

## **ORGANIZATIONAL DEVELOPMENT, HUMAN RESOURCE CAPACITY STRENGTHENING, AND THE PERFORMANCE OF KOPERASI KELURAHAN MERAH PUTIH: THE MODERATING ROLE OF ORGANIZATIONAL CULTURE**

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### **Abstract**

The accelerated establishment of Koperasi Kelurahan Merah Putih (KKMP) under Presidential Instruction No. 9 of 2025 makes institutional strengthening during the early growth stage a precondition for sustained cooperative performance. This article examines the effects of organizational development and human resource (HR) capacity strengthening on the performance of KKMP in Surabaya City, positioning organizational culture as a moderating variable. The study was designed as explanatory quantitative research with a cross-sectional approach. All 41 KKMP that had established retail outlets and remained operationally active through the end of 2025 were included through a census technique, involving 123 respondents comprising cooperative chairpersons, secretaries, and treasurers. Data were collected through a Likert-scale questionnaire and analyzed using Structural Equation Modeling-Partial Least Squares (SEM-PLS) with SmartPLS software. The results confirm that organizational development has a positive and significant effect on cooperative performance ( $\beta = 0.555$ ;  $p = 0.001$ ), whereas HR capacity strengthening shows a positive but non-significant effect ( $\beta = 0.078$ ;  $p = 0.147$ ). Organizational culture significantly moderates the effect of organizational development on cooperative performance in a weakening direction ( $\beta = -0.071$ ;  $p = 0.047$ ), and significantly moderates the effect of HR capacity strengthening in a strengthening direction ( $\beta = 0.061$ ;  $p = 0.023$ ). The research model explains 82.1 percent of the variance in cooperative performance (adjusted  $R^2 = 0.821$ ) with strong predictive relevance ( $Q^2 = 0.818$ ). These findings confirm that improving the performance of KKMP in its early growth phase cannot rely on individual competency strengthening alone, but requires integrating structural and systemic organizational arrangements with the cultivation of an adaptive work culture.

**Keywords:** organizational development; human resource capacity strengthening; organizational culture; cooperative performance; Koperasi Kelurahan Merah Putih.