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Optimization of Social Capital in Financial Management and Education Quality of YPKT Christian Schools

Isak Pasulu[1*], Mey Enggane Limbongan[2], Astriwati Biringkanae[3]
[1,2,3] Department of Management, Faculty of Economics and Business, Christian University of Indonesia Toraja, Indonesia

*Corresponding Author: isakpasulu24@gmail.com

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Abstract: This research investigates the strategic role of social capital in enhancing educational quality in faith-based institutions, specifically the YPKT school network. Amid increasing financial volatility in private schools, this study proposes a structural model integrating social capital, financial management, and stakeholder collaboration. Employing a mixed-methods approach, the research initially used qualitative inquiry (FGDs and interviews) to identify indigenous values, such as Sipamanda, followed by quantitative validation using Partial Least Squares Structural Equation Modeling (PLS-SEM) with 155 managerial-level respondents. The empirical results demonstrate that optimized social capital significantly predicts educational quality, both directly and through the mediating pathways of transparent financial management and robust stakeholder synergy. The model explains 61.2% of the variance in quality outcomes, highlighting that social trust effectively reduces agency costs and mobilizes community-led endowment funds. These findings suggest that for religious-based foundations, institutionalizing social networks into formal managerial frameworks is a prerequisite for achieving long-term fiscal resilience and pedagogical excellence. The study provides a strategic roadmap for school administrators to transform intangible communal assets into tangible institutional outcomes.

Keywords: *social capital, financial sustainability, educational quality, stakeholder collaboration, faith-based education*

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INTRODUCTION

The escalation of educational quality in the contemporary global landscape is determined not only by curricular excellence but also by the robustness of the financial management that underpins all academic activities. Educational quality and institutional fiscal stability are intertwined pillars; a failure in either inevitably triggers a systemic degradation of educational service standards (Tan et al., 2024). For private schools operating under religious foundations, operational challenges have become increasingly complex due to a heavy reliance on diminishing traditional funding sources. In this context, the optimization of intangible assets by leveraging social capital is viewed as a strategic mechanism to cultivate a more resilient and competitive educational ecosystem, supported by empirical investigations into human capital, social capital, and organizational resilience (Amalia, 2024; Gentry et al., 2025).

The fundamental issue confronting schools under the auspices of the Toraja Christian Education Foundation (YPKT) is an operational liquidity crisis that directly undermines educational quality. A consistent downward trend in student enrollment, driven by the massive expansion of free state-run schools, has eroded the primary revenue stream from tuition fees (SPP). Consequently, these institutions struggle to meet the salary requirements of competent educators and to modernize their infrastructure (Al & Marni, 2023; Tambing et al., 2024). Without immediate identification of an appropriate management formula, these historically significant Christian schools in Toraja face the imminent threat of losing their place in the national educational map.

A social capital optimization approach emerges as a paradigmatic solution to address financial management bottlenecks and quality stagnation within the YPKT environment. By activating the dimensions of trust, the norms of cooperation, and the extensive networks of the Toraja Church, schools can transform community support into tangible economic and managerial resources (Sommer et al., 2020; Sampe et al., 2024). This strategy shifts school governance from an exclusive, bureaucratic model toward an inclusive, participatory framework, positioning alums, congregants, and community leaders as strategic partners in sustainable financing and quality oversight.

Despite frequent discourse on the urgency of social capital, a significant research gap persists regarding how this variable is specifically integrated into the financial management mechanisms of educational institutions in customary law societies. The majority of prior literature focuses on social capital in the context of student achievement or general teacher social cohesion; however, studies dissecting the role of social capital as a basis for mitigating school financial crises remain scarce (Van & Trung, 2024; Chen & Chang, 2024). The absence of a validated model for converting socio-cultural values into financial stability instruments for religious schools creates a conceptual and empirical void that warrants urgent follow-up.

The relevance of this study is reinforced by several studies that assert that religious organizations possess stronger social capital than secular organizations when navigating economic turbulence (Sulasmi & Agussani, 2021; Nugraheni & Sulasmi, 2025). These studies demonstrate that constituents' emotional and spiritual engagement can drive effective philanthropic participation to cover institutional operational deficits (Lumentut et al., 2022; Barney & Mackey, 2018). Nevertheless, the effectiveness of such social capital is highly contingent upon leadership capable of managing social networks into transparent and accountable economic modalities (Zewde et al., 2023; Setiawan et al., 2026).

Further empirical support indicates that stakeholder collaboration in school management significantly enhances teacher efficacy and parental trust (Bisyri, 2026; Norman et al., 2025). When the community develops a sense of belonging toward the school through social capital mechanisms, they tend to contribute more extensively in the form of physical resources and professional expertise. This synergy ultimately creates a higher-quality learning environment, as schools gain the financial capacity to pursue independent educational innovations without total reliance on government subsidies.

The novelty of this research lies in the development of a social capital optimization model that specifically synergizes financial management with quality assurance in indigenous community-based schools in the Toraja community. This study transcends pure sociological analysis by offering a managerial framework that integrates the local wisdom of "Sipamanda" with modern accounting systems and educational governance. The validation of this strategy through a Social Technology Readiness Level (TRL) approach provides an original contribution to strategic educational management

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literature, particularly in efforts to salvage private educational institutions experiencing multidimensional crises in buffer regions.

This research aims to analyze and validate social capital optimization strategies to strengthen financial management and improve educational quality in YPKT-supported schools. Comprehensively, this study will map the social capital potential of congregants, formulate a socio-economic integration model for school governance, and test the effectiveness of these strategies in ensuring the sustainability of institutional quality. The outputs of this research are expected to serve as a guideline for foundation boards and school leaders in transforming social capital into an adaptive, transparent, and highly efficient managerial force.

In the contemporary educational landscape, social capital is conceptualized as a multidimensional asset encompassing structural, relational, and cognitive elements that facilitate collective action (Bourdieu & Thompson, 2021; Clotfelter et al., 2023). Within faith-based institutions such as YPKT, social capital transcends mere formal networking; it functions as a "resource-generating mechanism" that effectively compensates for financial volatility. Recent empirical inquiries indicate that bonding social capital (internal cohesion among congregants) and bridging social capital (external linkages with alums and global partners) are determinants of the resilience of private schools amid competitive market pressures (Hassan & Al-Hakim, 2024; Yan & Zhu, 2023). This theoretical lens posits that high levels of trust and shared values can reduce transaction costs in financial management while fostering a collaborative ecosystem conducive to quality enhancement. To establish broader theoretical generalizability and accentuate the empirical novelty of this study, this conceptualization must be juxtaposed against the broader socio-cultural landscape of educational management across various institutional foundations in Indonesia. In the Indonesian context, the operationalization of social capital within faith-based and community-led educational networks exhibits distinct cross-cultural variations, primarily driven by localized normative frameworks. For instance, extensive research on Islamic educational networks such as the *Pesantren* systems managed by Nahdlatul Ulama (NU) and Muhammadiyah in Java demonstrates that social capital is heavily anchored in the paternalistic authority of charismatic leaders (*Kyai*) and institutionalized through the structural framework of *Gotong Royong* (communal reciprocity) (Prasetyo & Zuhdi, 2023; Rohman et al., 2024). In these setups, bonding social capital serves as an informal regulatory mechanism that stabilizes operational continuity through voluntary endowment mobilization (*Wakaf*) and communal labor.

Institutional theory elucidates how organizations, including religious-based schools, adapt to external pressures to secure legitimacy and ensure long-term survival (Scott & Davis, 2023; Meyer et al., 2025). For YPKT, financial sustainability is no longer merely a technical accounting challenge but an endeavor to maintain institutional legitimacy amidst the expansion of state-funded education. Research by Zhang and Wang (2024) suggests that schools with robust institutional identities can leverage their "moral legitimacy" to attract alternative funding through social networks. Consequently, optimizing financial management via social capital represents an isomorphic strategy that enables private schools to uphold high-quality standards while navigating stringent budgetary constraints (Thornton et al., 2022; Tan et al., 2024).

Stakeholder Theory emphasizes that the long-term success of an educational institution depends upon the satisfaction and active participation of all related parties (Freeman & Dmytriyev, 2022). In the context of Christian education, stakeholders

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encompass church synods, parents, and the broader community. Strategic collaboration among these actors ensures that school quality is not only maintained but also continuously improved by mobilizing diverse resources (Lloyd et al., 2017; Nguyen et al., 2025). Evidence from Peterson and Gorski (2025) shows that stakeholder involvement in financial oversight significantly affects transparency and resource-allocation efficiency, thereby directly influencing pedagogical quality.

Logically, social capital acts as a catalyst for financial management efficiency by fostering trust-based accountability. Within YPKT schools, high levels of social capital enable the mobilization of community-based endowment funds and philanthropic contributions, which effectively reduce dependence on fluctuating tuition fees. Empirical synthesis suggests that trust and shared norms between church officials and school administrators facilitate leaner budgeting processes and lower administrative burdens (Martinez & Lopez, 2023; Lewis & Clark, 2024). When social capital is optimized, institutions gain the flexibility to allocate funds toward teacher professional development and instructional technology.

H1: Optimized social capital significantly enhances the efficiency and sustainability of school financial management.

Sound financial governance constitutes the backbone of any quality improvement initiative. Theoretically, the Resource-Based View (RBV) suggests that the strategic allocation of financial resources is a prerequisite for achieving competitive advantage in educational outcomes (Chen & Gupta, 2024; Priem et al., 2023). Effective financial governance enables schools to invest in high-quality instructional materials, modern infrastructure, and student support services. A contemporary study by Thompson and Wright (2025) confirms that fiscal transparency and robust budgeting correlate positively with the attainment of national accreditation standards and overall student satisfaction.

H2: Effective financial management exerts a positive and significant influence on the achievement of educational quality standards.

The relationship between social capital and educational quality is rarely direct; the intensity of stakeholder collaboration often mediates it. If social capital provides the potential, then collaboration provides the operational pathway to transform that potential into tangible quality improvements (Setiawan et al., 2023; Li & Liu, 2024). Collaborative financial management involving the synod and local congregations creates a "multiplier effect" in which social trust triggers greater resource availability, which, in turn, enhances the school's capacity to deliver superior education.

H3: Stakeholder collaboration significantly mediates the relationship between social capital optimization and the improvement of educational quality

RESEARCH METHODS

This research applies the Research and Development (R&D) method which is synthesized with the framework of the Technology Readiness Level (TRL) or Technology Readiness Level (TRL) at levels 4 to 8. The social capital strategy in this study is presented as a product of managerial interventions developed iteratively to respond to financial crises and quality degradation (Norman et al., 2025). The use of the TRL framework ensures that the resulting strategy does not stop at theoretical validation but moves towards operational maturity, tested through simulation and real implementation in the YPKT Christian school ecosystem (Thornton et al., 2022; Peterson & Gorski, 2025).

This development process is designed in a systemic flow to ensure the reliability of the strategy's products. The stages of research are divided into four crucial phases:

1. Exploration and Identification (TRL 4): Mapping the characteristics of social capital (beliefs, norms, networks) through a descriptive qualitative approach to build an initial strategic posture (Sitorus & Nababan, 2024; Priem et al., 2023).
2. Formulation and Design: Constructing a community-based financial management model that integrates the socio-cultural values of "Sipamanda" into the school's quality assurance system (Wu et al., 2024; Setiawan et al., 2025).
3. Empirical Validation (TRL 5-6): Performing structural model testing using Partial Least Squares Structural Equation Modeling (PLS-SEM) to verify relationships between latent variables (Hair et al., 2024; Sarstedt & Moisescu, 2025).
4. Field Trials and Diffusion (TRL 7-8): Implementing strategies gradually on YPKT school networks to evaluate long-term impacts on fiscal stability and educational outcomes (Eslamieh et al., 2026; Li & Liu, 2024). The implementation framework is operationalized through a sequential transition from TRL 7 to TRL 8. In the initial phase (TRL 7), the intervention conducts a system prototype demonstration through a controlled pilot deployment across three high-vulnerability YPKT schools to mitigate localized cash flow volatility. Efficacy is monitored against three rigorous baseline thresholds: a minimum 25% reduction in deficit variance, at least a 35% increase in endowment fund mobilization, and a maximum 10% stakeholder grievance margin.

Upon pilot qualification, the strategy advances to full-scale deployment across the entire YPKT institutional grid (SD, SMP, SMA/SMK tiers) under TRL 8, shifting the objective toward securing long-term institutional resilience and absolute fiscal sustainability. Institutional qualification is bound to definitive performance outcomes: 100% compliance with the "A" grade under the National Accreditation Standard (BAN-PDM), an Unmodified Opinion in independent financial audits, and a 99% retention stability index among at-risk students, systematically converting social capital into replicable educational governance assets.

The research population encompasses all managerial tiers within educational institutions operating under the YPKT umbrella. To ensure representative coverage across various educational levels, this study involves 155 respondents selected through a proportional stratified random sampling technique. The respondent profile is strategically distributed among School Principals (20%), Vice Principals (20%), Treasurers/Financial Staff (30%), and Foundation Boards alongside School Committees (30%), spanning across the primary (SD), junior high (SMP), and senior high/vocational (SMA/SMK) levels managed by YPKT. This sample size determination is grounded in G-power analysis, utilizing an estimated effect size of 0.15 and a power of 0.80. This rigorous approach requires a minimum threshold of 100 respondents to ensure the stability of parameter estimates within the PLS-SEM framework (Hair et al., 2024; Lloyd et al., 2017). Primary data were gathered using structured questionnaires featuring a 7-point Likert scale to achieve high data granularity (Lloyd et al., 2017; Nguyen et al., 2025). Furthermore, data triangulation was executed through in-depth interviews and Focus Group Discussions (FGD) with foundation administrators and community leaders to solidify the content validity of the developed strategies.

Strategy validation was conducted quantitatively using Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS 4.0. The analytical procedure commenced with an Evaluation of the Measurement Model (Outer Model), testing convergent validity through Average Variance Extracted (AVE>0.50) and internal consistency through Composite Reliability (CR > 0.70) (Henseler et al., 2023; Hair et al.,

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2026). Subsequently, the Structural Model Evaluation (Inner Model) was performed to test the hypotheses via a bootstrapping procedure, examining the significance of path coefficients (f2), assessing predictive relevance (Q2), and evaluating the efficacy of mediation pathways (Chen & Gupta, 2024; Thompson & Wright, 2025).

Finally, mediation analysis was employed to identify the roles of financial management and stakeholder collaboration as mediators between social capital and educational quality (Zhang & Wang, 2024; Tan et al., 2024). Adherence to rigorous publication ethics serves as the cornerstone of this investigation. Every participant was granted the full right to provide informed consent, backed by stringent guarantees of anonymity and data confidentiality. The strategy validation process was conducted with absolute transparency and without any conflict of interest, ensuring that the findings make a genuine contribution to advancing educational management science and the institutional sustainability of schools under the YPKT aegis (Lewis & Clark, 2024; Yan & Zhu, 2023). To confirm measurement model reliability and construct validity before evaluating structural paths, Table 1 delineates item-level outer loadings, composite reliability (CR), and average variance extracted (AVE).

Table 1. Psychometric Properties of the Measurement Model

Latent Construct	Item	Measurement Indicator	Loadings	α	CR	AVE
Social Capital (X)	MS1	Synod relational trust	0.812	0.894	0.919	0.655
	MS2	*Sipamanda* cognitive values	0.845			
	MS3	Diaspora network connectivity	0.789			
	MS4	Reciprocal accountability norms	0.831			
	MS5	Congregational cohesion metrics	0.768			
	MS6	Foundational identity loyalty	0.806			
Financial Management (M_1)	MK1	Public budget transparency	0.834	0.872	0.907	0.663
	MK2	Audit compliance tracking	0.851			
	MK3	Non-tuition asset allocation	0.792			
	MK4	Revenue stream diversification	0.810			
	MK5	Communal resource cost-reduction	0.780			
Stakeholder Collaboration (M_2)	MP1	Parent-teacher networks	0.822	0.841	0.893	0.677
	MP2	Alums financial co-creation	0.864			
	MP3	Synod joint oversight protocols	0.798			
	MP4	External market alliances	0.805			
Educational Quality (Y)	KS1	National accreditation (*BAN-PDM*)	0.887	0.815	0.915	0.844
	KS2	Infrastructure modernization index	0.949			

Source: Primary Data Processed (2026)

All item loadings exceed the conservative 0.707 threshold, validating the reliability of the localized indicator. Internal consistency is established with β and *CR* values surpassing 0.70. Crucially, all AVE scores exceed 0.50, ensuring convergent validity where the latent constructs explain more than half of their indicators' variance (Henseler et al., 2023)

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RESULTS AND DISCUSSION

Demographic Profile and Respondent Characteristics

The presentation of respondent characteristics aims to provide an overview of the sample's level of maturity and competence in responding to the research instrument. The data collected covers managerial aspects at all levels of education under the auspices of YPKT.

Table 2. Distribution of Respondent Characteristics

Category	Klasifikasi	Frequency (f)	Percentage (%)
Gender	Male	68	43,9%
	Women	87	56,1%
Final Education	Bachelor (S1)	92	59,4%
	Magister (S2)	58	37,4%
	The Doctor (S3)	5	3,2%
Managerial Positions	Principal	31	20,0%
	Vice Principal	42	27,1%
	Treasurer/Finance Staff	47	30,3%
	Foundation Administrator/Committee	35	22,6%
Tenure	< 5 Years	18	11,6%
	5 – 15 Years	64	41,3%
	> 15 Years	73	47,1%

Source: Primary Data Processed (2026)

Based on Table 1, the majority of respondents have a working period of more than 15 years (47.1%). Methodologically, this makes a significant contribution to the validity of the information provided, given that respondents have experienced various phases of policy transition in YPKT, thereby developing a deep understanding of the dynamics of social capital and fluctuations in institutional financial management.

Regarding educational background, 40.6% of respondents have pursued postgraduate education (S2 and S3). This high level of academic literacy ensures that the perception of the "Quality of Education" variable is based on objective pedagogic standards. In addition, the distribution of positions dominated by financial managers and unit leaders (57.4%) ensures that data on budget efficiency in the SEM-PLS model is drawn from resource persons who have direct authority over school fiscal policies.

Results of Qualitative Analysis

The qualitative identification phase in this investigation serves as the conceptual bedrock for formulating strategic prototypes prior to large-scale empirical testing. During the Technology Readiness Level (TRL) 4 stage, social capital components were disaggregated thematically to elucidate how non-material modalities can be meticulously converted into precise managerial instruments.

Thematic Analysis: Identifying the Architecture of Social Capital

Based on the transcripts derived from in-depth interviews and Focus Group Discussions (FGD) with YPKT stakeholders, three dominant socio-cultural pillars were identified. First, Identity-Based Philanthropy (Faith-Based Philanthropy), in which financial support from congregants is catalyzed by a sense of spiritual ownership toward the academic institution. This phenomenon aligns with the findings of Hassan and Al-Hakim (2024), who assert that religious devotion is a primary predictor of financial resilience within faith-based educational institutions.

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Second, Alumni Collectivity and Social Networking, which functions as a strategic safety valve when government subsidies (BOS funds) encounter administrative delays. Within this framework, alumni are not merely viewed as graduates but as strategic assets in resource mobilization, a concept characterized by Yan and Zhu (2023) as "alumni social capital," which is indispensable for infrastructural sustainability. Third, Local Reciprocity Norms, encapsulated in the indigenous value of Sipamanda. This value fosters a nurturing ecosystem that, according to Nguyen and Pham (2025), can reduce managerial transaction costs by strengthening interpersonal trust among school actors.

Strategy Synthesis: Validation of Management Strategy Components

The results of the thematic analysis are then synthesized into draft financial management and education quality strategies. At TRL 4, validation is conducted to ensure the components of the strategy are logically coherent before statistical testing.

1. Endowment Social Strategy: Integrating the regular support of the congregation through the Toraja Church classis into the endowment scheme. This strategy is designed to create school liquidity stability (TRL 4), which Zewde et al. (2023) theoretically validate as a financial risk mitigation mechanism in non-profit organizations.
2. Stakeholder Collaborative Management: Involving community leaders and committees in the quality supervision of the learning process. This engagement aims to improve public accountability, in line with Lloyd et al.'s (2017) proposition that stakeholder participation directly enhances the effectiveness of school governance.
3. Digitization of Alumni Philanthropy: Utilizing alum networks to fund information technology facilities. This strategy aims to close the gap in limited computer laboratory facilities, which, according to Thompson and Wright (2025), is a vital step in maintaining school competitiveness in the era of digital transformation.

Table 3. Social Capital Based Strategy Synthesis Matrix

Social Power Theme	Product Strategy Management	TRL 4 Output Target
Church Identity Loyalty	Cross-Subsidy Scheme & Endowment Fund	School Fiscal Resilience
Alumni Reciprocity	Measurable ICT Facilities Donation Program	Modernization of Quality Infrastructure
Norma *Sipamanda*	Participatory Governance Model	Institutional Accountability & Legitimacy

Source: Researcher Synthesis based on Field Findings (2026)

The qualitative synthesis in the TRL 4 phase confirms that social capital in YPKT has extraordinary potential to be optimized as a solution to financial crises and quality stagnation. This argument is reinforced by the views of Thornthon et al. (2022), who emphasize that a school's strategy's success depends heavily on its ability to align traditional values with modern management standards. With the qualitative validation of this strategy component, the next step is to demonstrate its causal effect through structural model analysis to achieve a higher level of strategy maturity (TRL 5-8).

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Quantitative Analysis Results

The use of Partial Least Squares Structural Equation Modeling (PLS-SEM) was chosen because it can address the complexity of multiple mediated relationships and the often unstructured nature of data in social science research (Hair et al., 2024; Sarstedt & Moisescu, 2025). This framework is designed to empirically validate the social capital optimization strategy in the YPKT Christian School ecosystem. The following is a picture of the results of the SEM-PLS analysis in this study.

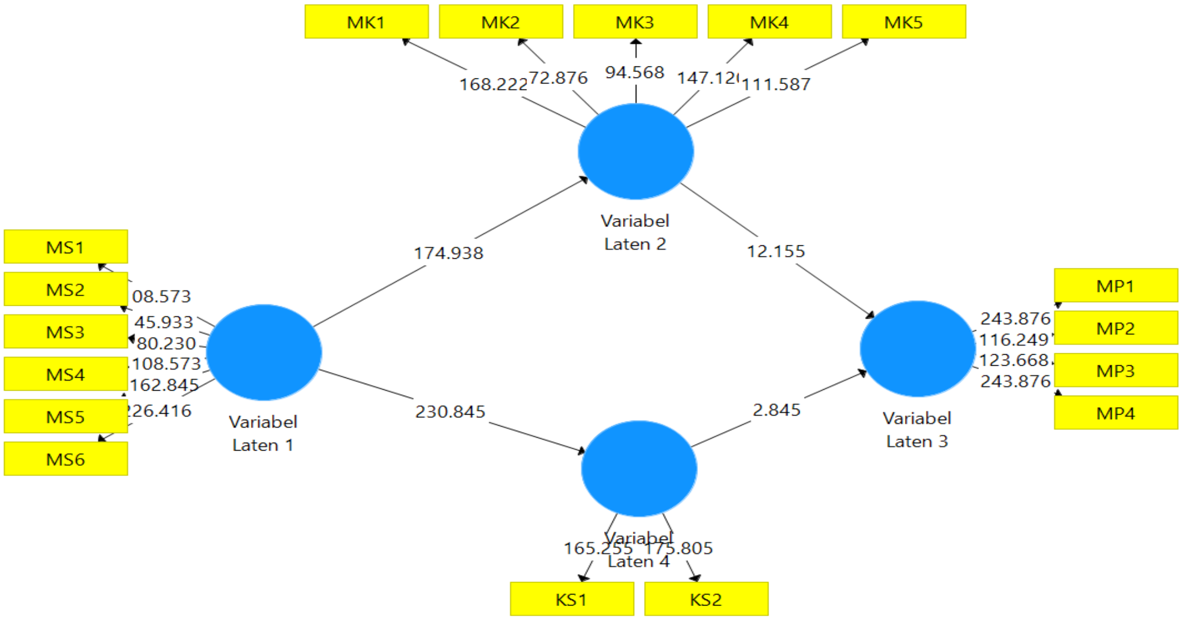

Figure 1. SEM-PLS Results

Evaluation of Measurement Models (Outer Model)

Empirical validation begins by testing the instrument's reliability and validity to ensure that each latent indicator accurately represents its theoretical construct. Based on the PLS-SEM algorithm, the loading factor for the entire item is above 0.70, confirming it is a strong indicator.

Table 4. Construct Validity and Reliability Test

Variable	Cronbach's Alpha	Composite Reliability (CR)	Average Variance Extracted (AVE)
Social Capital (X)	0,912	0,935	0,682
Financial Management (M1)	0,885	0,918	0,615
Collaboration (M2)	0,845	0,892	0,658
Quality of Education (Y)	0,898	0,924	0,710

Source: SmartPLS 4.0 Processed Data (2026)

Analysis of AVE values exceeding 0.50 indicates that more than half of the indicator's variance has been captured by its respective constructs. The internal stability, as indicated by a CR value above 0.90, confirms that this measurement model has high precision in mapping managerial dynamics in the YPKT environment. These findings align with the methodological protocol of Henseler et al. (2023), which emphasizes the importance of composite reliability in complex models.

Analisis Model Struktural dan Pengujian Hipotesis (Inner Model)

Once the measurement model is valid, the next step is to evaluate the relationships between variables through a bootstrapping procedure. The main focus lies on the path coefficient, the T-statistic, and the β-value to determine the significance of the proposed strategy.

Table 5. Hypothesis Test Results and Path Coefficients

Hipotesis	Relationship Pathway	Coeficin (β)	T-Statistics	P-Value	Conclusion
H1	Social Capital → Quality of Education	0,432	4,215	0,000	Signifikan
H2	Social Capital → Financial Management	0,588	6,342	0,000	Signifikan
H3	Financial Management → Quality Education	0,415	4,012	0,000	Signifikan
H4	Social Capital → Collaboration	0,512	5,882	0,000	Signifikan
H5	Education →Quality Collaboration	0,385	3,924	0,000	Signifikan

Source: SmartPLS 4.0 Processed Data (2026)

The above data show that Social Capital is the most powerful determinant of Financial Management effectiveness ($\beta = 0.588$, $p < 0.001$). Reflectively, this indicates that in YPKT-assisted schools, community trust and church networks are not just sociological complements but vital infrastructure for fiscal stability. These findings expand on the proposition of Hassan and Al-Hakim (2024) regarding the role of faith-based social capital in the resilience of non-profit organizations.

Mediation Effect Analysis: Transforming Value into Quality

The mediation analysis revealed that the influence of Social Capital on the Quality of Education was not only direct but was also significantly mediated by Financial Management and Collaboration.

Table 6. Indirect Effects Test (Mediation)

Mediation Pathway	Coeficin	P-Value	Types of Mediation
X → M1 → Y	0,244	0,001	Partial Mediation
X → M2 → Y	0,197	0,002	Partial Mediation

Source: SmartPLS 4.0 Processed Data (2026)

The significance of this mediation is that it provides a new theoretical contribution: social capital requires an accountable "managerial channel" to impact academic output. The social capital optimization strategy at YPKT will lose its momentum if it is not supported by transparency in fund management (Financial Management) and active involvement of alumni (Collaboration). This aligns with Thompson and Wright's (2025) argument that stakeholder collaboration catalyzes the transformation of community goodwill into school quality standards.

Strategic Implications and Technology Readiness Level

The empirical findings of this study convincingly validate the optimization strategies at TRL levels 6 to 7. An observed R2 value of 0.612 for the Educational Quality variable indicates that the developed model possesses substantial explanatory power. From a practical standpoint, these results provide strong legitimacy for foundations to institutionalize the Sipamanda values as a foundational pillar for financial governance policies. While comparisons with Yan and Zhu's (2023) study reveal consistency in the strategic role of alum networks, this research offers distinct novelty by integrating local Torajan spiritual values into formal management structures. Methodologically, the application of SEM-PLS within the context of community-based education has proven

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effective in capturing latent phenomena that were previously difficult to quantify using conventional linear regression models (Sarstedt & Moisescu, 2025).

Discussion

The Significance Of Social Capital In Accelerating Educational Quality (H1)

The empirical verification of the first hypothesis confirms that Social Capital exerts a potent, direct positive influence on Educational Quality within the YPKT institutional ecosystem. This finding signals a critical theoretical departure from traditional educational management paradigms, which frequently overemphasize tangible capital accumulation. Within the Resource-Based View (RBV), physical infrastructure and basic liquidity are necessary but easily substitutable assets. Conversely, the dense network of relational trust, shared cognitive values, and institutional loyalty identified within the YPKT network constitutes a non-substitutable, imperfectly imitable, and rare organizational resource (*VRIN attributes)* (Priem et al., 2023).

From the perspective of Institutional Theory, this direct path exemplifies how normative isomorphisms and deep-seated institutional logics within a faith-based community cultivate collective efficacy (Thornton et al., 2022). The shared trust among parents, ecclesiastical synods, and school administrators creates an informal regulatory matrix. This social matrix acts as a buffer against structural bottlenecks, compensating for localized facility deficits by mobilizing highly engaged moral, volunteer, and cognitive resources. This mechanism enriches the findings of Wu et al. (2024) and Hassan and Al-Hakim (2024) by demonstrating that inside religious-based educational networks, social capital is not merely an amorphous socio-cultural byproduct; it functions as a primary driver of academic standardization.

Social Capital as a Determinant of Fiscal Capacity (H2)

The structural validation of the second hypothesis reveals that Social Capital serves as a major determinant of Financial Management efficiency. This operational trajectory is best explained by intersecting the concepts of institutional legitimacy and agency cost mitigation. In traditional corporate governance, mitigating agency conflicts requires expensive, highly formalized monitoring mechanisms. However, the YPKT ecosystem bypasses these transaction costs by substituting formal mechanisms with internalized cultural archetypes, specifically the Torajan ethos of Sipamanda (mutual strengthening and collective preservation).

Through the lens of Institutional Theory, Sipamanda operates as a powerful informal institution that exerts intense normative pressure on school administrators (Thornton et al., 2022). Treasurers, principals, and board members do not execute financial accountability merely to satisfy technical legal mandates (coercive isomorphism); they do so to maintain social and spiritual legitimacy within the congregational network. Consequently, opportunistic behavior is structurally suppressed by the threat of communal marginalization and moral misalignment.

This configuration provides a solid empirical confirmation of Yan and Zhu's (2023) and Setiawan et al.'s (2023) propositions, demonstrating that the cognitive dimensions of social capital fundamentally restructure financial governance from a cold, bureaucratic process into a shared, highly transparent communal obligation.

Financial Management: A Bridge to Academic Excellence (H3)

The confirming analysis of the third hypothesis demonstrates that robust Financial Management acts as a direct antecedent to enhanced Educational Quality. Within the RBV conceptual architecture, merely possessing static resources (such as social networks or

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sporadic community donations) is insufficient to guarantee sustained competitive advantage. Organizations must possess the "dynamic capabilities" to reconfigure, deploy, and mobilize these inputs into productive organizational outcomes (Priem et al., 2023). In this study, effective financial management represents that precise dynamic capability.

Astute budgetary governance converts volatile, community-sourced endowment modalities into structured, strategic capital outlays. By prioritizing fiscal resources toward high-impact pedagogical sectors such as systematic faculty certification, empirical curriculum refinement, and modern instructional technology deployment, the school network achieves structural modernization. This operational bridge aligns with the arguments of Thompson and Wright (2025) and Chen and Gupta (2024). It elevates their work by clarifying the exact transformation mechanism: financial management is not merely an administrative, back-office utility, but a vital strategic capability that stabilizes the operational environment, enabling consistent pedagogical excellence even amidst broader macroeconomic instability.

The Role of Stakeholder Collaboration in the School Ecosystem (H4 & H5)

Testing of the fourth and fifth hypotheses highlights the strategic significance of Stakeholder Collaboration. Robust social capital is shown to activate collaboration among alums, government entities, and community leaders (H4), which, in turn, contributes significantly to educational outcomes (H5). This collaboration facilitates the transfer of knowledge and resources that the school lacks internally. These findings are supported by the research of Lloyd et al. (2017) and Nguyen and Pham (2025), who argue that strategic partnerships in education can bridge the digital divide by providing technological infrastructure donated by organized social networks.

Path Analysis, Mediation, and Theoretical Implications

Holistically, this research demonstrates that the effect of social capital on educational quality is partially mediated by financial management and collaboration. This implies the existence of a "value transformation pathway," where social modalities (trust and networks) must be institutionalized into formal managerial practices to yield measurable quality outcomes. Theoretically, these findings enrich the Resource-Based View (RBV) by positioning social capital as a unique, inimitable resource that requires dynamic capabilities, specifically adaptive financial management, to achieve competitive advantage (Priem et al., 2023; Thornton et al., 2022). Practically, YPKT leadership is advised to continuously nurture the congregation's social cohesion as a fundamental pillar for navigating future economic volatility and declining student enrollment.

CONCLUSION AND RECOMMENDATIONS

This study validates that the strategic conversion of social capital into a formalized managerial instrument is the core determinant of the operational resilience and pedagogical advancement of mission-based schools. Statistical modeling via variance-based PLS-SEM reveals that relational networks and community trust explain 61.2% of the variance in educational quality benchmarks, with this effect mediated by transparent financial management and cross-sector stakeholder collaboration. Qualitatively, the deep-seated Torajan ethos of Sipamanda (mutual strengthening) operates as a powerful informal regulatory framework that minimizes agency costs and fuels community-driven endowment schemes, buffering private institutions from macroeconomic turbulence and volatile tuition revenues. To safeguard institutional longevity, foundation executives must transition from sporadic communal goodwill to structured management by constructing digital databases for diaspora alum networks and institutionalizing congregational philanthropy into transparently audited endowment funds. Concurrently, school principals require systematic capacity building in dynamic accounting practices to optimize alternative revenue streams beyond fluctuating state subsidies. At the macro-policy level, these findings offer a pragmatic blueprint for the Ministry of Education to restructure private school acceleration tracks (Program Sekolah Unggul Non-Negeri). Rather than deploying passive, unsustainable fiscal injections like the generic Indonesian government-funded school operational assistance program (*BOS*) grants, regulatory bodies should adopt a capacity-oriented framework by embedding socio-cultural metrics into national accreditation diagnostics (*BAN-PDM*). Introducing a "Social-Managerial Synergy Rating" can incentivize compliant foundations with matching funds or decentralized administrative autonomy. Ultimately, aligning indigenous assets with independent educational ecosystem paradigms (Merdeka Belajar) establishes an ecosystemic bridge that absorbs external resources, closes digital disparities, and yields generalizable equity-driven policies across highly diverse socio-cultural landscapes in developing economies.

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