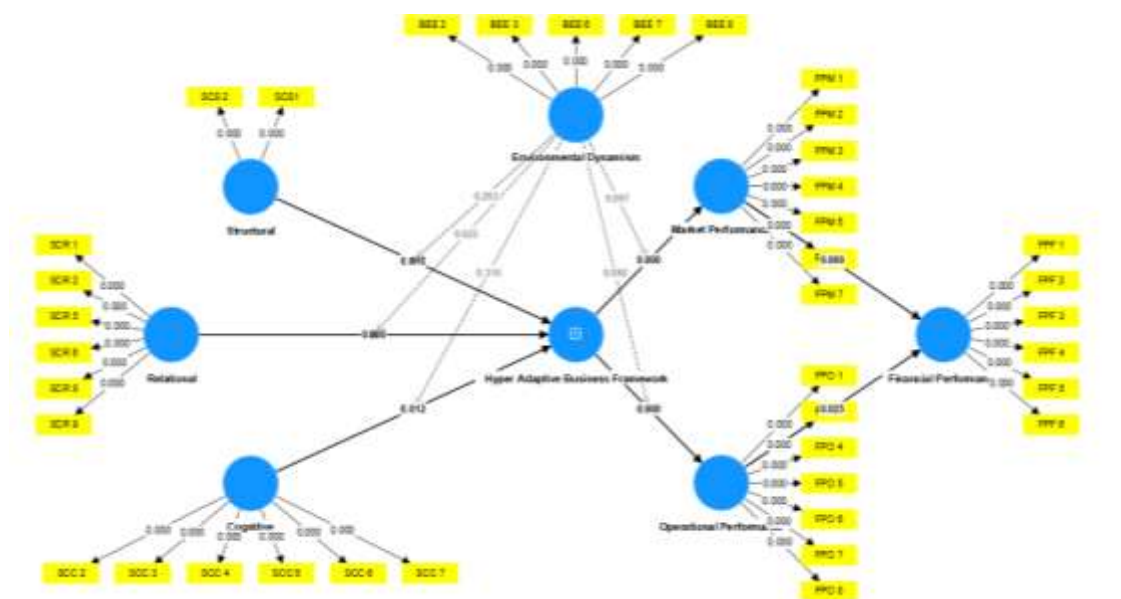


Table 3. validity and reliability test output.

Construct	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
Structural	0.773	0.805	0.897	0.813
Relational	0.820	0.820	0.869	0.526
Cognitive	0.832	0.842	0.878	0.546
Hyper Adaptive Business Framework	0.872	0.878	0.897	0.468
Market	0.889	0.893	0.913	0.601

Seminar Nasional FMI 2024 Manado

Prosiding



e-ISSN: 3026-4499
Vol. 2
5-7 November 2024

Performance				
Operational	0.915	0.917	0.932	0.664
Performance				
Financial	0.854	0.864	0.893	0.586
Performance				
Environmental	0.862	0.887	0.899	0.641
Dynamism				

The results of the hypothesis testing presented in Table 4 provide insightful findings into the relationships between social capital, the hyperadaptive business framework, and various performance outcomes. First, the path from structural social capital to the hyperadaptive business framework yielded a β value of 0.121 and a T-statistic of 2.421, with a P-value of 0.016. These results indicate that structural social capital has a positive and statistically significant effect on the development of the hyperadaptive business framework. This suggests that the network of relationships and connections within a firm plays an essential role in fostering adaptability, enabling firms to respond to dynamic environmental conditions.

Similarly, the influence of relational social capital on the hyperadaptive business framework was found to be significant and positive, with a β value of 0.331, a T-statistic of 4.166, and a P-value of 0.000. This demonstrates that trust and the norms of reciprocity within a firm strongly contribute to enhancing its adaptability. The high T-statistic and P-value of zero provide strong support for this hypothesis, confirming the critical role of relational social capital in improving a firm's ability to adapt to changing environments. In addition, the cognitive dimension of social capital also showed a positive and significant effect on the hyperadaptive framework, with a β value of 0.204, a T-statistic of 2.500, and a P-value of 0.012. This finding highlights the importance of shared goals and understanding within an organization in shaping adaptive strategies.

Moreover, the results revealed that the hyperadaptive business framework has a strong positive effect on market performance, with a β value of 0.690, a T-statistic of 12.851, and a P-value of 0.000. This indicates that firms with well-developed adaptive capabilities are better able to compete in the market, respond to customer needs, and seize new opportunities. A similarly strong relationship was found between the hyperadaptive business framework and operational performance, where the β value was 0.687, the T-statistic was 12.252, and the P-value was 0.000. This result underscores the significant impact that adaptability has on a firm's internal processes, enabling it to optimize efficiency and resource management.

The influence of market performance on financial performance was also significant, with a β value of 0.590, a T-statistic of 7.545, and a P-value of 0.000. This confirms that firms that achieve superior market performance, by increasing their market share and customer satisfaction, are more likely to realize better financial outcomes. Furthermore, the effect of operational performance on financial performance was found to be positive and statistically significant, with a β value of 0.170, a T-statistic of 2.242, and a P-value of 0.025. While this effect is smaller than that of market performance, it nonetheless highlights the importance of

Seminar Nasional FMI 2024 Manado

Prosiding



e-ISSN: 3026-4499
Vol. 2
5-7 November 2024

operational efficiency in driving financial success.

Overall, these results indicate that all hypothesized relationships were accepted, with each construct showing a significant and positive effect on its corresponding outcome. Social capital, in its structural, relational, and cognitive forms, plays a pivotal role in fostering a hyperadaptive business framework, which in turn drives both market and operational performance. Both operational and market performance significantly contribute to financial performance, with market performance showing a stronger effect. These findings support the proposed conceptual framework, demonstrating the critical importance of social capital and adaptability in enhancing a firm's performance across multiple dimensions.

Table 4. Hypothesis testing for direct paths.

Construct		β	T Statistik	P Value	Explanation	Decision
Structural Adaptive Framework	→ Hyper Business	0.121	2.421	0.016	Significant, positive	Accepted
Relational Adaptive Framework	→ Hyper Business	0.331	4.166	0	Significant, positive	Accepted
Cognitive Adaptive Framework	→ Hyper Business	0.204	2.500	0.012	Significant, positive	Accepted
Hyper Business Framework	→ Adaptive Market Performance	0.690	12.851	0	Significant, positive	Accepted
Hyper Business Framework	→ Adaptive Operational Performance	0.687	12.252	0	Significant, positive	Accepted
Market Performance	→ Financial Performance	0.590	7.545	0	Significant, positive	Accepted
Operational Performance	→ Financial Performance	0.170	2.242	0.025	Significant, positive	Accepted

Based on the results from Table 5. The results show that all mediation paths tested were partially mediated by the hyperadaptive business framework, as evidenced by the significant path coefficients, T-statistics, and P-values below 0.05 across all constructs.

First, the mediation effect of structural social capital on market performance via the hyperadaptive business framework was significant, with a β value of 0.083, a T-statistic of

Seminar Nasional FMI 2024 Manado

Prosiding



e-ISSN: 3026-4499
Vol. 2
5-7 November 2024

2.304, and a P-value of 0.021. This result confirms that structural social capital has a positive and significant indirect effect on market performance through the hyperadaptive framework, suggesting that structural connections between firms and their networks enhance adaptability, which in turn improves market performance. The mediation effect of relational social capital on market performance also showed strong significance, with a β value of 0.229, a T-statistic of 3.838, and a P-value of 0.000. This finding highlights the importance of relational capital—trust, norms, and reciprocal relationships—in improving market performance through adaptive capabilities. It implies that firms with strong relational social capital are better equipped to adapt, which enhances their competitive market positions.

For cognitive social capital, its mediation effect on market performance via the hyperadaptive framework was significant as well, with a β value of 0.141, a T-statistic of 2.378, and a P-value of 0.017. This result suggests that shared goals and collective understanding within a firm positively influence market performance when mediated by hyperadaptivity. Firms that align their internal cognition with external changes can adapt more efficiently, leading to better market performance. Turning to operational performance, the mediation effect of structural social capital via the hyperadaptive business framework was also significant, with a β value of 0.084, a T-statistic of 2.291, and a P-value of 0.022. This supports the idea that structural connections within a firm, when mediated through adaptability, lead to improved operational performance. It suggests that well-connected firms are better positioned to optimize internal processes through adaptive strategies.

The relational dimension of social capital exhibited a strong mediation effect on operational performance via the hyperadaptive framework, with a β value of 0.227, a T-statistic of 4.074, and a P-value of 0.000. This emphasizes that trust-based relationships and cooperation among stakeholders enable firms to enhance their adaptability, which then leads to significant improvements in operational efficiency and performance. Lastly, the mediation effect of cognitive social capital on operational performance was found to be positive and significant, with a β value of 0.140, a T-statistic of 2.324, and a P-value of 0.020. This result further confirms that shared understanding and alignment of goals within an organization contribute to better operational outcomes, as mediated by the firm's ability to adapt in dynamic environments.

In conclusion, all mediation paths were accepted and partially mediated, meaning that the hyperadaptive business framework serves as a key mediator in translating the positive effects of social capital (structural, relational, and cognitive) into both market performance and operational performance. These findings underscore the critical role of adaptability in enhancing firm performance, driven by strong social capital foundations.

Table 5. Mediation Effects.

Seminar Nasional FMI 2024 Manado

Prosiding



e-ISSN: 3026-4499
Vol. 2
5-7 November 2024

Construct	β	T Statistik	P Value	Explanation	Decision
Structural Adaptive Framework → Hyper Business Market Performance	0.083	2.304	0.021	Significant, positive	Accepted (partial mediation)
Relational Adaptive Framework → Hyper Business Market Performance	0.229	3.838	0	Significant, positive	Accepted (partial mediation)
Cognitive Adaptive Framework → Hyper Business Market Performance	0.141	2.378	0.017	Significant, positive	Accepted (partial mediation)
Structural Adaptive Framework → Hyper Business Market Performance	0.084	2.291	0.022	Significant, positive	Accepted (partial mediation)
Operational Performance Relational Adaptive Framework → Hyper Business Market Performance	0.227	4.074	0	Significant, positive	Accepted (partial mediation)
Cognitive Adaptive Framework → Hyper Business Market Performance	0.140	2.324	0.020	Significant, positive	Accepted (partial mediation)

Based on the results presented in Table 6: Moderation Effects, the analysis examined whether environmental dynamism moderates the relationship between different dimensions of social capital (structural, relational, and cognitive), the hyperadaptive business framework, and subsequent performance outcomes. The moderation effect was tested by observing the interaction between environmental dynamism and each construct. However, none of the moderation effects were found to be significant, as indicated by the T-statistics and P-values.

First, the interaction between environmental dynamism and structural social capital on the hyperadaptive business framework produced a β value of 0.056, a T-statistic of 1.051, and a P-value of 0.293. These results indicate that environmental dynamism does not significantly moderate the relationship between structural social capital and the hyperadaptive framework. Since the T-statistic is below the critical threshold of 1.96 and the P-value is greater than 0.05, this hypothesis was rejected, suggesting that environmental dynamism does not influence how structural social capital contributes to adaptability.

Similarly, the interaction between environmental dynamism and relational social capital showed no significant moderating effect, with a β value of 0.039, a T-statistic of 0.492, and a

Seminar Nasional FMI 2024 Manado

Prosiding



e-ISSN: 3026-4499
Vol. 2
5-7 November 2024

P-value of 0.623. These results demonstrate that environmental dynamism does not moderate the impact of relational social capital on the hyperadaptive business framework. This hypothesis was also rejected, as the P-value is well above 0.05, and the T-statistic is far below the required threshold for significance.

The interaction between environmental dynamism and cognitive social capital also failed to show a significant moderating effect, with a β value of 0.062, a T-statistic of 1.003, and a P-value of 0.316. This indicates that environmental dynamism does not moderate the relationship between cognitive social capital and the hyperadaptive framework. Thus, this hypothesis was rejected, as the results do not provide sufficient evidence to support the moderating role of environmental dynamism.

Next, the interaction between environmental dynamism and the hyperadaptive business framework on market performance produced a β value of 0.068, a T-statistic of 1.659, and a P-value of 0.097. Although the T-statistic is closer to the threshold of 1.96, the P-value is still greater than 0.05, suggesting that environmental dynamism does not significantly moderate this relationship. This hypothesis was rejected, indicating that the ability of the hyperadaptive framework to influence market performance is not contingent on the level of environmental dynamism.

Finally, the interaction between environmental dynamism and the hyperadaptive business framework on operational performance yielded a β value of 0.062, a T-statistic of 1.656, and a P-value of 0.098. Similar to the market performance interaction, these results suggest that environmental dynamism does not significantly moderate the relationship between the hyperadaptive framework and operational performance. As the P-value is greater than 0.05, this hypothesis was also rejected.

In conclusion, the analysis found that environmental dynamism does not significantly moderate any of the relationships between social capital dimensions, the hyperadaptive business framework, and performance outcomes. Despite expectations that environmental dynamism might amplify or alter these relationships, the results suggest that the impact of social capital and adaptability on performance remains stable across different levels of environmental dynamism. All moderation hypotheses were rejected, as no significant interactions were detected.

Table 6. Moderation Effects.

Construct	β	T Statistik	P Value	Explanation	Decision
Environmental Dynamism x Structural → Hyper Adaptive Business Framework	0.056	1.051	0.293	Not Significant, positive	Rejected
Environmental Dynamism x Relational → Hyper Adaptive	0.039	0.492	0.623	Not Significant, negative	Rejected

Seminar Nasional FMI 2024 Manado

Prosiding



e-ISSN: 3026-4499
Vol. 2
5-7 November 2024

Construct	β	T Statistik	P Value	Explanation	Decision
Business Framework Environmental Dynamism x Cognitive → Hyper Adaptive Business Framework Environmental Dynamism x Hyper Adaptive Business Framework → Market Performance Environmental Dynamism x Hyper Adaptive Business Framework → Operational Performance	0.062	1.003	0.316	Not Significant, positive	Rejected
	0.068	1.659	0.097	Not Significant, positive	Rejected
	0.062	1.656	0.098	Not Significant, positive	Rejected

Table 7. Goodness-of-fit index.

Construct	R- Square	AVE	GoF = $\sqrt{AVE \times R^2}$
Structural	-	0.813	
Relational	-	0.526	
Cognitive	-	0.546	
Hyper Adaptive	0.519	0.468	
Business Framework			
Market Performance	0.446	0.601	
Operational	0.521	0.664	
Performance			
Financial	0.536	0.586	
Performance			
Environmental	-	0.641	
Dynamism			
Average	0.505	0.605	0.552

Table 8. Value of standardized root mean square residual.

SRMR	0.070
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Assessment of Goodness of Fit is using 2 components, that is Standardized Root Mean Square Residual (SRMR) and Goodness of Fit (GoF) Index. The SRMR analysis in table 8 yielded a value of 0.082. Based on established guidelines, an SRMR value below 0.08 is indicative of a good model fit (Hair et al., 2021). In this study, the obtained SRMR value of 0.070 is below this threshold, indicating a satisfactory fit between the observed data and the proposed

Seminar Nasional FMI 2024 Manado

Prosiding



e-ISSN: 3026-4499
Vol. 2
5-7 November 2024

measurement model. Similarly, the GoF index in table 7 value of 0.552 suggests a good overall fit of the model to the data. Overall, the attainment of satisfactory goodness of fit statistics underscores the robustness of the structural equation model and strengthens the validity of the study's conclusions. By providing evidence of a good fit between the hypothesized model and the observed data, the goodness of fit assessment enhances the overall quality and credibility of the research findings, thereby contributing to the advancement of knowledge within the field.

In an era defined by rapid technological advancement, shifting consumer preferences, and heightened global competition, firms must continuously adapt to maintain their competitive edge. Our study contributes to the broader literature on organizational adaptability by offering nuanced insights into the role of social capital and the hyperadaptive business framework in shaping firm performance. The findings extend the Resource-Based View (RBV), demonstrating that intangible assets, particularly social capital, are not only valuable and rare but are also critical in building dynamic capabilities, such as hyperadaptivity, that lead to superior market and financial outcomes. This integration of social capital into the RBV framework represents a shift in focus from static resources to dynamic relational assets, which facilitate continuous adaptation in volatile environments.

The Role of Social Capital in Enhancing Adaptability. Our study underscores the pivotal role of social capital in enhancing a firm's ability to develop and maintain a hyperadaptive business framework. Specifically, the structural, relational, and cognitive dimensions of social capital all exhibit significant positive effects on hyperadaptivity, aligning with existing literature that highlights the relational nature of competitive advantage (Aidoo et al., 2020; Lyu et al., 2022; Ozgun et al., 2022). However, the findings present a more granular understanding of how each dimension of social capital contributes to adaptability.

The structural dimension like the network of relationships both within and outside the firm enables access to critical resources, information, and collaborations that help firms stay agile. Yet, our findings indicate that while structural social capital provides the necessary channels for adaptation, it is the relational and cognitive dimensions that amplify a firm's adaptive capacity. Relational capital, built on trust, reciprocity, and long-standing partnerships, allows firms to reduce transaction costs and respond more swiftly to changes through cooperative behaviours. The cognitive dimension, with its emphasis on shared values and collective understanding, plays a crucial role in aligning internal stakeholders towards strategic shifts, making the organization more cohesive and responsive. These findings suggest that social capital is not merely a peripheral resource but a core enabler of adaptability, challenging traditional RBV assumptions that prioritize physical and financial resources.

Moreover, the mediation analysis reveals that the hyperadaptive business framework mediates the relationship between social capital and both market and operational performance, affirming that social capital must be channeled through adaptability to have a significant impact on firm outcomes. This insight is crucial for expanding the RBV theory: while social capital may be a VRIN resource, its true value lies in its ability to facilitate adaptability. Thus, firms that fail to leverage their social capital for adaptability may not fully realize its potential. The study moves

Seminar Nasional FMI 2024 Manado

Prosiding



e-ISSN: 3026-4499
Vol. 2
5-7 November 2024

beyond RBV's traditional emphasis on resource ownership, suggesting that the processes through which resources are mobilized and integrated into dynamic capabilities are equally important.

Hyperadaptivity as a Competitive Imperative. The hyperadaptive business framework emerges from the analysis as a key mediator that translates the benefits of social capital into superior market and operational performance. In line with the dynamic capabilities framework (Teece, 2018, 2023), our findings indicate that adaptability is not simply a reactive capability but a proactive strategic asset that firms can cultivate to anticipate and respond to environmental changes. Firms that develop hyperadaptive capabilities are better positioned to optimize both internal efficiencies and market competitiveness, which, in turn, lead to enhanced financial performance.

Interestingly, the results indicate that market performance has a stronger influence on financial performance than operational performance. This suggests that in highly competitive and volatile markets, external-facing capabilities such as the ability to capture market share, satisfy customers, and respond to market shifts are more critical for financial success than internal efficiency. These findings challenge conventional wisdom in strategic management that often emphasizes cost minimization and operational efficiency as primary drivers of profitability. Instead, the study reveals that agility in seizing market opportunities is perhaps the more decisive factor in financial outcomes. This insight has important implications for practitioners, particularly in industries facing rapid technological disruption, where maintaining market relevance may supersede operational efficiency as the key to survival.

Challenging the Moderating Role of Environmental Dynamism. A notable and unexpected finding of the study is the lack of moderating effects from environmental dynamism on the relationships between social capital, adaptability, and performance outcomes. While prior literature has posited that environmental volatility amplifies the need for adaptability (Teece et al., 2016a), our results suggest otherwise. One potential explanation for this result is that firms capable of developing hyperadaptive frameworks may have already internalized the capabilities needed to navigate environmental turbulence, rendering external volatility less impactful. In other words, once firms achieve a certain level of adaptability, the external environment's dynamism becomes less of a variable influencing performance.

This finding raises important questions about the presumed relationship between environmental volatility and organizational performance. It suggests that adaptability may serve as a buffer against environmental shocks, reducing the need for firms to constantly recalibrate based on external changes. Firms with robust adaptive capabilities may be more insulated from market volatility, which in turn reduces the moderating role of environmental dynamism. This insight calls for a re-evaluation of the assumption that dynamic environments always necessitate more adaptive behaviours. Instead, adaptability may be more about creating stability within the firm, even as external environments remain in flux. Future research should explore this finding in greater depth, particularly by investigating industry-specific factors that may shape the relationship between environmental volatility and adaptability.

Seminar Nasional FMI 2024 Manado

Prosiding



e-ISSN: 3026-4499
Vol. 2
5-7 November 2024

Contributions to the Resource-Based View (RBV) Theory. From a theoretical perspective, this study makes a significant contribution to the Resource-Based View (RBV) by integrating social capital and hyperadaptivity into the framework. Traditional RBV emphasizes that firms gain competitive advantage by possessing resources that are valuable, rare, inimitable, and non-substitutable (Barney, 1991). However, our findings suggest that it is not sufficient to possess resources, firms must also be able to mobilize and reconfigure these resources to adapt to changing environments. Social capital, especially when leveraged through a hyperadaptive business framework, represents a dynamic resource that enables firms to continuously renew and deploy capabilities in response to external shifts.

This study thus advances the RBV theory by shifting the focus from static resource ownership to the dynamic application of resources. In particular, it emphasizes the role of intangible relational assets (i.e., social capital) in driving adaptive capabilities, which are crucial for sustained competitive advantage in fast-changing markets. By demonstrating how social capital directly contributes to adaptability and, through it, to firm performance, this research expands the RBV framework to account for the processes through which resources are transformed into dynamic capabilities.

Additionally, the study challenges the notion that environmental dynamism always necessitates greater adaptability. Our results suggest that once firms have developed strong adaptive capabilities, they may become less sensitive to external volatility. This finding invites further exploration of how adaptability itself evolves as a firm's resource base becomes more sophisticated and resilient.

5. Conclusion

This study underscores the importance of social capital and hyperadaptivity as critical enablers of market, operational, and financial performance. Firms that cultivate strong networks, trust-based relationships, and shared organizational values are better positioned to navigate the complexities of modern business environments. The findings not only reinforce the value of social capital but also introduce hyperadaptivity as a critical mechanism through which firms can translate social capital into performance gains. This study offers important theoretical contributions to the Resource-Based View (RBV) by expanding the framework to include dynamic relational assets and by challenging assumptions about the role of environmental dynamism.

In practice, managers, particularly in micro, small, and medium enterprises (MSMEs), should focus on building robust social capital and fostering an organizational culture that emphasizes adaptability. In a world where market conditions shift rapidly and unpredictably, the ability to adapt is no longer a luxury—it is a competitive imperative. Future research should continue to investigate how intangible assets like social capital can be further leveraged to enhance firm resilience, particularly in the context of digital transformation, innovation management, and sustainability practices. As firms continue to evolve in the face of global disruption, the ability to mobilize dynamic capabilities, grounded in relational assets, will be the key to long-term success.

Seminar Nasional FMI 2024 Manado

Prosiding



e-ISSN: 3026-4499
Vol. 2
5-7 November 2024

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Prosiding



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Vol. 2
5-7 November 2024

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