The mediating effects of capability development on the relationships between social capital and the effectiveness of community development programme among farmers in Malaysia

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ABSTRACT

Capability development can be defined as creating new competencies or enhancing current ones using available resources. This research investigates mediating effects of capability development (opportunity, innovation, and knowledge sharing) in influencing the relationship between social capital (structural, relational, and cognitive) and the success of community development projects in Malaysia. Hence, a total of 140 Malaysian farmers were selected as respondents due to their low income status and they were required to participate in Corporate Social Responsibility (CSR) initiatives based on the concept of Creating Shared Value (CSV). The respondents then evaluated the CSR programme whether it impacts their wellbeing based on their perceptions. The data were analysed by using PLS-SEM. The finding shows the importance of opportunity and information sharing in modulating the relationship between relational and community development programme efficacy. Future research will be beneficial particularly in addressing the knowledge gap in CSR's business–community ties.

Contribution/ Originality: This study is one of very few studies which have investigated mediating effects of capability development (opportunity, innovation, and knowledge sharing) in influencing the relationship between social capital (structural, relational, and cognitive) and the success of community development projects among Malaysian farmers.

1. INTRODUCTION

This study investigates the mediating effects of capability development on the relationships between social capital and the effectiveness of community development programmes among Malaysian farmers. The study commenced with an extensive review of the literature on the connection among network members is required for...
the firm or its divisions to acquire capabilities, which can be achieved through network activities. As a result, the likelihood of formally gaining this established capability of the possible use of learning increases De Wever [1]. Adler and Kwon [2] believes that social capital has altered the conditions required for community capability exchange and rearrangement. Putting such reciprocal relationships between organisations and society into reality is corporate social responsibility [3]. Then, according to Anand, et al. [4], capability development refers to the ability of a group or individual to do something that will result in them obtaining something beneficial to their lives. Capabilities are more closely tied to standard language references to people's skills and capacities and existing corporate phrases like "core capabilities" De Wever [1]. However, developing and transmitting ability in less fortunate areas is difficult. The poor are frequently denied access to the tools they require to succeed, and they lack the coordinated activity required to attain development goals [5]. The more opportunities created for the poor, the more benefits and advantages they will receive in economic and social opportunities [6]. Failure in this regard will widen the gaps between the rich and the poor and cause dissatisfaction with the government [7]. Moreover, the most appropriate methodology was developed and implemented following the reasonable assumption that soliciting more direct responses from respondents would result in a more realistic and comprehensive understanding of the problem. The research main objective was to investigate the mediating effects of capability development (opportunity, innovation, and knowledge sharing) in influencing the relationship between social capital (structural, relational, and cognitive) and the success of community development projects, specifically in developing countries.

2. LITERATURE REVIEW

2.1. Corporate Social Responsibility

Many organisations are incorporating corporate social responsibility (CSR) into their business models, and it can be considered a legitimate basis for doing so [8]. When the twenty-first century began, corporate social responsibility (CSR) became a primary issue for businesses worldwide. The term "corporate social responsibility" refers to a company's operations that consider financial profit and social welfare advantages [9]. Many significant enterprises exist in Malaysia, either as MNCs (multinational corporations) or local businesses implementing CSR. These businesses engage in CSR in various sectors, including technology, the economy, health, and education. Although businesses have adopted CSR, not all activities aim to raise awareness; instead, they aim to improve company performance and image [10]. As a result, CSR is viewed as a possible link between the company and community development. Through the corporate social responsibility programme, businesses are now contributing to national development. In general, the firm must be responsible not just to its stakeholders but also to society, as it is a part of it. Because we live in a world surrounded by communities, our actions and decisions must consider both those parties and the environment. In recent years, corporate social responsibility (CSR) has become a must-have agenda item, focusing on business orientation and community development [11]. The desire to implement CSR in business was fueled by the belief that corporate sustainability could be accomplished by integrating and interacting social, ethical, and environmental issues into company operations [12].

2.2. Capability Development

The creation of a capability can be characterised as a transition carried out by a company or a person, and the actions taken are determined by the resources available. Firms' changes are triggered by the consumption of new resources, including tangible and intangible components such as knowledge, or by a difference in the use of existing resources based on further information. It suggests that the ability to build capabilities is contingent on how resources are collected and how those resources are managed. On the other hand, capability can refer to anything that a person or group values rather than all of their options. The need for equal capacities will be linked to equal access to valued functions, which may be valued by the person or by some valid social processes [13]. As a result, the capability approach's key trait is focusing on what people are efficiently capable of doing and based on their
capabilities. According to a literature review, past empirical research in CSR has looked at three significant components of skill development: opportunity, innovation, and knowledge sharing.

2.2.1. Opportunity

Sen's definition of capability is a person's 'opportunity freedom,' or the range of highly valued life opportunities available. It refers to people's options to do or be something, as a result of which they are able to live a variety of lives and be happy [14]. It refers to the various possible outcomes. The opportunity to engage in decision-making is process freedom [13]. During this phase, a decision-maker with authority and responsibility becomes aware of a specific possibility and further studies it. Their primary task is to establish the environment that will allow management to acquire and apply existing knowledge across the organisation [15]. Sen's definition of capability concerns a person's 'opportunity freedom,' or the range of positive life opportunities available. It refers to the various possible outcomes. As a result, the individual's role in decision-making is central to the freedom process. The work goes beyond a normative definition of liberty and rebrands the competence requirement as "opportunity freedom" [13]. By influencing capability exchange, access to enterprises, and expectations of shared values, both sides benefit, particularly improving community wellbeing [16].

2.2.2. Innovation

Panne, et al. [17] define innovation as the process of creating, recognising, and implementing new ideas or services. The ability of a firm to innovate gives it a long-term competitive advantage and aids in the execution of its complete strategy [18]. Organisational, national, and regional success all require innovation. As a result, creativity, knowledge development, innovativeness, innovation generation, and execution all fall under the umbrella of innovation [19]. Apart from that, they are included because creativity and knowledge generation are essential aspects of innovation research. On the other hand, knowledge creation is an essential component of innovation because new ideas necessitate new processes, products, and services [20]. Information production and sharing have been shown to create opportunities and solutions that equip organisations with innovative skills, translating into a competitive advantage [21]. Individuals can use their personal contacts to obtain access to new knowledge, creative ideas, or specific resources, according to Chen and Lovvorn [22]. One of the reasons for this rapid increase in knowledge transfers is rapid changes in technology and innovative processes. Indeed, appropriate technology is dealt with in the context of innovation, as it improves specific innovation projects, such as useful archiving technology, which must be employed in the context of perpetual digitized artwork, among other things [23].

2.2.3. Share of Knowledge

Design, manufacture, installation, sales and distribution, operation and maintenance, and administration are just a few fields where transferred knowledge can be found [24]. According to Lin [24] information sharing among employees is likely to produce new ideas, influencing the organisation's innovation potential and increasing the organisation's knowledge base. As a result, a company's ability to manage knowledge transfer effectively has a significant impact on its success [25]. The capacity to boost a company's global knowledge transfer speed is thus crucial for an MNC, and it may be quite profitable in new markets [26]. Any organisation can establish a collaborative capability through its cooperation experiences, according to Phelps, et al. [27] which will boost knowledge sharing from its partnership. The organisation will gain from this partnership to find new knowledge more effectively and efficiently. As a result, an organisation that fosters learning and innovation will be more open to new ideas and capabilities development [28]. Knowledge, like land, labour, and money, is usually a factor in the success of a corporation and has evolved into a conservative element of production [29]. As a result, worker knowledge and skill have become critical factors in economic development [22].
2.3. Social Capital

According to previous publications, empirical research has indicated that the three pillars of social capital, structural, relational, and cognitive, all contribute to MNC performance in socio-politics, economic outcomes, and community development. Information interchange, value generation, competitive advantage, and organisational development benefit social capital [29]. The significance of social capital in fostering organisational creativity has been emphasised [21]. According to past studies, social capital is an asset for social protection and safety, organisational empowerment, and the likelihood of success [29]. Social capital plays an essential role in enhancing productivity by creating trust among the company's stakeholders [30]. It will take time to develop trust and cooperative norms since relationships must be stable and permanent to inspire people to engage in exchange [31].

2.3.1. Structural

The structural component focuses on the social system's features and network of links and the social network's interaction [32]. According to Castro and Roldán [33] the structural dimension is crucial since it generates and influences the other components of social capital production and development. Employees' capacity to classify and access unique knowledge from inside and outside the firm is impacted by the network arrangement [34]. According to Li, et al. [35] social involvement is necessary for building trust. Cooperation and mutual behaviour during social interaction processes, on the other hand, will boost confidence. The quality of the links reflects how often actors interact, whereas network density shows who interacts with whom [34]. Normally, a linked group is founded for various reasons, one of which is the opportunity to share one's experiences with others [36]. Throughout the engagement, it will create trust among individuals or groups, allowing users to communicate and form relationships [36].

2.3.2. Relational

Jermsittiparsert [37] the relational component has to do with nature and how people in an organisation are connected. It encourages individuals to share information with geographically and culturally distant colleagues and the trade-off of particular knowledge to fulfil organisational goals. As a result, the affective/relational dimension impacts the related parties' expectations, motives, and conventions (e.g., trust). Furthermore, network members with a shared vision can see more potential value in knowledge exchange and are more open to expanding it Pulles and Schiele [38]. As a result, the relationship's potential value cannot be realised if the parties involved lack trust and confidence and are unwilling to share their knowledge [34].

2.3.3. Cognitive

Cognitive, social capital drives the impact of structural social capital on knowledge acquisition. According to Inkpen and Tsang [39] cognitive, social capital is related to group members' reception of shared norms, values, and connotation systems. According to Inkpen & Tsang, two characteristics of cognitive, social capital are shared goals and shared culture [39]. As a result, the cognitive dimension is likely to emphasise the importance of joint representation and knowledge and the same meaning systems required for organisational learning [40]. According to various experts, individuals cannot differentiate, understand, or substitute unique information without a shared cognitive frame of reference [40]. Firms with a high volume of interactions can better share information and minimise communication issues [35]. As a result, the literature on shared cognition contends that having similar mental models among team members facilitates team methods for integrating individual data [41]. These arguments frequently emphasise the need for shared (or expected) information in facilitating organisational learning [34].
3. COMMUNITY DEVELOPMENT PROGRAMME

Interpersonal relationships, which some sociologists refer to as "collective agency," are more crucial in community growth than individual action [42]. The terms community development, community capacity building, rural development, and empowerment are all used to describe community development. On the other hand, community development requires building partnerships with external organisations and spreading information and skills to individuals and groups in the community who are in need [43]. Collaboration, commitment to the group's wellbeing, and accountability to and for others and oneself are all characteristics of a sense of community [43]. Most large CSR events are frequently portrayed from the company's perspective, ignoring the community's perspective [44]. On average, firms will manage the correlation and place less attention on societal and community wellbeing. The company's normal operations will be built on a Western mindset and so will be unsuited to the needs of the local population [45]. Many businesses are becoming more aware of social, environmental, and economic issues, making it more challenging for them to improve their performance and implement community social responsibility initiatives [46]. As a result of this process, there will be more long-term community growth and more involved and sustainable communities based on social justice and mutual respect [47]. Furthermore, such skills and knowledge are crucial in influencing changes in community thinking and encouraging a better awareness of the community's role in attaining a more sustainable livelihood through CSR [45].

4. DEVELOPMENT OF THE CONCEPTUAL FRAMEWORK

Social capital has been used to analyse communal life and economic development in a society based on a prior study [2]. Because this study focuses on farmers as a community, it's helpful to examine it through the lens of social capital theory. The majority of these farmers will evaluate the community initiative's success and its impact on their quality of life. Regular meetings and interaction with community leaders will foster personal relationships and a deeper understanding of the community [16]. Because of the community's initiative to interact with external organisations, individuals in the community have more opportunities to give their skills and knowledge [47]. CSR efforts carried out by multinational corporations have positively impacted society. The number of CSR programmes run by transnational corporations (MNCs) has expanded due to the worldwide rivalry and problems [43]. By sharing information and extending opportunities for all parties involved, MNCs also create social capital across organisations, businesses, and communities [47]. In terms of social capital, it has evolved into a tool for capability development that will assist multinational corporations in transmitting capacities to all communities through learning and knowledge transfer [16]. Figure 1 illustrates the conceptual framework that aids in comprehending capability development as a mediator between social capital and the program's effectiveness as assessed by the participants' wellbeing.

![Figure 1. The conceptual framework that aids in comprehending capability development as a mediator between social capital and the program's effectiveness as assessed by the participants' wellbeing.](image-url)
The researcher focused on subjective wellbeing, which is a measure of happiness, based on this study, by asking participants how they felt about their lives and life satisfaction after participating in this community activity. According to particular academics, such as Gooderham, et al. [48] and Zahra [49], the intimate linkages between knowledge or intellectual capital and social capital are crucial for every organisation. As a result, it has been proposed that capacities development mediates the relationship between social capital and the success of community development programmes based on this concept. The structural dimension will aid in ease of access to various parties for the sharing and transfer of information and promoting the interchange of opportunities. In addition, taking advantage of new changes will provide tremendous benefits to communities through reciprocal relationships, limiting the chance for opportunism and corruption. More options have been established for farmers to raise their yields, crop quality, and level of revenue due to the excellent relationship and network links with MNC. As a result, the researchers came up with the following hypothesis:

**H1a: Opportunity significantly mediates the relationship between the structural dimension and the effectiveness of community development programmes.**

The relational dimension or trust can measure an individual's proclivity to correlate and work with others [50]. Individuals will be pulled to the organisational level of social capital due to this association, which will motivate individuals to form bonds with others [50]. As a result, when it comes to a subsidiary and headquarters concept, trust will lead to a more assertive personality and shared understanding between the two units and select which method to use for knowledge sharing [51]. Because of their partnership and dedication, both MNCs and farmers have gained performance and competitiveness in the sector. As a result, the study concludes that:

**H1b: Opportunity significantly mediates the relationship between the Relational dimension and the Effectiveness of Community Development Programmes.**

The cognitive dimension of social capital improves staff collaboration by establishing shared goals and objectives and developing a standard procedure of reference, common standards, and standard ways of doing things [40]. The acquisition of cognitive social capital necessitates accepting group-wide norms, principles, and standard systems [40]. According to Inkpen and Tsang [59], shared goals and shared culture are two significant characteristics of cognitive, social capital. It refers to the members of an organisation's same goals and aspirations. When large firms and farmers have similar attitudes about engaging, there are fewer misunderstandings in their relationships, and they have more possibilities to share ideas and resources openly. As a result, the researchers hypothesised that chance could play a role in modifying the relationship between cognition and the efficacy of community development programmes. As a result, the study comes to the following conclusion:

**H1c: Opportunity significantly mediates the relationship between the Cognitive dimension and the Effectiveness of Community Development Programmes.**

Amabile, et al. [52] define creativity as the generation of new and valuable ideas. The creative part should include new and original or helpful ideas that incorporate existing or previously unreleased facts [53]. Employee creativity is also critical for generating new ideas and providing improved solutions to work difficulties in the form of quantifiable results that aid the company's growth [53]. Individuals who wish to achieve high performance and personal achievement should make social bonds with their contact partners, friends, or coworkers, share resources, build mutual trust, and receive social support [54]. As a result, the study comes to the following conclusion:

**H2a: Innovation significantly mediates the relationship between the Structural dimension and the Effectiveness of Community Development Programmes.**

According to Adner and Kapoor [55] a high relationship quality boosts creativity by reducing goal conflict, haggling over agreements, and ensuring that partners sharing information are appropriately monitored and supported. Because it provides common goals, incentives, mutual trust, and confidential information exchange, the quality of the connection between the MNC and the farmers is positively related to creativity in this study. As a result, being exposed to diverse social contacts can aid various creative processes [56]. The highest level of trust in
institutions has been connected to a country's innovativeness at the national level. As a result, employee trust in organisations is linked to organisational creativity, impacting productivity [57]. As a result, the study comes to the following conclusion:

**H2b: Innovation significantly mediates the relationship between the Relational dimension and the Effectiveness of Community Development Programmes.**

The relevance of cognitive, social capital will promote cooperative activities and resource exchanges among contact partners, assisting in producing value in businesses [19]. As a result, creativity or innovation is frequently defined as generating new and improved ideas, valuable concepts, or novel solutions to issues Huang and Liu [58]. Gotsi, et al. [59] concurred that most organisations must rely on creativity to preserve organisational growth, stay alive in highly dynamic contexts, and develop organisational productivity, based on multiple definitions of creativity. According to Wang and Noe [60] social interaction can help actors learn and be more creative by facilitating knowledge exchange. The MNC's operations successfully formed network relationships and shared visions with the farmers. It has aided in the growth of social capital by assisting the organisation and the community in transmitting Good Agricultural Practices technology, which has enhanced yield and crop quality, hence assisting in building social capital. As a result, the study comes to the following conclusion:

**H2c: Innovation significantly mediates the relationship between the Cognitive dimension and the Effectiveness of Community Development Programmes.**

According to Phelps [61] the more the information exchange's power, frequency, and magnitude, the more social interactions that exchange participants engage in. As a result, while information is essential for laying the groundwork for action, collecting it is prohibitively expensive. According to Phelps, et al. [27] network linkages influence access to integrating and exchanging knowledge and the expectation of value from such an exchange. As a result, network connections allow for the sharing and merging data. Farmers' social ties to multinational corporations have created knowledge and resource-sharing networks that benefit both parties. Perry-Smith [62] stated that stronger network links necessitate regular involvement and reciprocity behaviour. As a result, the study comes to the following conclusion:

**H3a: Sharing of Knowledge significantly mediates the relationship between the Structural dimension and the Effectiveness of Community Development Programmes.**

Interpersonal trust is especially important in any team or organisation that wants to improve the flow of information [63]. When there is an apparent trust between the participants, people are ready to cooperate in cooperative interactions [61]. As a result, one of the most essential aspects of informal connections is individual support, which is difficult to measure [60]. As a result, an organisation's committee will presume that the knowledge is trustworthy and valuable to establish a trusted correlation [64]. As a result, the farmers' faith in the MNC has strengthened knowledge transmission and increased the likelihood and efficiency of their implementation. As a result, the study comes to the following conclusion:

**H3b: Sharing of Knowledge significantly mediates the relationship between the Relational dimension and the Effectiveness of Community Development Programmes.**

One of the features that drive knowledge sharing is the concept of information sharing, and shared visions are one of the characteristics that promote knowledge sharing Chang and Chuang [36]. Nonaka, et al. [68] also discovered that the subjective norm positively affects knowledge sharing readiness and assessed mutual correlations between attitudes and information sharing. "Reciprocity" usually refers to the fair sharing of information between two parties. According to various academic research, shared cognition has lately been recognised as a potential factor in knowledge sharing [61, 63, 65]. On the other hand, interaction partners require a common framework for knowledge cooperation, according to Lusch, et al. [66] because the goal of information sharing necessitates at least some point of a shared cognitive substrate to be efficient. Because of the established conventions and attitudes, there has been an improvement in collaboration between MNCs and farmers in sharing information and facilities. As a
result, providing farmers with a long-term source of income has contributed to eradicating poverty in rural communities. As a result, the study comes to the following conclusion:

\( \text{H3c: Sharing of Knowledge significantly mediates the relationship between the cognitive dimension and the Effectiveness of Community Development Programmes.} \)

5. METHODOLOGY

The purpose of this research was to test the proposed framework. Given this, it's reasonable to assume that soliciting more direct responses from respondents would give a more realistic and comprehensive grasp of the problem. The purpose of the research was to look into the mediating effects of capability development (opportunity, innovation, and knowledge sharing) on the linkages between social capital (structural, relational, and cognitive) and the success of community development programmes. Farmers were utilised as test subjects to determine the effectiveness of the CSR programme. The goal of this study, as previously stated, was to evaluate the effectiveness of community development programmes that impacted the participants. This study looked at the point of a programme that targeted participants in the rural development sector, and more rigorous quantitative research is needed to back up the famous case studies in this subject. Those participants evaluated the CSR programme regarding whether it impacted their wellbeing based on their perceptions. A cross-sectional examination of participants in a CSR activity at a specific time was used. The study's target population was farmers from two community initiatives, Paddy in Kedah and Chilli Contract Farming in Kelantan. In this study, participants came from two distinct groups: rice farmers in Kedah and chilli producers in Kelantan. The paddy endeavour involved over 300 farmers from Kedah and 100 chilli growers from Kelantan. Farmers who took part in these two group projects were deemed potential respondents, and the sample size was raised to 400 farmers. Despite the limited sample size and the significant likelihood of a negative answer, all 400 responders were included in the study. Because the entire population was employed as the sampling frame, the sampling methodology used in this study was verified as census sampling [67].

6. DATA ANALYSIS AND FINDINGS

6.1. Demographic Profile

The majority of the farmers in these two community initiatives were over 51 years old, accounting for 45 per cent of the overall population. Men made up the majority of respondents, accounting for 131 (93.6%) of the total, with 138 of them married. With 91 responses, primary school was the most common educational background (65 per cent). In addition, the majority of the 67 participants had at least five years of expertise (47.9 per cent). The majority of respondents (131) had no prior experience with a community initiative similar to the current one (93.6 per cent). As a result, the respondent profiles looked to be enough for the study's causal association analysis, which was performed using SmartPLS version 3.0.

6.2. Assessment of the Measurement Model

The measuring model for PLS-construct reliability and validity is shown in Table 1. Convergent validity was determined using factor loadings, average extracted (AVE), and composite reliability scores [68]. Each item had a factor loading of more than 0.6, indicating a high level of reliability [69]. The AVE was within the acceptable range, ranging from 0.589 to 0.785. According to the composite reliability analysis, Hair, et al. [68] the composite reliability was more significant than the cut-off values of 0.7, ranging from 0.886 to 0.956 [70].

A multitrait-multimethod matrix was also used to measure discriminant validity. The numbers in Table 2 passed the HTMT.90 and HTMT.85 tests [71]. Discriminant validity is problematic if the HTMT value is more significant than 0.85 or 0.90 [72].
Table 1. Measurement model of the PLS-construct reliability and validity (n=140).

<table>
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<th>Latent variable</th>
<th>Question Items</th>
<th>Factor Loading</th>
<th>AVE</th>
<th>Composite Reliability</th>
<th>Cronbach Alpha Alpha</th>
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<td></td>
<td>SD2</td>
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<td></td>
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<tr>
<td>Effectiveness of Programme</td>
<td>EF1</td>
<td>0.904</td>
<td>0.785</td>
<td>0.956</td>
<td>0.945</td>
</tr>
<tr>
<td></td>
<td>EF2</td>
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<tr>
<td></td>
<td>EF3</td>
<td>0.899</td>
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<tr>
<td></td>
<td>EF4</td>
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<tr>
<td></td>
<td>EF5</td>
<td>0.876</td>
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<tr>
<td></td>
<td>EF6</td>
<td>0.919</td>
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</table>

Table 2. Heterotrait-Monotrait.

<table>
<thead>
<tr>
<th>Variables</th>
<th>Cognitive</th>
<th>Effectiveness of Programme</th>
<th>Innovation</th>
<th>Opportunity</th>
<th>Relational</th>
<th>Sharing of Knowledge</th>
<th>Structural</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cognitive</td>
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<td></td>
<td></td>
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</tr>
<tr>
<td>Effectiveness of Programme</td>
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<tr>
<td>Innovation</td>
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<td>0.096</td>
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<td></td>
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<tr>
<td>Opportunity</td>
<td>0.252</td>
<td>0.511</td>
<td>0.112</td>
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<tr>
<td>Relational</td>
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<td>0.346</td>
<td>0.132</td>
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<tr>
<td>Sharing of Knowledge</td>
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<td>0.280</td>
<td>0.265</td>
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<tr>
<td>Structural</td>
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<td>0.179</td>
<td>0.183</td>
<td>0.342</td>
<td>0.154</td>
<td>0.149</td>
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</tbody>
</table>
6.3. Assessment of the Structural Model

The effect of a mediator (opportunity, innovation, and knowledge share) on the link between independent and dependent variables (structural, relational, and cognitive) was investigated in this study (effectiveness of community development programmes). The study’s structural model and hypothesis testing outcomes are summarised in Table 3.

<table>
<thead>
<tr>
<th>Indirect path</th>
<th>Path Coefficients</th>
<th>Std. Deviation</th>
<th>t-value</th>
<th>Remarks</th>
</tr>
</thead>
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<tr>
<td>S→O→EF</td>
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<td>0.065</td>
<td>1.76</td>
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</tr>
<tr>
<td>S→I→EF</td>
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<td>0.025</td>
<td>-0.64</td>
<td>Not supported</td>
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<tr>
<td>S→SK→EF</td>
<td>-0.031</td>
<td>0.051</td>
<td>-0.61</td>
<td>Not supported</td>
</tr>
<tr>
<td>R→O→EF</td>
<td>0.069</td>
<td>0.035</td>
<td>1.97*</td>
<td>Supported</td>
</tr>
<tr>
<td>R→I→EF</td>
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<td>0.015</td>
<td>-0.16</td>
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</tr>
<tr>
<td>R→SK→EF</td>
<td>0.092</td>
<td>0.042</td>
<td>2.20*</td>
<td>Supported</td>
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<td>0.041</td>
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<td>0.014</td>
<td>0.20</td>
<td>Not supported</td>
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<tr>
<td>C→SK→EF</td>
<td>0.096</td>
<td>0.052</td>
<td>1.87</td>
<td>Not supported</td>
</tr>
</tbody>
</table>

Note: *p < 0.05 (1.96), for two-tailed test with 3000 bootstrapping runs.
S = structural, R = relational, C = cognitive, O = opportunity, I = innovation, SK = share of knowledge.
EF = effectiveness of community development programmes.

Only two of the nine hypotheses offered were confirmed, as shown in Table 3. Opportunity (\(= 0.069, t = 1.97, p < 0.05\)) mediated the association variable and the efficiency of community development programmes. Knowledge sharing was found to mediate the relationship between the relational variable and the efficiency of community development programmes (\(= 0.092, t = 2.20, p < 0.05\)). Unfortunately, seven hypotheses were found to be insignificant, including opportunity not having a mediating effect between structural variables and community development programme effectiveness, innovation not having a mediating effect between structural variables and community development programme effectiveness, and share of knowledge not having a mediating effect between structural variables and community development programme effectiveness.

7. DISCUSSION

The importance of capability development (opportunity, innovation, and knowledge sharing) in mediating the relationship between social capital (structural, relational, and cognitive) and community development programme performance was studied in this study (subjective wellbeing). The first finding investigated the role of chance as a mediator between the structural component and the success of community development programmes. Because the relationship between the structural dimension and the success of community development programmes was not mediated by opportunity, the hypothesis does not appear to be validated.

The cause may have something to do with the show’s conditions. For example, several of them were unsure about the instructions and new planting method that MNC had introduced. It’s possible that this occurred due to the farmers’ lack of education. Furthermore, because of their weak level of thinking, those farmers entirely relied on the MNC to guide them from the programme’s start. Aside from that, the farmers failed to use their newfound knowledge and technical abilities to maximise their land’s potential by producing the desired volume of chillies and paddy. In conclusion, some farmers were still unsure of the instructions and lacked knowledge of the planting process.

This research looks at innovation as a mediator between structural dimensions and community development programme success. The invention refers to a company’s or an individual’s capacity to respond to new ideas and solutions to improve commercial operations \([24]\). These prospects were not realised in this study, as the findings revealed that innovation had no impact on the relationship between the structural component and the program’s efficacy. This situation could be explained by some factors. MNC has outlined the regulations and processes that
farmers must follow due to their engagement. The readiness to adapt and the commitment to try new things and encourage new ideas has decreased due to MNCs' standard method.

Furthermore, in terms of product marketing, farmers must sell straight to MNCs, and they are unable to choose the supplier or employ novel techniques to penetrate or develop the targeted market. It also looked at the structural relationship between information sharing and community development programme effectiveness. Knowledge is frequently shared through social connections, such as strategic alliances that give a company a competitive advantage [73]. On the other hand, the study's findings revealed that exchanging information had no effect on the relationship between the structural component and the program's effectiveness. This might have happened for a variety of reasons. The first explanation could have been due to the inaccuracy of the data and a planting strategy that was inappropriate for a specific type of terrain. In this scenario, MNC must adopt a fresh approach by deploying new technology and conducting more studies on the land's appropriateness. Various farmers have stated that the usage of 'earth-vitamins' had no impact on their planting production in some circumstances. Insect pests continued to destroy their chilies and paddy, causing significant losses. Furthermore, some of the farmers did not grasp the practical aspects of the planting procedure, and MNC should devote more resources to provide further instruction and monitoring them more frequently during the planting season.

Following that, opportunity served as a link between the relationship component and the community development programme's effectiveness. The relational dimension here refers to the mutual trust and commitment developed due to the MNC-farmer social network process [64]. Their connection has opened up new possibilities, fostering pleasant feelings amongst the coalitions. The more relational capital created between coalitions, the more likely it was that knowledge transfer and other opportunities would emerge, benefiting both sides at the end [74]. This finding was consistent with a prior study, which found that relationships are based on trust, improving opportunities and impacting community success. Furthermore, MNC provided this opportunity by bringing a new planting technique that has increased the output of chillies and paddy, resulting in increased income and a higher level of living.

The study also looked at how innovation could mediate the relational component and community development programme success. The association between the relational part and the efficacy of the community development programme was shown to be moderately mediated by innovation in this study. This circumstance arose due to several factors related to the study's environment. MNC has established the norms and processes needed to be followed in this relationship. The majority of the farmers were informed, and they were not allowed to make any adjustments or come up with any new ideas about the procedure or planting strategy. Aside from that, MNC had standardised the marketing system, which meant that farmers had to sell their chilies and paddy to MNC or a dealer appointed by MNC. Farmers were unable to sell their produce to other providers since the price of chilies and paddy had been set. In conclusion, notwithstanding the collaboration between those parties, MNC had established specific procedures that had to be followed to meet its standards.

The significance of information sharing as a mediator between the relational dimension and the success of community development programmes was also investigated in this study. The outcome appeared to be significant, matching the study's initial hypothesis. The importance of the relational component, or trust among network members, in facilitating information sharing, which determines the participants' performance levels, has been observed in the literature earlier [75]. As a result, trust will allow information to readily flow between network members, resulting in organisational success. This relationship dimension will improve knowledge transfer, promote long-term shared goals, and improve participants' wellbeing. Farmers in this study were driven by a rise in their standard of living and an increase in their revenue-generating.

According to the findings, the opportunity did not act as a mediator between the cognitive dimension and the success of the community development programme in this study. Shared norms, shared visions, and value creation are all part of the cognitive dimension, and they all result in interactions that affect individual
4. CONCLUSION

MNC has taken the initiative to focus on community development through its CSR programme, particularly in rural regions. This community programme is a method of meeting human needs that include both material and non-material elements. Through CSR programmes, community development is seen as more than just a market for commercial enterprises, as they take on more responsibility for improving society's standard of living, health, and poverty reduction [43]. By investigating the crucial social characteristics for creating links between MNCs and farmers as participants. The mutual understanding will increase trust, resulting in additional opportunities and knowledge transfer to the farmers. This empirical study has aided in improving research on CSR programmes in communities, which is currently lacking compared to other aspects of CSR. It is commonly acknowledged that the government has raised the topic of corporate social responsibility (CSR) among various corporations, and several incentives have been implemented to encourage these companies to participate. Many businesses have realised the importance of CSR and how it can help community programmes succeed. CSR issues are essential to local populations in developing countries, particularly in rural areas. In community development, social capital is vital because it makes resources available to aid individuals in their entrepreneurial endeavours [16]. People are better equipped to identify social changes and other economic rewards when the community's abilities increase [5]. This study yielded empirical findings that can be used by other businesses to develop CSR programmes or activities that

performance. This occurred as a result of a series of circumstances. The farmers and the MNC appeared to have the same laws and goals on paper. Some of them were not concentrating on the intended objectives, and the directions were not being appropriately followed. Aside from that, the subsidy mentality lingered in their minds, and those farmers believed that MNC should have provided more support and incentives, such as paddy machines, tractors, and higher-quality 'earth-vitamins,' to help them boost their income. MNC has also taught farmers in Kelantan how to use a novel planting technique, including polybags, which would allow them to enhance their productivity. Planting the chiles in polybags is more cost-effective and takes up less space. Unfortunately, just a few of them employed a new strategy, while the remainder continued to use the old one. In conclusion, farmers should recognise that to achieve success in their lives, they must adapt and adapt to new technology that will improve their performance.

Nonetheless, in this study, there was no evidence that the relationship between the cognitive dimension and the efficacy of the community development programme was mediated by innovation. Darroch [76] claims that a company's ability to generate creative processes is dependent on its ability to manage knowledge resources, which are intrinsically tied to personal relationships. As a result, it's critical to manage the connections and trust that will, in turn, govern information exchange among the participants. As a result, most of the farmers in this study were over 50 years old and were less innovative when incorporating new ideas or using new technologies in their planting. Aside from that, the farmers were less educated and had a distinct style of thinking, which limited their creativity and made them vulnerable to change programmes.

This study also looks into the relationship between the cognitive dimension and the success of community development programmes when it comes to knowledge sharing. Knowledge sharing is exchanging knowledge among organisational players such as individuals, groups, and organisations [50]. Nonetheless, the results reveal that information sharing had no mediation effect on the cognitive dimension and the success of the community development initiative in this study. This could have been caused by a variety of factors. MNC has offered farmers a new planting technique as well as information. Unfortunately, most of them were uneducated and had difficulties comprehending the new learning process's instructions, which sometimes required additional explanation or practical training. Aside from that, the monitoring system needs to be enhanced because only one or two MNC staff members were present in the field to watch the farmers. Finally, information sharing success depends on a company's capacity to properly manage knowledge transfer.
help long-term community projects. Community development is considered more than just a market for commercial firms through CSR programmes, as they take on more responsibility for raising society's standard of life, promoting health, and reducing poverty [48]. This study has contributed to the literature by identifying the factors influencing community programme performance and offering solutions to enhance rural development. MNCs' corporate shared value strategy in business operations is recognised and related to Goal 17: Partnerships for the Goals, according to the 2030 Agenda for Sustainable Development. The MNC effectively creates and delivers environmentally friendly solutions to farmers through various programmes. The projects improved commercial relationships with farmers in faraway regions for long-term development, knowledge sharing, and well-being. While as to attain sustainable development goals in impoverished countries, such collaboration promotes efficient public-private partnerships.

Companies should also consider the community's expectations and educate staff on ethical duties, including conventions and legislation. CSR has been shown to positively influence sales, promotes a favourable image, and helps develop communities.

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**REFERENCES**


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