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STRATEGIC CAPABILITY ALIGNMENT AND COOPERATIVE PERFORMANCE: A CONCEPTUAL MANAGEMENT PERSPECTIVE FROM INDONESIA

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ABSTRACT: This study develops a conceptual perspective on cooperative performance by proposing a Strategic Capability Alignment Model that integrates Entrepreneurial Orientation and Managerial Capability as adaptive and stabilizing capabilities within cooperative governance systems. Rather than testing causal relationships empirically, the research employs a conceptual model development approach based on analytical synthesis of peer-reviewed studies, institutional reports, and cooperative management literature published between 2014 and 2024, with a focus on Indonesian cooperative contexts. The analysis highlights innovation as an alignment mechanism that connects adaptive strategic orientation with stabilizing managerial execution, shaping how cooperatives sustain performance and organizational transformation. The proposed framework extends capability-based perspectives by reframing cooperative performance as a configuration outcome emerging from capability alignment rather than isolated managerial attributes. The study offers theoretical contributions to cooperative management and provides conceptual insights for designing adaptive, governance-oriented strategies that support sustainable cooperative development.

Keywords: Strategic Capability Alignment; Cooperative Performance; Entrepreneurial Orientation; Managerial Capability; Innovation Alignment.

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1

INTRODUCTION

Cooperatives continue to play a strategic role in advancing inclusive economic development, particularly within emerging economies such as Indonesia where collective ownership and democratic governance remain central institutional principles (Arzadun & Rosatelli, 2025; Prasetyo, 2023). Despite their socio-economic relevance, many cooperatives struggle to achieve sustainable performance due not only to external structural constraints but also to internal strategic challenges (Kharel, 2024). Managerial limitations, fragmented strategic orientation, and uneven innovation capacity often create tensions between stability and adaptability, suggesting that cooperative performance is shaped by the configuration of organizational capabilities rather than by isolated managerial practices (Caprian et al., 2025).

Within the management literature, entrepreneurial orientation has long been positioned as a strategic posture that encourages innovativeness, proactiveness, and risk-taking behavior. In cooperative settings, entrepreneurial orientation is particularly significant because leaders must navigate the dual demands of market responsiveness and member-based governance (Chien, 2022). While entrepreneurial orientation is frequently associated with innovation and performance improvement, existing discussions also indicate that entrepreneurial initiatives alone do not guarantee sustained organizational outcomes. This condition implies the presence of complementary capabilities that enable entrepreneurial initiatives to be translated into structured and durable performance mechanisms.

Alongside entrepreneurial orientation, managerial capability represents a stabilizing dimension of cooperative management. Managerial capability reflects the capacity of leaders to coordinate resources, institutionalize governance practices, and transform strategic intentions into operational execution (Siagian et al., 2026; Siswanto & Kurniawan, 2022). In many cooperatives, managerial capability strengthens organizational reliability, member welfare, and governance quality (Widayati, 2025). However, managerial capability may emphasize efficiency and procedural control, which can limit the emergence of innovation when not balanced by adaptive strategic orientation. This tension highlights a broader managerial dilemma in cooperative organizations: the need to balance entrepreneurial dynamism with administrative stability.

Recent scholarly discussions increasingly recognize that entrepreneurial orientation and managerial capability should not be treated as independent determinants of performance. Instead, cooperative effectiveness appears to emerge from the interaction between adaptive and stabilizing capabilities (Genta, 2020). Innovation processes, governance transformation, and performance sustainability often arise when strategic orientation and managerial execution operate in alignment rather than in isolation (Osei & Asare, 2025). Yet, the existing literature tends to examine these constructs separately, leaving a conceptual gap regarding how capability alignment shapes cooperative performance, particularly within the institutional context of Indonesia.

To contextualize this discussion, selected national indicators illustrate the evolving landscape of cooperative development in Indonesia. Trends in GDP contribution, modernization initiatives, and entrepreneurship ratios suggest gradual institutional progress alongside persistent structural challenges (Ghani et al., 2021). These dynamics indicate that improving cooperative performance requires more than policy interventions; it demands a deeper understanding of how internal strategic capabilities interact within organizational systems (Azis R et al., 2025).

Table 1. Contextual Indicators of Cooperative Development in Indonesia (2021–2024)

Indicator	2021	2022	2023	2024
Contribution of Cooperatives to GDP (%)	5.10%	7.54%	6.07%	11.54%
Contribution of MSMEs to GDP (%)	61.07%	62.36%	Data not specified	65.00%
Contribution of MSMEs to Exports (%)	14.37%	15.12%	Data not specified	21.60%
Number of Modern Cooperatives (units)	100	150	150	500
Number of Start-ups Based on Innovation and Technology (units)	500	900	Data not specified	850
Percentage of MSMEs Upgraded to Higher Class (%)	0.50%	0.55%	Data not specified	3.95%
National Entrepreneurship Ratio (%)	2.89%	3.17%	2.86%	3.95%

The contextual indicators presented in Table 1 illustrate structural developments in cooperative participation, modernization initiatives, and entrepreneurial dynamics in Indonesia. Rather than serving as empirical evidence of causal relationships, these indicators provide a macro-level backdrop that highlights the increasing need for strategic capability alignment within cooperative organizations. Incremental improvements in institutional indicators coexist with uneven organizational upgrading, reinforcing the argument that performance sustainability depends on how adaptive and stabilizing capabilities are configured (BPS RI, 2025).

Figure 1 further visualizes broader cooperative development trends, including growth trajectories and organizational resilience patterns. Although the overall direction suggests gradual improvement, the moderate pace of transformation indicates that innovation processes require stronger integration between strategic orientation and managerial capability. This observation supports the need to reconceptualize innovation not merely as an outcome but as a mechanism emerging from capability alignment.

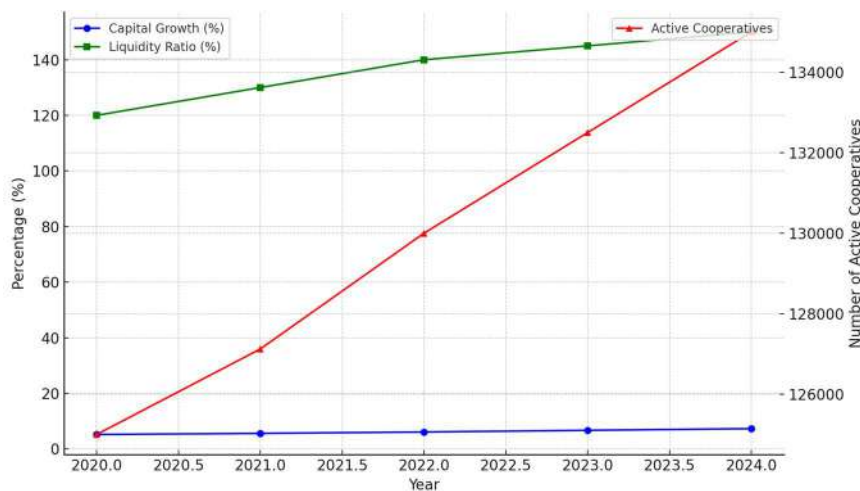


Figure 1. Cooperative Development Trends in Indonesia (2021-2024)

Building on this premise, this study develops a conceptual management perspective that reframes cooperative performance through the lens of strategic capability alignment (Jaafar et al., 2025). Instead of examining entrepreneurial orientation, managerial capability, and innovation as separate predictors, the paper proposes that performance outcomes in cooperatives depend on how adaptive and stabilizing capabilities are configured within governance structures. By advancing a conceptual model of strategic capability alignment, this research seeks to contribute to management theory in three ways. First, it introduces an integrative framework that bridges entrepreneurial orientation and managerial capability within a single strategic perspective. Second, it reconceptualizes innovation as an alignment mechanism that connects strategic posture with operational execution. Third, it offers context-sensitive insights from Indonesian cooperatives, providing a conceptual foundation for understanding how capability alignment can support sustainable performance in collective organizations.

THEORETICAL REVIEW

Entrepreneurial Orientation as an Adaptive Strategic Capability

Entrepreneurial Orientation (EO) reflects an organization's strategic posture characterized by innovativeness, proactiveness, and risk-taking behavior. Within strategic management discourse, EO is often understood as an adaptive capability that enables organizations to respond to environmental change through opportunity exploration and forward-looking decision-making (Neupane et al., 2025). In cooperative contexts, entrepreneurial orientation holds particular relevance because leaders must reconcile market responsiveness with collective governance principles. Rather than functioning solely as a driver of performance, EO represents a strategic mechanism that encourages experimentation and the pursuit of innovation pathways within organizational structures.

Existing literature indicates that EO contributes to organizational adaptability and may stimulate innovation initiatives, especially when supported by learning processes and knowledge-

sharing practices (Eshima & Anderson, 2017). However, entrepreneurial initiatives do not always translate into sustained performance outcomes. This limitation suggests that EO operates most effectively when complemented by stabilizing organizational capabilities that transform entrepreneurial intent into structured implementation.

Conceptual Proposition 1: *Entrepreneurial orientation functions as an adaptive capability that initiates innovation trajectories within cooperative organizations.*

Managerial Capability as a Stabilizing Organizational Mechanism

While entrepreneurial orientation introduces adaptive dynamism into cooperative strategy, organizational sustainability also depends on capabilities that stabilize and institutionalize strategic initiatives (Van Nguyen, 2026). Managerial Capability represents the organizational capacity to plan, coordinate, and execute strategic initiatives effectively. Grounded in capability-based perspectives and the Resource-Based View (RBV), managerial capability emphasizes governance competence, leadership effectiveness, and operational coordination as core drivers of organizational sustainability.

In cooperatives, managerial capability plays a stabilizing role by institutionalizing processes that align strategic decisions with member interests and long-term organizational objectives. Effective governance structures and coordinated leadership practices enable organizations to translate strategic intentions into structured operational outcomes. Nevertheless, managerial capability alone may emphasize procedural control and efficiency, which can limit adaptive experimentation when not balanced by entrepreneurial orientation. This dynamic highlights managerial capability as a stabilizing force that sustains and institutionalizes innovation outcomes rather than merely functioning as a direct performance driver (Alves & Carvalho, 2025).

Conceptual Proposition 2: *Managerial capability functions as a stabilizing capability that institutionalizes performance outcomes through governance and operational coordination.*

Innovation as an Alignment Mechanism in Cooperative Strategy

Innovation within cooperatives extends beyond product or service development; it encompasses governance transformation, digital adaptation, and new value-creation mechanisms for members. Rather than viewing innovation solely as a mediating variable, a conceptual management perspective positions innovation as an alignment mechanism that connects adaptive strategic orientation with stabilizing managerial execution (Katz et al., 2011).

Entrepreneurial orientation encourages experimentation and opportunity recognition, whereas managerial capability ensures continuity and operational discipline. When these capabilities operate independently, innovation outcomes may remain fragmented or unsustainable (Wolf et al., 2021). Conversely, when adaptive and stabilizing capabilities align, innovation becomes a structured pathway through which cooperatives translate strategic intent into sustained performance improvement. This perspective shifts the analytical focus from linear causal relationships toward the configuration and interaction of organizational capabilities within governance systems.

Conceptual Proposition 3: *Innovation functions as an alignment mechanism that integrates adaptive and stabilizing capabilities within cooperative organizations.*

Strategic Capability Alignment and Cooperative Performance

Building on the preceding discussion, cooperative performance can be understood as the outcome of strategic capability alignment rather than the isolated influence of individual capabilities (Jaafar et al., 2025). Entrepreneurial orientation contributes adaptive energy and strategic flexibility, while managerial capability provides structural stability and execution capacity. The interaction between these dimensions shapes how innovation processes evolve and how performance outcomes are sustained over time.

Misalignment between adaptive and stabilizing capabilities may lead to contrasting organizational challenges (Abou-Moghli, 2025). Excessive experimentation without institutional support can generate instability, while excessive administrative rigidity may suppress innovation and limit strategic renewal. Therefore, cooperative effectiveness depends on the balance and integration of these strategic capabilities within governance structures.

Conceptual Proposition 4: *Strategic capability alignment between entrepreneurial orientation and managerial capability enables innovation to function as a sustained mechanism for cooperative performance.*

Based on these propositions, this study advances a conceptual framework that reframes cooperative performance through the lens of strategic capability alignment. By integrating entrepreneurial orientation, managerial capability, and innovation within an alignment perspective, this theoretical review establishes a coherent foundation for conceptual model development. This alignment perspective extends capability-based theory by positioning cooperative performance as a configuration outcome shaped by the interaction of adaptive and stabilizing capabilities rather than as a simple variable-based relationship.

RESEARCH METHOD

Research Design

This study adopts a conceptual model development approach to construct a Strategic Capability Alignment framework for understanding cooperative performance (Fawcett, 1988). Instead of testing causal relationships through primary empirical data, the research synthesizes theoretical insights and documented organizational patterns to develop an integrative management perspective. The design emphasizes conceptual interpretation of existing literature to explain how Entrepreneurial Orientation and Managerial Capability operate as adaptive and stabilizing capabilities within cooperative governance structures.

The methodological orientation is grounded in analytical synthesis, where theoretical arguments and empirical observations reported in prior studies are examined to refine the conceptual relationships among Entrepreneurial Orientation, Managerial Capability, Innovation, and Cooperative Performance. This approach supports the objective of advancing a coherent framework that explains capability alignment as a strategic configuration rather than as a statistically tested mediation model (Wynn & Clarkson, 2024).

Source Selection and Conceptual Scope

The sources analyzed in this study consist of peer-reviewed journal articles, government publications, and institutional reports addressing cooperative management, entrepreneurial orientation, managerial capability, innovation, and organizational performance. The unit of analysis is conceptual, focusing on theoretical constructs, governance practices, and recurring strategic patterns identified across Indonesian and comparable cooperative contexts.

Sources were selected using purposive criteria to ensure conceptual relevance and contextual alignment with cooperative governance environments. Literature searches were conducted through databases such as Google Scholar, ResearchGate, JSTOR, ScienceDirect, and national repositories including Garuda Ristek. The selected materials represent diverse methodological traditions, including empirical research, conceptual analyses, and case-based discussions, enabling a comprehensive interpretation of capability dynamics within cooperative organizations.

Conceptual Coding and Analytical Procedure

Documents were systematically reviewed and coded using NVivo software to facilitate thematic interpretation (Mortelmans, 2024). Coding categories emphasized adaptive strategic behavior, managerial governance capability, innovation practices, and cooperative performance dynamics. The objective of coding was not to quantify relationships statistically but to identify recurring conceptual patterns that inform the development of the Strategic Capability Alignment framework.

To enhance analytical rigor, triangulation across academic, governmental, and institutional sources was applied. Inter-coder reliability checks were conducted by two independent reviewers during the coding process, resulting in a Cohen's Kappa coefficient of 0.78, indicating substantial agreement in thematic interpretation.

Conceptual Development Process

The conceptual model was developed through an iterative three-stage process. First, theoretical constructs related to Entrepreneurial Orientation, Managerial Capability, and Innovation were mapped based on established management literature. Second, patterns identified during thematic coding were interpreted to distinguish between adaptive capabilities that encourage experimentation and stabilizing capabilities that institutionalize organizational processes. Third, these interpretations were integrated into a Strategic Capability Alignment

framework that positions innovation as an alignment mechanism linking strategic orientation with governance execution.

This process ensures that the proposed model reflects cumulative theoretical insights while remaining grounded in the cooperative management context of Indonesia. Rather than aggregating statistical coefficients, the analysis emphasizes conceptual coherence and theoretical integration to advance a management-oriented interpretation of cooperative performance.

RESULTS

Conceptual Synthesis of Strategic Capabilities in Cooperative Contexts

The review of academic studies, institutional reports, and conceptual discussions reveals recurring patterns regarding how Entrepreneurial Orientation, Managerial Capability, and Innovation interact within cooperative organizations. Rather than presenting statistical findings, this section elaborates the conceptual structure underlying the Strategic Capability Alignment Model by synthesizing thematic insights identified across the literature.

Table 2 presents a structured overview of the main constructs, dominant indicators, and conceptual interpretations derived from prior studies. The synthesis indicates that Entrepreneurial Orientation reflects adaptive strategic behavior that encourages experimentation and opportunity exploration, whereas Managerial Capability represents stabilizing governance capacity that institutionalizes operational processes and supports organizational continuity. Innovation functions as an alignment mechanism that integrates adaptive initiatives with structured execution within cooperative systems.

Table 2. Conceptual Synthesis of Strategic Capabilities and Cooperative Performance

Category	Thematic Codes	Conceptual Interpretation
Adaptive Capability Themes	Innovativeness; Proactiveness; Strategic Experimentation	Reflects entrepreneurial orientation as an adaptive strategic capability that encourages opportunity exploration and organizational flexibility.
Stabilizing Capability Themes	Governance Leadership; Coordination; Structure; Operational Discipline	Represents managerial capability as a stabilizing mechanism that institutionalizes governance processes and supports organizational continuity.
Alignment Mechanism	Innovation Practices; Digital Governance; Member-Oriented Value Creation	Indicates innovation as an alignment mechanism that integrates adaptive initiatives with structured execution to sustain cooperative performance.

The patterns summarized in Table 2 demonstrate that cooperative performance is rarely driven by a single strategic factor. Instead, the literature consistently highlights the importance of balancing adaptive strategic posture with managerial stability. This observation forms the basis for further thematic exploration through qualitative coding.

NVivo Thematic Coding Patterns Supporting Capability Alignment

To deepen conceptual interpretation, thematic coding using NVivo was conducted to identify recurring patterns across the reviewed sources. The coding process revealed three dominant clusters: adaptive capability themes, stabilizing capability themes, and alignment-oriented innovation practices. These clusters do not represent quantitative measurements but serve as conceptual anchors that explain how strategic capabilities interact within cooperative governance structures.

Table 3 outlines the thematic coding structure derived from NVivo analysis. The table illustrates how adaptive capability themes such as innovativeness and strategic experimentation contrast with stabilizing capability themes including governance coordination and operational discipline, while innovation-related practices function as an alignment mechanism connecting both dimensions.

Table 3. Thematic Coding Structure Supporting Strategic Capability Alignment Model

Thematic Category	NVivo Coding Themes	Conceptual Role in Strategic Capability Alignment	Illustrative Interpretation
Adaptive Capability Themes	Innovativeness; Proactiveness; Strategic Experimentation; Opportunity Exploration	Represents Entrepreneurial Orientation as an adaptive strategic capability that encourages organizational flexibility and responsiveness to environmental change.	Leaders initiate experimentation, explore new services, and adopt forward-looking strategies to enhance cooperative adaptability.
Stabilizing Capability Themes	Governance Coordination; Leadership Structure; Operational Discipline; Resource Management	Reflects Managerial Capability as a stabilizing mechanism that institutionalizes governance practices and ensures operational continuity.	Structured decision-making, financial governance, and coordinated leadership reinforce organizational reliability and member trust.
Alignment Mechanism	Innovation Practices; Digital Governance; Service Development; Member-Oriented Value Creation	Indicates innovation as an integrative process that aligns adaptive initiatives with structured execution to sustain cooperative performance.	Innovation bridges strategic experimentation with governance stability, transforming adaptive ideas into sustainable organizational outcomes.
Performance Outcomes	Member Satisfaction; Financial Growth; Organizational Sustainability	Represents the outcome dimension emerging from the alignment between adaptive and stabilizing capabilities.	Balanced capability alignment supports long-term cooperative resilience and performance improvement.

The thematic structure summarized in Table 3 provides a conceptual bridge between literature synthesis and model development. Rather than isolating variables, the coding patterns suggest that cooperative performance emerges when adaptive and stabilizing capabilities are integrated through innovation-oriented organizational practices.

To visually illustrate the relationships among thematic clusters identified during NVivo coding, Figure 3 presents a thematic coding map. The diagram depicts how adaptive capability themes and stabilizing capability themes converge through alignment mechanisms, reinforcing the interpretation that innovation operates as an integrative process rather than a linear mediator.

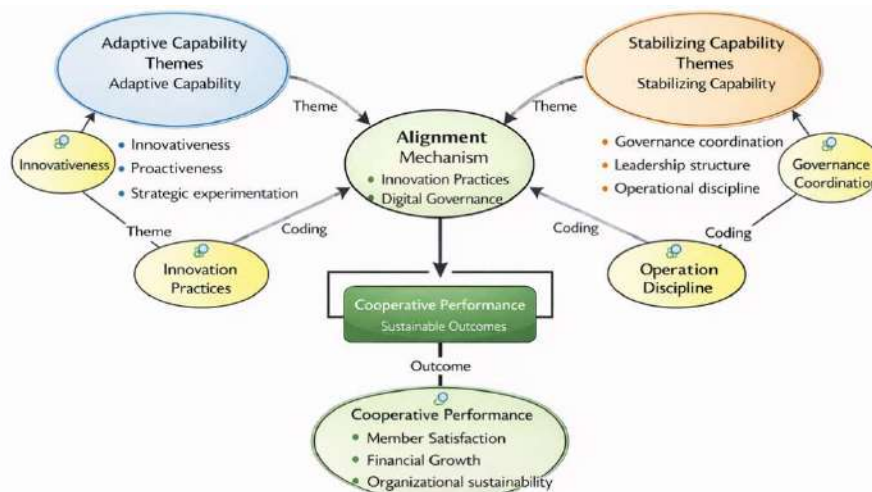


Figure 3. NVivo Thematic Coding Map Supporting Strategic Capability Alignment Model

As shown in Figure 3, adaptive themes such as innovativeness and proactiveness are conceptually linked to innovation practices, while stabilizing themes such as governance coordination and operational discipline support institutional continuity. The convergence of these thematic pathways provides the conceptual foundation for developing the Strategic Capability Alignment Model presented in the next section.

Adaptive and Stabilizing Capability Dynamics

Across the reviewed sources, Entrepreneurial Orientation consistently appears as a catalyst for adaptability within cooperative organizations. Leaders who demonstrate proactive and experimentation-oriented behavior are more likely to initiate innovation processes and respond to evolving environmental demands. However, adaptive initiatives alone do not guarantee sustained organizational performance. Without adequate managerial coordination, innovation efforts may remain fragmented and difficult to institutionalize.

Managerial Capability, by contrast, reinforces governance stability and operational discipline. Rather than directly driving innovation, managerial processes often ensure continuity, accountability, and structured decision-making. This distinction supports the conceptual interpretation that Entrepreneurial Orientation functions as an adaptive capability, while Managerial Capability operates as a stabilizing capability within cooperative strategy.

Elaboration of the Strategic Capability Alignment Model

Building upon the thematic convergence illustrated in Figure 3, this study advances a higher-order conceptual framework referred to as the Strategic Capability Alignment Model. The model positions Entrepreneurial Orientation as an adaptive capability and Managerial Capability as a stabilizing capability, while innovation functions as an alignment mechanism that integrates both dimensions to support cooperative performance.

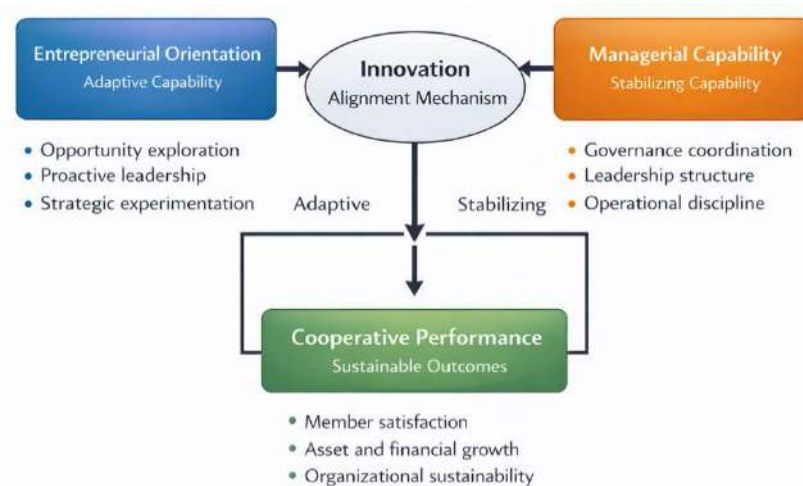


Figure 4. Strategic Capability Alignment Model Diagram

Unlike traditional causal models, Figure 4 emphasizes capability configuration rather than linear relationships among variables. Entrepreneurial Orientation introduces strategic dynamism, Managerial Capability provides structural stability, and innovation represents the integrative pathway through which adaptive initiatives are translated into sustainable organizational outcomes.

The alignment perspective also explains variations reported across prior studies. In contexts characterized by excessive administrative rigidity, stabilizing capability may suppress innovation processes. Conversely, organizations that prioritize experimentation without sufficient governance structures may experience inconsistent performance outcomes. These patterns highlight the importance of balancing adaptability and stability within cooperative governance systems.

Overall, the conceptual elaboration presented in this section demonstrates that cooperative performance should be understood as a dynamic outcome of strategic capability alignment. The integration of thematic coding insights, conceptual synthesis, and model visualization provides a coherent foundation for advancing a management-oriented interpretation of cooperative strategy.

DISCUSSION

The conceptual elaboration presented in this study highlights the strategic importance of aligning adaptive and stabilizing capabilities in shaping cooperative performance. As illustrated in

Figure 4, the Strategic Capability Alignment Model reframes Entrepreneurial Orientation and Managerial Capability not as isolated determinants but as complementary dimensions within cooperative governance structures. Entrepreneurial Orientation introduces adaptive energy that encourages experimentation, opportunity recognition, and organizational renewal, while Managerial Capability provides structural stability that ensures continuity, accountability, and coordinated execution. This alignment perspective shifts the discussion from linear performance drivers toward the configuration of organizational capabilities as an integrated strategic system.

From a theoretical standpoint, the proposed model extends capability-based interpretations of organizational performance by recontextualizing the Resource-Based View (RBV) within cooperative organizations. Traditional RBV discussions often emphasize the possession of valuable resources or capabilities; however, the conceptual synthesis in this study suggests that the effectiveness of intangible capabilities depends on how they interact within governance systems. Adaptive capabilities stimulate strategic dynamism, whereas stabilizing capabilities institutionalize innovation practices and sustain organizational outcomes. This interaction supports the argument that cooperative performance emerges from capability alignment rather than from individual strategic attributes, thereby positioning alignment as a configuration-based extension of RBV logic.

The model further contributes to cooperative management literature by reframing innovation as an alignment mechanism rather than as a simple outcome or mediator. Within member-based organizations, innovation often emerges from the negotiation between democratic governance principles and market-oriented strategic behavior. Thematic coding patterns and the NVivo-based synthesis indicate that practices such as digital governance, service experimentation, and member-oriented value creation function as integrative processes that connect adaptive initiatives with structured execution. By positioning innovation as a mechanism of alignment, the model provides a new lens for understanding how cooperatives sustain transformation while maintaining institutional stability.

From a practical perspective, the conceptual insights suggest that cooperatives seeking long-term sustainability should move beyond isolated leadership development or structural reform and instead focus on balancing entrepreneurial culture with managerial discipline. Encouraging experimentation without strengthening governance capacity may generate instability, whereas excessive administrative control may suppress innovation potential. Strategic capability alignment therefore requires organizational mechanisms that facilitate collaborative learning, adaptive decision-making, and flexible governance arrangements capable of integrating both strategic dynamism and institutional stability.

Furthermore, the Indonesian cooperative context provides a distinctive institutional setting in which capability alignment becomes particularly relevant. Cooperative organizations operate within hybrid governance systems that combine democratic participation with market pressures, creating inherent tensions between adaptability and stability. By situating the discussion within a Global South perspective, this study contributes to broader management discourse by demonstrating how organizational capabilities evolve under institutional constraints and socio-cultural dynamics that differ from conventional corporate environments. The Strategic Capability Alignment Model thus offers a context-sensitive framework for interpreting cooperative transformation beyond Western-centric management assumptions.

Finally, while the conceptual framework provides a coherent basis for understanding cooperative performance, it also opens opportunities for future inquiry. Subsequent studies may explore how contextual factors such as organizational culture, digital readiness, regulatory frameworks, and leadership style influence the alignment between adaptive and stabilizing capabilities. Comparative analyses across cooperative sectors or longitudinal investigations of governance transformation may further enrich understanding of how strategic capability alignment evolves over time and shapes sustainable cooperative development.

CONCLUSION AND FURTHER STUDY

This study advances a conceptual understanding of cooperative performance by proposing the Strategic Capability Alignment Model, which positions Entrepreneurial Orientation and Managerial Capability as complementary dimensions of adaptive and stabilizing capabilities within cooperative governance systems (Abou-Moghli, 2025). Rather than viewing these capabilities as independent drivers, the framework emphasizes their interaction through innovation as an alignment mechanism that integrates strategic dynamism with organizational

stability (Katz et al., 2011). By reframing cooperative performance as the outcome of capability configuration, the study contributes to a more integrative perspective on cooperative management and strategic development (Jaafar et al., 2025).

From a theoretical standpoint, the model extends capability-based interpretations of organizational performance by contextualizing the Resource-Based View (RBV) within cooperative environments. The findings suggest that intangible capabilities do not operate uniformly; instead, their effectiveness depends on how adaptive and stabilizing capabilities interact within governance structures (Siagian et al., 2026). Positioning innovation as an alignment mechanism offers a conceptual shift from traditional variable-based explanations toward a configuration-oriented understanding of organizational transformation (Chien, 2022).

Practically, the conceptual insights highlight the importance of balancing entrepreneurial culture with managerial discipline in cooperative development. Strengthening governance capacity without fostering adaptive experimentation may limit innovation potential, while excessive emphasis on entrepreneurial initiatives without institutional support may reduce organizational stability. Cooperative leaders and policymakers may therefore benefit from designing strategies that integrate adaptive learning, collaborative governance, and innovation-oriented organizational practices (Neupane et al., 2025).

Despite these contributions, several limitations should be acknowledged. The study relies on conceptual synthesis and thematic interpretation of existing literature, which may limit the ability to capture the full diversity of cooperative practices across different institutional contexts. Variations in organizational environments, governance traditions, and sectoral dynamics may influence how capability alignment manifests in practice. Future research may extend this conceptual framework by examining contextual factors such as organizational culture, digital readiness, regulatory conditions, and leadership configurations that shape the alignment between adaptive and stabilizing capabilities.

Further studies could also explore comparative and longitudinal perspectives to examine how strategic capability alignment evolves over time within cooperative organizations. Empirical investigations that operationalize alignment configurations, as well as cross-sector analyses within Global South contexts, may provide deeper insights into how cooperative governance systems adapt to changing economic and technological environments.

Overall, this study contributes to cooperative management literature by advancing a configuration-based perspective on strategic capability alignment. Recognizing the dynamic interplay between Entrepreneurial Orientation, Managerial Capability, and innovation provides a conceptual foundation for designing more adaptive, resilient, and capability-driven strategies that support sustainable cooperative development.

ETHICAL DISCLOSURE

This study is based on conceptual analysis and synthesis of publicly available literature, institutional reports, and secondary sources related to cooperative management. The research does not involve human participants, personal data collection, or experimental procedures. Therefore, formal ethical approval and informed consent were not required. The authors ensured that all sources were used responsibly, properly cited, and interpreted in accordance with academic integrity and publication ethics standards.

CONFLICT OF INTERESTS

The authors declare no conflict of interest.

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