

Analysis of Organizational Governance and Strengthening Strategies for MSME Sustainability: A Case Study of the Geothermal Coffee Process, a Fostered Partner of PT Pertamina Geothermal Energy in the Kamojang Area

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Article Info	ABSTRACT
Article history: Received, 24-06-2026 Accepted, 23-07-2026 Published, 05-08-2026 Keywords: Corporate Governance, CSR, MSMEs, Business Sustainability, Geothermal, Coffee Process	This study aims to analyze organizational governance, identify challenges, and formulate governance strengthening strategies to support the sustainability of Geothermal Coffee Process (GCP), a CSR-based MSME fostered by PT Pertamina Geothermal Energy Area Kamojang. A qualitative case study approach was employed using interviews, observations, and documentation. The findings reveal that CSR support has contributed to business development through production facilities, training, mentoring, and promotion. However, GCP still faces governance challenges, including informal organizational structures, limited managerial capacity, inadequate administrative and financial systems, limited marketing activities, and the absence of legal status. The study recommends strengthening organizational legality, managerial capabilities, administrative systems, and marketing strategies to improve competitiveness and ensure long-term business sustainability. <i>This is an open access article under the CC BY-SA license.</i> 
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1. Introduction

Micro, Small, and Medium Enterprises (MSMEs) make a significant contribution to the Indonesian economy through job creation, increased community income, and strengthening the local economy (Tambunan, 2019; World Bank, 2023). In addition to their role as the largest workforce absorbers, MSMEs are also a crucial instrument in community empowerment programs through corporate *Corporate Social Responsibility* (CSR) (Tambunan, 2019). As sustainable business practices develop, CSR is utilized to increase community economic capacity through productive business development, mentoring, and strengthening MSME institutions (Carroll, 1991; International Organization for Standardization, 2010; Selvi et al., 2025).

Recent research shows that CSR implementation in MSMEs has shifted from mere philanthropic activities to strategies that support business sustainability through strengthening organizational capacity, innovation, and long-term value creation (Mora Ortega et al., 2025). However, studies on the relationship between organizational governance, strategic resource utilization, and CSR-based MSME sustainability are still relatively limited (Wanze et al., 2025).

According to the concept of *Corporate Social Responsibility* (CSR), corporate responsibility is not only oriented towards economic profit, but also includes social and environmental responsibility (Carroll, 1991; International Organization for Standardization, 2010). One of its implementations was carried out by PT Pertamina Geothermal Energy (PGE) Area Kamojang through the establishment of the Geothermal Coffee Process (GCP), namely an MSME that utilizes geothermal energy as an alternative energy source for the coffee drying process, thereby increasing production efficiency and adding value to local coffee products.

Business sustainability is determined not only by technology and production facilities, but also by effective organizational governance. Good governance plays a role in improving the effectiveness of resource management, the quality of decision-making, and

organizational accountability (Barney, 1991; Grant, 1991; Tricker, 2015). The Organization for Economic Co-operation and Development (2023a) states that good governance must be based on the principles of transparency, accountability, responsibility, independence, and fairness. However, the implementation of these principles in MSMEs still faces obstacles, such as limited managerial capacity, poorly documented administration, and an informal organizational structure (Fitriani & Rahman, 2022; Purnomo, 2020).

Various studies have shown that CSR implementation can increase business capacity, expand market access, strengthen the competency of MSMEs, and support business sustainability through training, mentoring, and the provision of facilities (Dhaifullah & Shohiha, 2023; Harprayudi et al., 2023; Hayati et al., 2023). However, most of these studies focus more on evaluating the impact of CSR on community empowerment, improving economic welfare, and MSME performance. Research specifically examining how organizational governance affects the sustainability of CSR-assisted MSMEs is still relatively limited. Furthermore, previous studies generally discuss organizational governance, resource utilization, or business sustainability separately, so the relationship between these three aspects has not been comprehensively explained, especially for MSMEs that utilize renewable energy technology as part of their business processes.

A recent systematic literature review also shows that research on MSME sustainability is still dominated by discussions of economic performance, innovation, digitalization, and sustainability factors in general. The relationship between organizational governance, strategic resource utilization, and CSR-based MSME sustainability has received relatively little attention, necessitating research that integrates these three aspects (Zaman et al., 2025).

The Geothermal Coffee Process (GCP) presents a unique research context because it integrates CSR programs, community empowerment, and geothermal energy utilization into the coffee processing process. These characteristics distinguish GCP from most previously studied CSR-assisted MSMEs, necessitating a study that explains how organizational

governance plays a role in optimizing strategic resources and supporting business sustainability.

This study offers academic contributions through the integration of *Corporate Governance*, *Resource-Based View* (RBV), and *Triple Bottom Line* (TBL) perspectives in analyzing the sustainability of CSR-based MSMEs. Unlike previous studies that tend to use one perspective separately, this study explains how organizational governance influences the ability of MSMEs to utilize strategic resources to create economic, social, and environmental sustainability. In addition, this study produces a governance strengthening strategy formulated based on empirical evidence on CSR-assisted MSMEs that utilize geothermal energy as an operational advantage.

Based on the description, this study aims to analyze the organizational governance of Geothermal Coffee Process (GCP), identify various obstacles faced in business management, and formulate strategies to strengthen governance to support the sustainability of CSR-based MSMEs. This study provides two main contributions. Theoretically, this study expands the study of the sustainability of CSR-based MSMEs through the integration of *Corporate Governance*, *Resource-Based View* (RBV), and *Triple Bottom Line* (TBL) perspectives to explain the relationship between organizational governance, strategic resource utilization, and business sustainability. Practically, this study produces recommendations for governance strengthening strategies that can serve as a reference for CSR implementing companies, fostered MSMEs, and other stakeholders in improving professionalism and business sustainability.

2. Methods

Research Design

This study uses a qualitative approach (Creswell & Poth, 2018) with a case study method (Yin, 2018) to gain a deep understanding of organizational governance and business management at Geothermal Coffee Process (GCP), a *Corporate Social Responsibility* (CSR)-based MSME. The qualitative approach was chosen because it can comprehensively explore the experiences, views, and interactions of the actors. Meanwhile, the case study method is used to examine in depth the real conditions of GCP, which include organizational governance, resource management, decision-making processes, and various obstacles that affect business sustainability. Through this approach, the study aims to understand the relationships between factors in business governance so that it can produce recommendations for strengthening governance strategies that are appropriate to the characteristics of the organization.

Research Context and Unit of Analysis

The unit of analysis in this study is the Geothermal Coffee Process (GCP), a small and medium enterprise (SME) fostered by PT Pertamina Geothermal Energy (PGE) in the Kamojang Area that processes coffee using geothermal energy as an alternative energy source for the coffee drying process. GCP was chosen because it is a community-based MSME developed through a *Corporate Social Responsibility* (CSR) program. In addition to managing coffee processing and marketing businesses, GCP represents a CSR implementation oriented towards strengthening the community's economy and business sustainability, in line with the CSR concept that emphasizes the creation of sustainable economic, social, and environmental value (Carroll, 1991; Porter & Kramer, 2011; International Organization for Standardization, 2010). Therefore, GCP is considered relevant as a unit of analysis to examine organizational governance, resource management, support from the fostering company, and factors that influence business sustainability (Yin, 2018).

Informants and Sampling

This study used a purposive sampling technique, which is the deliberate selection of informants based on their ability to provide information relevant to the research focus (Creswell & Poth, 2018). This technique was chosen because the study aims to gain a deep understanding of organizational governance and business sustainability, so informants who have direct experience and knowledge of the management and development of the Geothermal Coffee Process (GCP) are needed (Creswell & Poth, 2018).

Table 1. Respondent Data

No	Name	Position
1	Erwandi Yanto	PGE CSR Team, Kamojang Area
2	Muhammad Ramdhan (Mang Deden)	Managing Director of GCP

Informants were selected based on three criteria, namely: (1) having direct involvement in the management or development of GCP; (2) understanding the decision-making process, organizational management, and implementation of *Corporate Social Responsibility* (CSR) programs; and (3) having been involved in GCP activities since the program was implemented. Based on these criteria, the study involved two main informants, namely the CSR Team of PT Pertamina Geothermal Energy Area Kamojang as the program supervisor and *the Managing Director* of GCP as the party responsible for the organization's operations. Both informants were seen as information-rich cases, namely individuals who were able to provide in-depth and relevant information in accordance with the research objectives (Creswell & Poth, 2018).

Data Collection

Data collection was conducted through field observations, semi-structured interviews, and documentation studies (Creswell & Poth, 2018). Observations were used to observe operational activities, production processes, work systems, and business management practices at Geothermal Coffee Process (GCP). Semi-structured interviews were conducted with parties involved in GCP management to obtain information regarding organizational governance, business management, constraints, and development strategies. Interviews were conducted using interview guidelines developed based on the research objectives and the theoretical frameworks of *Corporate Governance*, *Resource-Based View* (RBV), and *Triple Bottom Line* (TBL). The semi-structured interview approach allowed researchers to gather information more flexibly according to each informant's experience without neglecting the research focus. Meanwhile, documentation studies were conducted through reviewing various documents, such as organizational profiles, activity documentation, and other relevant documents to complement the data from observations and interviews (Creswell & Poth, 2018). These three techniques were used in an integrated manner to obtain a comprehensive picture of GCP's organizational governance and business management.

All interviews were recorded after obtaining consent from the informants and then transcribed verbatim to facilitate data analysis. Observations were conducted throughout the research to understand operational conditions, interactions between members, and organizational management practices. Documentation in the form of organizational profiles, activity reports, photographs, and other supporting documents served as supplementary data to triangulate and strengthen the findings from the interviews and observations (Creswell & Poth, 2018).

Data Analysis

Data analysis was conducted using thematic analysis, as this method allows researchers to systematically identify, organize, and interpret patterns of meaning emerging

from data from interviews, observations, and documentation (Braun & Clarke, 2006). The analysis process begins with familiarization with the data from observations, interviews, and documentation, followed by identification and grouping of themes based on shared characteristics. Next, each theme is interpreted to understand its relationship to organizational governance and the management of the Geothermal Coffee Process (GCP) business. The final stage is carried out by drawing conclusions based on the analysis results to answer the research objectives (Braun & Clarke, 2006).

The analysis process was carried out in six stages. The first stage is *familiarization*, which involves rereading all interview transcripts and observation notes to gain a comprehensive understanding of the data. The second stage is *generating initial codes*, which involves identifying parts of the data relevant to the research focus and assigning initial codes. The third stage is *searching for themes*, which involves grouping related codes into initial themes. The fourth stage is *reviewing themes*, which involves evaluating the consistency and relationships between themes to ensure they align with the overall data. The fifth stage is *defining and naming themes*, which involves providing operational definitions for each theme that has been formed. The final stage is *producing the report*, which involves interpreting the research themes by linking them to theory and previous research to answer the research objectives (Braun & Clarke, 2006).

Data Validity

To ensure *the trustworthiness* of the research, this study refers to the criteria proposed by Lincoln and Guba (1985), namely *credibility*, *transferability*, *dependability*, and *confirmability*. *Credibility* is achieved through source triangulation, technical triangulation, and *member checking* (Lincoln & Guba, 1985; Creswell & Poth, 2018). Source triangulation was carried out by comparing information obtained from the CSR Team of PT Pertamina Geothermal Energy Area Kamojang and *the Managing Director* of GCP, while technical triangulation was carried out by comparing the results of interviews, observations, and

documentation. Furthermore, the results of the research interpretation were reconfirmed with the informants through *a member checking process* to ensure the conformity between the results of the researcher's interpretation and the informants' experiences (Creswell & Poth, 2018).

Transferability is enhanced by providing a detailed description of the research context so that readers can assess the relevance of the research results to other contexts with similar characteristics (Lincoln & Guba, 1985). *Dependability* is achieved by systematically documenting the entire research process, from data collection, coding, thematic analysis, to drawing conclusions, so that the research process can be clearly traced (Lincoln & Guba, 1985). Meanwhile, *confirmability* is maintained through discussions with the supervisor and *a peer debriefing process* to minimize researcher subjectivity and ensure that the resulting interpretations are truly based on empirical data (Lincoln & Guba, 1985).

3. Results

Organizational Governance and Business Management

The research results show that the Geothermal Coffee Process (GCP) has evolved from a coffee drying facility into a business unit encompassing the processing and marketing of CANAYA branded coffee products. This development is supported by community involvement and *the Corporate Social Responsibility* (CSR) program of PT Pertamina Geothermal Energy (PGE) Kamojang Area through business capacity building, product development, and geothermal energy utilization. This finding aligns with the CSR concept that emphasizes the creation of *shared value* through community empowerment, strengthening the local economy, and developing sustainable businesses (Carroll, 1991; International Organization for Standardization, 2010; Porter & Kramer, 2011).

Despite this, GCP's organizational governance still faces various limitations. The organizational structure remains informal and lacks a clearly documented division of duties,

authority, and responsibility. Consequently, some management functions remain reliant on specific individuals, leading to suboptimal coordination, decision-making, and operational control. This situation is reflected in the following statement from the GCP *Managing Director*.

"Until now, we haven't had a written division of tasks. Usually, whoever has the time will do the necessary work, so operational decisions still rely heavily on collaborative discussions." (GCP Managing Director)

This statement shows that the task division mechanism is still based on informal agreements so that the principles of accountability and role clarity have not been optimally implemented.

These findings align with research stating that limited governance, managerial capacity, and organizational systems are the main challenges for MSMEs in achieving business sustainability (Fitriani & Rahman, 2022; Organization for Economic Co-operation and Development, 2023a; Tricker, 2015). Therefore, strengthening governance is necessary through the development of organizational structures, clear division of tasks, and the development of more structured administrative systems so that organizational resources can be optimally utilized and support the creation of sustainable competitive advantage (Barney, 1991; Grant, 1991).

The Role of CSR in Business Development

Corporate Social Responsibility (CSR) programs play a crucial role in supporting the development of the Geothermal Coffee Process (GCP) by increasing business capacity and group sustainability (Carroll, 1991; International Organization for Standardization, 2010). Support provided includes the provision of *Geothermal Dry House facilities* , coffee processing training, and mentoring that improves product quality, production efficiency, and GCP's marketing competitiveness. This finding aligns with the CSR concept, which

emphasizes community empowerment through the creation of *shared value* and strengthening local economic capacity (Carroll, 1991; Porter & Kramer, 2011).

CSR support was also felt directly by GCP managers as expressed by the following informant.

"Initially, we only had a drying facility. After receiving assistance from PGE, we learned how to process coffee into finished products, participated in training, and were introduced to various exhibitions." (GCP Managing Director)

This statement shows that CSR contributions are not only in the form of providing physical facilities, but also include increasing organizational capacity through mentoring, competency development, and expanding market access.

The results of this study align with various studies showing that implementing CSR through the provision of facilities and infrastructure, training, product promotion, and expanding market access can increase the capacity and sustainability of MSMEs (Dhaifullah & Shohiha, 2023; Harprayudi et al., 2023). The effectiveness of CSR programs is also influenced by the appropriateness of the form of support to the needs of MSMEs and the involvement of various stakeholders in strengthening organizational capabilities (Harprayudi et al., 2023; Lee et al., 2017). Furthermore, education, entrepreneurship training, mentoring, and increasing production capacity have been shown to improve the performance and sustainability of MSMEs (Dhaifullah & Shohiha, 2023; Haron & Dewanti, 2022). Therefore, CSR implementation based on needs assessment and collaboration between stakeholders is a crucial factor in strengthening organizational capacity and the independence of MSMEs (Harprayudi et al., 2023; Hayati et al., 2023).

From a *Resource-Based View* (RBV) perspective, competitive advantage is determined not only by resource ownership but also by an organization's ability to effectively manage and develop them to create added value (Barney, 1991; Grant, 1991). In the context of GCP, CSR support strengthens resource utilization, capacity development, and innovation, thereby enhancing competitiveness and business sustainability.

Furthermore, partnerships between companies, communities, and other stakeholders are crucial to the success of CSR programs. This collaboration strengthens the capacity of the target groups, increases the effectiveness of empowerment programs, and supports the sustainability and independence of beneficiaries (Hayati et al., 2023).

Governance Constraints

The research results show that the Geothermal Coffee Process (GCP) still faces several challenges in business governance that impact organizational sustainability. The main constraints include limited human resource capacity in the managerial aspect, resulting in suboptimal planning, decision-making, and business management processes. Furthermore, operational activities still rely on specific individuals, potentially posing risks to organizational sustainability. These findings align with research showing that limited managerial competency is one of the main challenges faced by MSMEs in managing their businesses and adapting to changes in the business environment (Fitriani & Rahman, 2022; Purnomo, 2020).

The findings show that human resource limitations are not only related to the number of workers, but also affect the effectiveness of task division, coordination, and implementation of organizational functions.

GCP also lacks a structured production target, business plan, or documented administration and financial system. As stated by GCP's *Managing Director* :

"We haven't set a monthly production target yet because production is still following market demand."

"We don't have regular financial records yet. If there is income and expenses, they are usually recorded simply."

This statement indicates that operational planning remains reactive, and administrative processes are not yet utilized as a basis for organizational decision-making. Consequently, performance measurement, business evaluation, and data-driven decision-making are not

optimal. This finding aligns with research indicating that a structured administration and financial record-keeping system is a crucial factor in increasing accountability, professionalism, and sustainability of MSMEs (Lestari & Yulianto, 2023).

On the other hand, marketing limitations, particularly in the utilization of digital strategies, continue to limit market reach and product competitiveness. Digital marketing, financial literacy, financial inclusion, and government support have been shown to play a role in improving the sustainability of MSMEs (Putri et al., 2023). Furthermore, the lack of a legal entity prevents GCP institutions from having an adequate formal basis to expand access to partnerships, financing, and business development (International Finance Corporation, 2019; Organisation for Economic Co-operation and Development, 2023b).

Legality and Institutions

Business legality is a crucial aspect in the development of the Geothermal Coffee Process (GCP) because it supports legal certainty, organizational credibility, and business sustainability (Tambunan, 2019; Organization for Economic Co-operation and Development, 2023b). Legality also plays a role in increasing access to financing, partnerships, and various business development programs for MSMEs (Organization for Economic Co-operation and Development, 2023b; World Bank, 2023). Currently, the lack of a legal entity limits opportunities for collaboration and development of GCP. Regarding the legal aspect, *the Managing Director* of GCP explained that the establishment of a legal entity is still in progress because it requires organizational readiness.

"We are not yet a legal entity because we are still preparing the administration and organizational structure first."

This statement indicates that legal constraints are not only caused by administrative aspects, but also related to the organization's institutional readiness. Therefore, strengthening legal and institutional frameworks is necessary to achieve more accountable governance, increase stakeholder trust, and expand access to partnerships, financing, and business

development opportunities (International Finance Corporation, 2019; Organization for Economic Co-operation and Development, 2023b; Tricker, 2015).

Governance Strengthening Strategy

Based on research findings, strengthening the governance of the Geothermal Coffee Process (GCP) needs to be done through the establishment of a legal entity to increase legal certainty, organizational credibility, and access to cooperation, financing, and business development opportunities (Tambunan, 2019; Organization for Economic Co-operation and Development, 2023b; World Bank, 2023). Furthermore, it is necessary to establish a more formal organizational structure, a clear division of tasks and responsibilities, and strengthen governance mechanisms in accordance with the principles of transparency, accountability, responsibility, independence, and fairness (Organization for Economic Co-operation and Development, 2023a). Other strategies include increasing human resource capacity through training and mentoring, digitizing administration and finance, setting measurable production targets, and strengthening digital marketing and partnerships. The implementation of these strategies is expected to create a more professional, transparent, accountable, and sustainable organization (Organization for Economic Co-operation and Development, 2023a; Tricker, 2015).

4. Discussion

Organizational Governance from a Corporate Governance Perspective

Research findings indicate that the governance of the Geothermal Coffee Process (GCP) still faces challenges in terms of accountability and role clarity. Some functions and responsibilities have not been formally defined, so business implementation still relies on informal agreements between members. According to the Organization for Economic Co-operation and Development (2023a), effective governance requires a clear organizational

structure, transparency, and well-defined decision-making mechanisms to support organizational sustainability. This view is also supported by Tricker (2015), who emphasized that clarity of structure, division of authority, and accountability are the main foundations of implementing *Corporate Governance*. This finding is also in line with research that confirms that accountability and role clarity are important elements in creating effective organizational governance (Huse, 2005).

Unclear authority indicates that the principle of accountability has not been optimally implemented, resulting in the division of tasks and decision-making remaining dependent on specific individuals. This situation aligns with research indicating that MSMEs with informal governance tend to face weaknesses in decision-making, oversight, and organizational sustainability (Abor & Adjasi, 2007).

The findings of this study demonstrate that governance weaknesses in GCP are not only caused by the lack of a formal organizational structure, but also by the high dependence on specific individuals for decision-making. This finding expands on the research of Abor and Adjasi (2007), which stated that MSMEs generally face governance limitations due to low organizational formalization. In the context of GCP, these issues are further complicated because the organization is developing as a *Corporate Social Responsibility* (CSR)-assisted MSME that is still in the institutional strengthening stage. As a result, the decision-making process is still more influenced by key actors than by documented organizational mechanisms.

These conditions indicate that the application of *corporate governance principles* to CSR-assisted MSMEs requires a different approach than that of companies in general. Strengthening governance is not simply achieved through organizational structure development; it must also be accompanied by managerial capacity development, clear role allocation, documented decision-making mechanisms, and leadership regeneration to prevent the organization from becoming dependent on specific individuals (Organization for Economic Co-operation and Development, 2023a; Tricker, 2015).

Resource Utilization from a Resource-Based View (RBV) Perspective

From a *Resource-Based View* (RBV) perspective, an organization's success is determined by its ability to effectively manage and utilize strategic resources to create competitive advantage (Barney, 1991; Grant, 1991). The results of the study indicate that Geothermal Coffee Process (GCP) possesses a strategic resource in the form of geothermal energy-based coffee drying technology, which is an advantage compared to similar MSMEs because it is able to increase production efficiency while creating a unique business identity. This advantage is in line with the RBV concept which states that *valuable* and *rare resources* have the potential to become a source of competitive advantage if managed effectively (Barney, 1991; Grant, 1991).

However, the research results show that the ownership of strategic resources does not automatically result in sustainable competitive advantage. Although GCP has geothermal energy-based drying technology that meets the characteristics of *valuable* and *rare*, its strategic benefits have not been optimally utilized due to weaknesses in organizational governance, human resource management, and business planning. These findings provide empirical evidence that the successful utilization of strategic resources depends not only on resource ownership, but also on the organization's ability to manage them through effective governance, so that these resources can be converted into sustainable competitive advantage (Barney, 1991; Grant, 1991).

The results of this study differ from those of Rochayatun et al. (2023), who showed that *Corporate Social Responsibility* (CSR) support can increase the competitiveness of MSMEs by strengthening organizational resources. In GCP, CSR support has generated valuable resources through the provision of technology, training, and mentoring, but it has not fully increased competitiveness due to the organization's limited capacity to manage these resources.

Corporate Social Responsibility (CSR) programs contribute to strengthening the sustainability of MSMEs through mentoring, training, and product innovation, which

enhance organizational capacity in managing resources and creating added value (Rochayatun et al., 2023). However, research shows that GCP's strategic advantages have not been fully translated into sustainable competitive advantages due to weaknesses in organizational governance, production planning, and business management systems. Therefore, strengthening governance, management systems, and institutional capacity is a crucial prerequisite for optimal utilization of strategic resources to enhance business competitiveness and sustainability (Barney, 1991; Grant, 1991; Organization for Economic Co-operation and Development, 2023a).

Business Sustainability from a Triple Bottom Line (TBL) Perspective

Triple Bottom Line (TBL) perspective, business sustainability is measured not only by economic profit but also by its contribution to social and environmental aspects (Elkington, 1997). In the *profit dimension*, the Geothermal Coffee Process (GCP) creates added value for local coffee through the use of geothermal energy-based drying technology that improves product quality and economic value. The implementation of *Corporate Social Responsibility* (CSR) that integrates economic, social, and environmental aspects also reflects the application of the TBL concept in community empowerment (Matoati et al., 2023).

In the *people dimension*, GCP increases the capacity of coffee farmers through access to improved processing and community involvement in production activities, thereby contributing to local economic empowerment. Meanwhile, in the *planet dimension*, utilizing geothermal energy as a heat source supports more environmentally friendly business practices by reducing reliance on fossil fuels.

Research findings indicate that GCP business practices reflect the application of the TBL concept through the creation of economic, social, and environmental benefits. Thus, GCP sustainability is determined not only by economic profits but also by its contribution

to community empowerment and responsible environmental management (Elkington, 1997; Matoati et al., 2023).

Although the three dimensions of *the Triple Bottom Line* have begun to be implemented, research results show that contributions to each dimension have not developed equally. The environmental dimension is relatively stronger because the use of geothermal energy can reduce dependence on fossil fuels. Conversely, the economic dimension still faces challenges due to suboptimal organizational governance, administrative systems, and product marketing. These findings indicate that the sustainability of CSR-based MSMEs is determined not only by the success of environmentally friendly technological innovations, but also by the organization's ability to implement effective governance and optimally manage resources.

The findings of this study are in line with the results of *a systematic literature review* conducted by Zaman et al. (2025) and Wahyudi et al. (2025), which showed that the sustainability of MSMEs is a multidimensional concept that not only depends on the achievement of economic, social, and environmental aspects, but is also influenced by organizational capacity, governance, collaboration with stakeholders, and the implementation of sustainable business practices. In the context of the Geothermal Coffee Process (GCP), the utilization of geothermal energy has made a positive contribution to the environmental dimension through a more environmentally friendly production process. However, business sustainability in the economic and social dimensions still faces challenges due to weaknesses in organizational governance, managerial capacity, and suboptimal administrative systems.

These findings indicate that the implementation of *the Triple Bottom Line* in CSR-based MSMEs cannot be understood only as the achievement of three dimensions of sustainability separately, but as an integrated process between organizational governance (*Corporate Governance*), strategic resource management (*Resource-Based View*), and the

achievement of economic, social, and environmental goals (*Triple Bottom Line*) to realize overall business sustainability.

Governance Challenges in CSR-Based MSMEs

Unlike most previous studies that place *Corporate Social Responsibility* (CSR) as a primary factor in increasing the capacity and sustainability of MSMEs (Dhaifullah & Shohiha, 2023; Harprayudi et al., 2023; Hayati et al., 2023), the results of this study indicate that the effectiveness of CSR implementation is significantly influenced by the readiness of the beneficiary organization's governance. Support in the form of providing facilities, training, and mentoring cannot produce optimal business sustainability if the organization lacks a clear division of tasks, a documented administrative system, business legality, and adequate managerial capacity. These findings demonstrate that organizational governance plays a role as a mechanism linking CSR support with the organization's ability to manage strategic resources, thus creating business sustainability. In other words, the benefits of a CSR program are determined not only by the form of support provided, but also by the organization's governance capacity to optimize that support to create sustainable economic, social, and environmental value (Barney, 1991; Grant, 1991; Organisation for Economic Co-operation and Development, 2023a).

Theoretical Implications

The findings of this study contribute to the development of *Corporate Governance literature* by showing that the effectiveness of governance in *Corporate Social Responsibility* (CSR)-based MSMEs is not only influenced by the existence of a formal organizational structure, but also by the organization's ability to manage strategic resources obtained through CSR programs (Organization for Economic Co-operation and Development, 2023a; Tricker, 2015). In addition, the integration of *Corporate Governance*, *Resource-Based View* (RBV), and *Triple Bottom Line* (TBL) perspectives shows that

MSME sustainability is the result of the interaction between organizational governance, strategic resource utilization, and the creation of economic, social, and environmental value (Barney, 1991; Grant, 1991; Elkington, 1997). These findings expand previous research that generally discusses organizational governance, strategic resources, and MSME sustainability separately by showing that these three perspectives complement each other in explaining CSR-based MSME sustainability (Zaman et al., 2025; Wahyudi et al., 2025).

Practical Implications

Practically, the results of this study can be a reference for companies implementing *Corporate Social Responsibility* (CSR) programs, especially PT Pertamina Geothermal Energy (PGE) Area Kamojang, in designing MSME empowerment programs that not only focus on providing physical facilities and assistance, but also on strengthening organizational governance, increasing managerial capacity, and developing administrative systems, business legality, and institutions (Organization for Economic Co-operation and Development, 2023a; World Bank, 2023). For CSR-based MSMEs, this study provides recommendations regarding the importance of establishing a legal entity, preparing a clear organizational structure and division of tasks, strengthening administrative and financial systems, increasing human resource capacity through training and mentoring, and developing digital marketing strategies and partnerships as key factors in supporting business sustainability (International Finance Corporation, 2019; Organization for Economic Co-operation and Development, 2023b; Tricker, 2015).

5. Conclusion

This study shows that the sustainability of Geothermal Coffee Process (GCP) as a CSR-based MSME is not only influenced by the support of facilities and mentoring from the

company, but also by the organization's ability to build effective governance. Although GCP has strategic resources in the form of geothermal energy-based drying technology and receives ongoing support from PT Pertamina Geothermal Energy Area Kamojang, this study found that weaknesses in the legal aspects, organizational structure, managerial capacity, administrative systems, and marketing remain major obstacles in achieving business sustainability. Therefore, strengthening organizational governance is an important prerequisite for CSR support to produce a more sustainable impact.

Limitation

This study has limitations because it was conducted on only one CSR-assisted MSME, making it difficult to generalize broadly. Furthermore, the relatively limited number of informants involved in the study means the perspectives obtained do not fully represent all stakeholders involved in business management. Therefore, further research is recommended to involve more informants and research subjects to produce more comprehensive findings and a higher level of generalizability.

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