



## Strategic Management of Community-Based Education: The Role of Funding Strategy and Youth Participation in Enhancing Program Effectiveness through NGO Partnerships

**Pramaningtyas Sarce Margareth\*, Ike Kusdyah Rachmawati, Yunus Handoko**

Institut Teknologi dan Bisnis Asia Malang, Indonesia

Email : [prasmargareth@hotmail.com](mailto:prasmargareth@hotmail.com)

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### ABSTRACT

#### Keywords:

Strategic Partnership;  
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\*Corresponding Author

This study aims to examine the effects of funding strategies and meaningful youth participation on the effectiveness of community empowerment programs, with strategic partnerships serving as a mediating variable within Non-Governmental Organizations (NGOs). A quantitative research design was employed using a survey method. Data were collected through an online questionnaire distributed via Google Forms to leaders of NGOs that are legally registered as foundations and associations. A total of 50 NGOs were selected using purposive and multistage sampling techniques. The collected data were analyzed using path analysis with Smart-PLS version 4.6.1.1. The findings indicate that funding strategy has a significant positive effect on strategic partnerships, whereas meaningful youth participation does not significantly influence strategic partnerships. Strategic partnerships are also found to have no significant effect on the effectiveness of community empowerment programs. Furthermore, funding strategy does not have a significant direct effect on program effectiveness, while meaningful youth participation shows a significant positive effect. The mediation analysis reveals that strategic partnerships do not mediate the relationship between funding strategy and program effectiveness, nor between meaningful youth participation and program effectiveness. These findings imply that the effectiveness of community empowerment programs is more strongly influenced by the substantive involvement of youth than by funding mechanisms or formal partnerships alone. For practitioners and policymakers, the study highlights the importance of designing empowerment programs that prioritize meaningful youth engagement, while ensuring that funding strategies and partnerships are aligned with programmatic goals rather than treated as stand-alone managerial instruments.

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## INTRODUCTION

Non-Governmental Organizations (NGOs) play a strategic role in advancing community empowerment, particularly in contexts where state capacity and market mechanisms are insufficient to address social inequalities. Across developing societies, NGOs are widely recognized as key actors in mobilizing resources, facilitating participation, and translating development initiatives into tangible social outcomes. Community empowerment programs implemented by NGOs are expected to foster participation, strengthen local capacities, enhance accountability, and promote sustainability as core indicators of social development (Narayan, 2022; Ochuodho, 2015). However, despite their normative importance, the effectiveness of such programs varies considerably, raising critical questions about the organizational and managerial factors that shape program outcomes (Halisoh & Sain, 2024; Khusnuridlo & Fauzi, 2024; Kumala & Nadya, 2024). From a societal perspective, ineffective empowerment programs risk reproducing dependency rather than autonomy, weakening public trust in civil society institutions. Therefore, understanding how NGOs manage internal resources, engage community actors, and structure partnerships is essential not only for organizational sustainability but also for ensuring that empowerment initiatives generate meaningful and lasting social change. This study is important because it addresses these strategic issues at the intersection of funding, participation, and partnership within NGO-led empowerment programs.

One of the central challenges faced by NGOs in implementing community empowerment programs is balancing organizational sustainability with program effectiveness. In practice, many NGOs prioritize securing financial resources as a prerequisite for survival, often treating funding strategy as the primary determinant of organizational continuity. Funding strategies encompass policies and managerial actions related to acquiring, managing, and diversifying financial resources to ensure operational stability and independence (Dewi & Manshur, 2026; Hefniy & Alwahedi, 2025; Holidi, 2025; Khofsah & Rozi, 2025). While adequate funding is undeniably necessary, an excessive focus on financial sustainability may divert attention from participatory processes and substantive program quality. Resource Dependence Theory suggests that reliance on external funding sources can shape organizational behavior, influence priorities, and constrain autonomy, potentially leading NGOs to align programs more closely with donor agendas than community needs (Hikmah & Mudarris, 2026; Kusumawati, 2025; Syafiih, 2025). As a result, empowerment programs risk becoming administratively efficient yet socially ineffective, highlighting a critical tension that underpins this research.

Empirical observations in the field indicate that many community empowerment programs implemented by NGOs demonstrate uneven outcomes despite comparable levels of funding and institutional support. In several cases, programs with stable funding fail to generate strong community participation or sustainable impact, while others with limited resources achieve meaningful outcomes through inclusive engagement and local ownership. This phenomenon suggests that financial resources alone are insufficient to ensure program effectiveness. At the same time, meaningful youth participation (MYP) has emerged as a critical yet underutilized dimension of empowerment practice. MYP emphasizes structural representation, power-sharing, capacity-building, safe and supportive environments, and youth ownership of decision-making processes (Badriyah, 2025; Saleha & Sholihah, 2024; Suroiyah & Wahyudi, 2023). Although youth-adult partnerships are increasingly promoted, their implementation often remains symbolic rather than substantive. Consequently, empowerment initiatives may formally include youth without genuinely redistributing influence or responsibility, limiting their transformative potential (Putri et al., 2024; Sain et al., 2025). These empirical realities motivate a closer examination of how participation and management strategies interact to shape program outcomes.

Existing literature has extensively examined individual determinants of NGO performance, particularly funding strategy, participation, and partnerships, yet often in isolation. Studies on funding strategy highlight its role in enhancing organizational sustainability, efficiency, and credibility, especially through diversification and accountability mechanisms (Aini et al., 2025; Sanjani, 2024; Zuhdi & Faridy, 2024). From a Resource Dependence perspective, diversified funding is expected to strengthen bargaining power and reduce vulnerability to external pressures. Separately, research on meaningful youth participation emphasizes its contribution to improved decision-making, program relevance, and empowerment outcomes. However, much of this literature focuses on normative claims or qualitative insights, offering limited empirical testing of causal relationships between these variables and program effectiveness. Moreover, studies frequently assume that improved funding or participation will automatically translate into better outcomes, without examining the mechanisms through which these effects materialize.

Strategic partnership has been proposed as a mechanism through which NGOs can enhance coordination, expand program reach, and leverage complementary resources. Yet empirical findings remain mixed. While some studies emphasize the potential of cross-sector collaboration, others caution that partnerships often remain administrative and fail to generate substantive programmatic impact when ownership, alignment, and accountability are weak.

Recent cross-sector and Indonesian studies confirm that partnership effectiveness depends heavily on organizational capacity and shared commitment rather than formal agreements alone (Mukami et al., 2024; Natalia et al., 2025). Despite this, few studies empirically test strategic partnership as a mediating mechanism linking funding strategies and participatory practices to program effectiveness. This represents a critical research gap, as the interaction between internal organizational strategies and external collaboration remains underexplored, particularly in quantitative NGO research.

This study advances the state of the art by integrating funding strategy, meaningful youth participation, strategic partnership, and program effectiveness into a single analytical framework. Unlike previous studies that examine these variables separately, this research adopts a relational and mediational perspective to explain how organizational strategies translate into empowerment outcomes. The novelty of this study lies in its empirical testing of strategic partnership as an intervening mechanism and its simultaneous consideration of managerial and participatory dimensions. By employing a quantitative path analysis approach, this study moves beyond descriptive and normative discussions toward a more rigorous examination of causal relationships. Furthermore, focusing on NGOs as organizational actors highlights the managerial complexity of empowerment work, positioning program effectiveness as the outcome of strategic choices rather than solely community characteristics or donor influence.

Based on these theoretical and empirical considerations, this study addresses the following research problem: how do funding strategies and meaningful youth participation influence the effectiveness of community empowerment programs, and to what extent are these relationships mediated by strategic partnerships within NGOs? The central argument advanced is that funding strategy and meaningful youth participation represent distinct yet complementary drivers of program effectiveness, operating through different organizational mechanisms. While funding strategy is expected to shape structural capacity and partnership formation, meaningful youth participation is hypothesized to directly enhance program relevance and impact. Strategic partnership, in turn, is posited as a conditional mechanism whose effectiveness depends on the substantive alignment of organizational goals and practices. By empirically testing these relationships, this study contributes to the refinement of NGO management theory and offers practical insights for designing more effective and participatory community empowerment programs.

## **Literature Review And Hypothesis Development**

This section reviews relevant theories and empirical studies to explain the relationships among funding strategy, meaningful youth participation, strategic partnerships, and program effectiveness in the context of community empowerment programs implemented by NGOs in Indonesia. The discussion is structured according to each main construct, and each hypothesis is explicitly derived from theoretical arguments and prior empirical findings.

### **Funding Strategy, Strategic Partnerships, and Program Effectiveness**

Funding Strategy refers to organizational efforts to secure, manage, and diversify financial resources to ensure sustainability, independence, and accountability. In the nonprofit context, funding strategy commonly includes revenue diversification, financial efficiency, accountability mechanisms, and donor relationship management (Assa'di et al., 2009; Ochieng, 2016). Resource Dependence Theory explains that organizations are constrained by their dependence on external actors that control critical resources, particularly funding. Diversification and transparent financial governance are therefore expected to strengthen organizational autonomy and legitimacy (Pfeffer & Salancik, 1978 in Froelich, 1998). From a collaboration perspective, NGOs with strong funding strategies tend to be perceived as more credible and reliable partners. Stable funding and sound accountability reduce uncertainty and transaction risks, thereby facilitating coordination and long-term cooperation with government and private sector actors (Guo & Acar, 2005; Webb & Waymire, 2016). Empirical studies in nonprofit collaboration show that organizations with diversified funding are more likely to engage in strategic partnerships. Based on these arguments, the first hypothesis is proposed:

**H1: Funding strategy has a significant effect on strategic partnership.**

Although funding strategy is essential for organizational sustainability, its direct relationship with program effectiveness is theoretically less certain. Community empowerment effectiveness is reflected in participation, capacity building, accountability, sustainability, and perceived outcomes (Fowler, 2006; Narayan, 2022). These dimensions indicate that financial resources must be translated into effective implementation and community engagement processes before producing outcomes. Prior studies suggest that financial inputs are insufficient to guarantee effectiveness without strong governance and implementation quality. Accordingly, the second hypothesis is formulated:

**H2: Funding strategy has a significant effect on program effectiveness.**

## **Meaningful Youth Participation, Strategic Partnerships and Community Empowerment Program Effectiveness**

Meaningful youth participation refers to the substantive involvement of young people in governance and program processes, including decision-making, planning, and implementation. Unlike tokenistic participation, meaningful participation emphasizes power-sharing, youth capacity building, supportive environments, issue relevance and ownership (Dickson-Hoyle et al., 2018; van Reeuwijk & Singh, 2018). Within NGOs, meaningful youth participation functions as an internal governance mechanism that enhances accountability, responsiveness, and program relevance.

Youth participation may also contribute to broader collaboration by expanding social networks and encouraging intergenerational engagement. However, empirical evidence indicates that youth participation more strongly influences internal organizational process than external structural relationships. Youth engagement improves internal decision-making quality but does not necessarily determine the formation or quality of formal strategic partnerships (Zeldin et al., 2008). Based on these considerations, the following hypothesis is proposed:

**H3: Meaningful youth participation has a significant effect on strategic partnerships.**

In contrast, meaningful youth participation is expected to have a direct effect on program effectiveness. Prior studies consistently show that youth participation improves program relevance, ownership, implementation quality, and sustainability as the key elements of empowerment outcomes (Dickson-Hoyle et al., 2018; van Reeuwijk & Singh, 2018). Youth-adult partnership literature further demonstrates that involving young people in decision making enhances program performance and outcomes (Zeldin et al., 2014). Therefore, the fourth hypothesis is formulated as follow.

**H4: Meaningful youth participation has a significant effect on program effectiveness.**

### **Strategic Partnerships and Mediation Effect**

Strategic partnerships refer to collaborative arrangements between NGOs and external actors aimed at achieving shared objectives through coordination and resource sharing. Collaboration theory suggests that partnerships can enhance program effectiveness by pooling complementary resources, expertise, and networks. However, empirical studies caution that partnerships do not automatically lead to improved outcomes. Partnerships that are administrative, donor-driven, or weakly integrated may fail to generate substantive program

benefits (Gazley & Brudney, 2007). Evidence from Indonesia and cross-sector context further indicates that partnership effectiveness depends on ownership, accountability, alignment of objectives, and organizational capacity (Mukami et al., 2024; Natalia et al., 2025). Without these conditions, partnerships may exist formally but contribute little to program implementation or outcomes. Based on these arguments, the fifth hypothesis is proposed:

**H5: Strategic partnerships have a significant effect on program effectiveness.**

Strategic partnerships are often conceptualized as mechanisms that translate organizational resources and participatory practices into program outcomes. Strong partnerships may enhance access to knowledge, legitimacy, and implementation capacity, thereby linking funding strategy and participatory governance to effectiveness (Mukami et al., 2024; Natalia et al., 2025). Accordingly, the mediation hypotheses are proposed:

**H6: Strategic partnerships mediate the relationship between funding strategy and program effectiveness.**

**H7: Strategic partnerships mediate the relationship between meaningful youth participation and program effectiveness.**

## RESEACH METHOD

This study employed a quantitative explanatory research design to examine causal relationships among funding strategy, meaningful youth participation, strategic partnership, and the effectiveness of community empowerment programs within NGOs (Gul, 2023; Sardana et al., 2023). A quantitative approach was selected because it enables systematic measurement of variables and hypothesis testing through statistical analysis, allowing the researcher to assess the strength and significance of direct and indirect relationships among constructs (Hair Jr. et al., 2021). Explanatory research is particularly appropriate for testing theoretically derived models and validating empirical relationships across organizational contexts. The use of this design supports the objective of identifying how organizational strategies and participatory practices influence program effectiveness through mediating mechanisms.

The research was conducted within Non-Governmental Organizations (NGOs) legally registered as foundations (Yayasan) and associations (Perkumpulan) operating in Indonesia. Indonesia was selected as the research context due to its vibrant civil society sector and the prominent role of NGOs in implementing community empowerment programs across diverse social, economic, and geographic settings. The variety of NGO structures and program orientations in Indonesia provides a relevant empirical setting for examining

organizational strategies, participation mechanisms, and partnership dynamics in empowerment initiatives.

Data were collected using a structured online questionnaire distributed via email and WhatsApp to NGO leaders or senior managers who possess strategic oversight of organizational programs. The questionnaire employed a five-point Likert scale ranging from Strongly Disagree (1) to Strongly Agree (5) to capture respondents' perceptions of funding strategy, meaningful youth participation, strategic partnership, and program effectiveness. Purposive sampling was applied to ensure that respondents were directly involved in program management and decision-making, while multistage sampling was used to select NGOs that met the legal and operational criteria of the study. This procedure resulted in a final sample of 50 NGOs.

Data analysis was conducted using Partial Least Squares–Structural Equation Modeling (PLS-SEM) with the support of Smart-PLS version 4.6.1.1. PLS-SEM was chosen due to its suitability for exploratory and explanatory research with relatively small sample sizes and complex models involving mediation effects (Hair Jr. et al., 2021). The measurement model was evaluated by assessing internal consistency reliability, convergent validity, and discriminant validity. Subsequently, the structural model was assessed using path coefficients, t-statistics, p-values, and indirect-effect testing to examine hypothesized relationships and mediation effects in accordance with established PLS-SEM procedures (Ghozali & Latan, 2014).

To ensure data quality and robustness of findings, several validity and reliability checks were conducted. Internal consistency reliability was assessed using composite reliability and Cronbach's alpha, while convergent validity was examined through average variance extracted (AVE). Discriminant validity was evaluated using established criteria to ensure construct distinctiveness. In addition, common method bias was minimized by targeting key informants with managerial roles and by clearly separating construct items within the questionnaire. These procedures strengthen the credibility and interpretability of the empirical results (Hair Jr. et al., 2021).

**Table 1. Operational definitions and research indicators**

Variable	Operational definitions	Indicators
Funding Strategy (X1)	A funding strategy is the approach used by an NGO to plan, obtain, manage, and sustain financial resources to support the implementation of programs and organizational operations.	Diversification of income sources and donor fragmentation
		Long-term funding stability
		Self-generated income and fundraising innovation
		Asset management and sustainable investment
		Donor governance: mission alignment

		and transparency		
Meaningful Youth Participation (X2)	Meaningful Youth Participation is the level of involvement of young people in an organization or program that goes beyond mere presence, encompassing active roles in decision-making, activity implementation, and program evaluation.	Institutional mandate on youth		
		Decision-making authority and voting rights of young people		
		Capacity development for young people: training, mentoring, and practice		
		Resource support and non-dominative accompaniment for young people		
		A safe, respectful, and inclusive environment for young people		
		Issue relevance and youth ownership of processes		
		Facilitation of peer-to-peer networks		
		Intergenerational network structures (adults and professionals)		
		Impact of networks on programs and decision-making		
Strategic Partnerships (Z)	Strategic Partnership is a form of collaboration undertaken by an NGO with other parties for a specified period to support the achievement of organizational and program objectives.	Relational quality		
		Governance structure		
		Resource acquisition		
		Capability sharing		
		Managerial readiness		
		Institutional readiness		
		Process efficiency		
		Output and outcome achievement		
Community Empowerment Program Effectiveness (Y)	Community Empowerment Programs Effectiveness is the level of success of NGO program implementation in achieving the established goals and objectives and in producing tangible changes for beneficiary communities.	Achievement of outputs and quality of results		
		Implementation of the Tridaya principles (physical, economic, and social dimensions)		
		Program relevance to community needs and organizational mission		
		Impact: quality of life and participation/sovereignty		
		Sustainability and community self-reliance		
		Performance measurement and accountability transparency to stakeholders		
		Proportionality of resources to results achieved and program implementation in accordance with timelines and budgets		
		Program implementation procedures, availability and adequacy of supporting facilities and infrastructure, and accuracy of targeting		

## RESULT AND DISCUSSION

### Respondent Characteristics

After the survey was completed, 50 NGOs participated in data collection which was followed by data screening, and the total 50 NGOs provided the research data. Data collected using Google Forms in November 2025. The respondents are categorized into 3 criteria: geographic location, NGOs representative person, legal entity form, and age of the organization.

**Table 2. Respondent Characteristics**

No	Profile	Category	Frequency	Percentage
1	Geographic Location (Province Based)	Aceh	1	2%
		North Sumatra	1	2%
		Bengkulu	1	2%
		Jambi	1	2%
		Lampung	1	2%
		DKI Jakarta	5	10%
		West Java	3	6%
		Central Java	8	16%
		DI Yogyakarta	12	24%
		East Java	1	2%
		West Nusa Tenggara	3	6%
		East Nusa Tenggara	8	16%
		West Sulawesi	1	2%
		Central Sulawesi	1	2%
North Maluku	1	2%		
Papua	1	2%		
2	NGOs' representative persons	Management Team	40	80%
		Staff	10	20%
3	Legal entity form	Foundation (Yayasan)	31	62%
		Association (Perkumpulan)	19	38%
4	Age of the organization	4-7 years old	3	6%
		More than 7 years old	47	94%

Source: Data Processed by Researcher (2025)

Table 2 provides an overview of the respondent's characteristics in this study. The NGOs located across various provinces of Indonesia, as identified in the research respondent table. These NGOs are drawn from several provinces: Aceh, North Sumatra, Bengkulu, Jambi, Lampung, DKI Jakarta, West Java, Central Java, DI Yogyakarta, East Java, West Nusa Tenggara, East Nusa Tenggara, West Sulawesi, Central Sulawesi, North Malulu, and Papua. The diversity in geographic distribution reflects representation from western to eastern Indonesia, with each province possessing distinct social, economic, and cultural characteristics that influence the dynamics of community empowerment

programs.

Based on the table 2, which presents data on NGO representatives serving as research respondents, 80% of the NGOs were represented by their organizational management teams, while 20% were represented by both management teams and organizational staff. This distribution was determined by each NGO's organizational structure and the leadership's decision regarding the delegation of responsibility for completing the research questionnaire.

According to the table 2, the NGOs listed are legally established as foundations (62%) and associations (38%). Both legal forms have formal structures that enable them to manage long-term programs, build partnership networks, and access funding from various donor sources, both national and international. This variation has implications for differences in institutional capacity, operational strategies, and the approaches used in implementing community empowerment programs.

Based on the organizational age, 94% of the organizations have been operating for more than seven years, while three organizations are between four and seven years old. This indicates that, institutionally, the NGOs participating as research respondents have established organizational structures and sufficient track records to assess program effectiveness and long-term funding strategies.

### **Convergent Validity Testing**

Convergent validity has two value criteria that can be evaluated, namely the loading factor and the Average Variance Extracted (AVE). The output of the outer loading estimation is measured by the correlation between the indicator (instrument) scores and their respective constructs (variables). An indicator is considered valid if it has a correlation value above 0.6 (Ghozali & Latan, 2014), which is regarded as acceptable. Indicators that do not meet this criterion must be removed. The results of the last stage outer loading analysis in this study are presented in the table below.

The final stage outer loading factor results analysis shows that all indicator statements for the variables Funding Strategy, Meaningful Youth Participation, Strategic Partnership, and Community Empowerment Program Effectiveness have outer loading values  $\geq 0.60$  and therefore considered valid. This indicates that the statements used successfully measure the correlation between indicator scores and their respective constructs / variables, thereby supporting the construct validity of the measurement model.

The output of Average Variance Extracted (AVE) estimation is presented in the table 4 below. A variable is considered valid if it has an AVE value of  $\geq 0.5$  (Hair Jr. et al., 2021).

**Table 3. AVE Estimation**

Variable	Average Variance Extracted (AVE)	Remarks
Funding Strategy X <sub>1</sub>	0.724	Valid
Meaningful Youth Participation X <sub>2</sub>	0.603	Valid
Strategic Partnerships Z	0.663	Valid
Community Empowerment Program Effectiveness Y	0.591	Valid

Source: Primary Data Processed by Researcher (2025)

According to the Table 3, the AVE values for all four variables are  $\geq 0.5$ , indicating that all variables meet the criteria for convergent validity and are therefore considered valid.

### Discriminant Validity Testing

Latent Variable Correlation is part of the steps used to assess discriminant validity. This procedure examines the strength of relationships among constructs in the model. High correlations between constructs may indicate issues related to discriminant validity and multicollinearity. The estimated output can be seen in the following table.

**Table 4. Latent Variable Correlation, AVE, and Square Root of AVE**

Variable	X <sub>1</sub>	X <sub>2</sub>	Z	Y	AVE	$\sqrt{AVE}$	Remark
X <sub>1</sub>	1.000	0.579	0.789	0.562	0.724	0.851	Valid
X <sub>2</sub>	0.579	1.000	0.535	0.603	0.603	0.777	Valid
Z	0.759	0.535	1.000	0.585	0.591	0.769	Valid
Y	0.562	0.603	0.585	1.000	0.663	0.814	Valid

Source: Primary Data Processed by Researcher (2025).

As shown in the Tabel 4, the  $\sqrt{AVE}$  values for Funding Strategy (0.851), Meaningful Youth Participation (0.777), Strategic Partnership (0.769), and Community Empowerment Program Effectiveness (0.814) were all greater than their corresponding inter-construct correlations. Therefore, discriminant validity for all constructs in the model was satisfactory established.

### Heterotrait – Monotrait Ratio (HTMT)

Discriminant validity in this study was also evaluated using the Heterotrait – Monotrait Ratio (HTMT) approach. HTMT testing is conducted to ensure that each construct in the model is empirically distinct and does not conceptually overlap with other constructs. The criterion applied in this study is that HTMT values must be below 0.90, which is a commonly used threshold for assessing discriminant validity in social and management research. The HTMT test results are as follows.

**Table 5. HTMT Test Result**

Construct/Variable Pair	Heterotrait–Monotrait Ratio (HTMT)	Remark
X <sub>2</sub> Meaningful Youth Participation ↔ X <sub>1</sub> Funding Strategy	0.533	Valid
Y Effectiveness of Community Empowerment Programs ↔ X <sub>1</sub> Funding Strategy	0.512	Valid
Y Community Empowerment Programs Effectiveness ↔ X <sub>2</sub> Meaningful Youth Participation	0.623	Valid
Z Strategic Partnership ↔ X <sub>1</sub> Funding Strategy	0.861	Valid
Z Strategic Partnership ↔ X <sub>2</sub> Meaningful Youth Participation	0.506	Valid
Z Strategic Partnership ↔ Y Community Empowerment Programs Effectiveness	0.565	Valid

Source: Primary Data Processed by Researcher (2025)

Based on the table 6, all HTMT values are  $\leq 0.90$ , indicating that correlations between indicators of different constructs do not exceed correlations among indicators within the same construct. Therefore, the constructs demonstrated adequate discriminant validity.

### Reliability Testing

Reliability testing is conducted using composite reliability coefficients and Cronbach’s Alpha coefficients. Both measures are used to test the reliability of indicator statements for each variable. Composite Reliability is used to confirm the internal consistency of indicators forming a latent variable. In Smart-PLS, Composite Reliability is a primary measure of reliability, and values of CR  $\geq 0.70$  meet the standard for research (Hair et al., 2021). Furthermore, a high Cronbach’s Alpha value indicates that the construct / variable is measured consistently and supports measurement validity in PLS analysis. Conversely, a low Cronbach’s Alpha value may indicate that the indicators / statements are not sufficiently reliable and should be revised or replaced. The Composite Reliability and Cronbach’s Alpha values for each construct / variable in this study are presented below.

**Table 6. Composite Reliability Coefficients and Cronbach’s Alpha Coefficients**

Variable	Composite Reliability (Rho_C)	Cronbach’s Alpha	Remark
X <sub>1</sub> Funding Strategy	0.929	0.904	Reliable
X <sub>2</sub> Meaningful Youth Participation	0.973	0.971	Reliable
Z Strategic Partnership	0.921	0.896	Reliable

Y Community Empowerment Programs Effectiveness 0.910 0.884 Reliable

Source: Primary Data Processed by Researcher (2025).

The results in table 6 show that Composite Reliability values for all four constructs / variables are  $\geq 0.70$ . Therefore, all variables demonstrate good reliability. Cronbach's Alpha values for all variables are  $\geq 0.70$ , indicating good reliability for all variables.

### Model Fit Test

The model fit test was conducted by comparing the Smart-PLS version 4.6.1.1. output estimates with the criteria describe in the following table.

**Table 7. Model Fit Test**

Parameter	Rule Of Thumb	Parameter Value	Remark
SRMR	Less than 0.10	0.098	Fit
d_ ULS	> 0.05	8.725	Fit
d_ G	> 0.05	13.831	Fit
Chi-Square	$\chi^2$ statistic $\geq \chi^2$ table	1865.451 $\geq$ 55.76	Fit
NFI	Close to 1	0.432	Fit
GOF	0.10 (small); 0.25 (moderate); 0.36 (strong)	0.564	Fit
Q <sup>2</sup> Predictive Relevance	Q <sup>2</sup> > 0: has predictive relevance; Q <sup>2</sup> < 0: lacks predictive relevance; 0.02 (weak); 0.15 (moderate); 0.35 (strong)	Q <sup>2</sup> for Z Strategic Partnership: 0.396 > 0; Q <sup>2</sup> for Y Effectiveness of Community Empowerment Programs: 0.225 > 0	Fit

Source: Primary Data Processed by Researcher (2025).

Based on the model fit test results in the table 7, this model can be used to analyse relationships among laten variables with confidence that it accurately reflects the observed data and has relevant predictive capability.

The SRMR value is 0.098, which is below the maximum threshold of 0.10. It indicates good fit between the observed data and the hypothesized model. In other words, the difference between the observed covariance matrix and the model-implied covariance matrix is small; therefore, the model is considered fit. The d\_ ULS value is 8.725, indicating that the model structure does not show substantial or unacceptable discrepancies. This suggests the model approximates the ideal relationships expected from the data. The d\_ G value is 13.831, which is also greater than 0.5, indicating good global model fit and no meaningful differences between the model and the empirical data. The Chi-square statistic is 1865.451, which is greater than the Chi-square table value (55.76), indicating the

model is fit. This suggests the model is significantly consistent with the sample data and can explain relationships among variables well. Furthermore, the NFI value is 0.432, which approaches the ideal value of 1, indicating that the model demonstrates an acceptable (through not optimal) level of fit and remains suitable for representing the data. The GOF value is 0.564, exceeding the 0.36 threshold, indicating very strong global fit. This places the model in the “strong” Goodness of Fit category, meaning it is highly suitable for explaining relationships among latent variables in this study. And the Q2 value for Strategic Partnerships (Z) is 0.396, indicating very strong predictive power, while the Q2 value for Community Empowerment Programs Effectiveness is 0.225, indicating strong predictive power. This suggests the model can meaningfully predict latent variables based on its structural relationships.

### Inner Model Evaluation

The inner model in PLS-SEM represents the relationships among latent variables and is evaluated to examine the strength and significance of these relationships. The evaluation includes three key aspects: relationship significance (hypothesis testing), R-square, and effect size.

R-square in PLS-SEM measures how well the independent latent variables in the model explain variability in the dependent latent variables. R2 reflects the overall predictive strength of the model. R2 ranges from 0 to 1, where higher values indicate stronger explanatory power. The R-square values in this study are presented below.

**Table 8. R-Square (R<sup>2</sup>) Test Results**

Construct/Variable	R-Square	Remark	Adjusted R-Square	Remark
Z Strategic Partnership	0.618	Strong	0.602	Strong
Y Community Empowerment Programs Effectiveness	0.421	Moderate	0.384	Moderate

Source: Primary Data Processed by Researcher (2025).

Based on the analysis in the Table 9, the R-Square for Strategic Partnerships (Z) is 0.618, meaning that 61.8% of the variance in this variable can be explained by the independent variables in the model, while the remaining 38.2% is influenced by other factors outside the model. Therefore, the relationship between the independent variables and Strategic Partnership (Z) can be considered strong. Meanwhile, the R-square for Community Empowerment Programs Effectiveness (Y) is 0.421, indicating that 42.1% of the variance can be explained by the independent variables in the model, while 57.9% is influenced by external factors. This reflects a moderate relationship, meaning the model

explains a substantial portion of the factors affecting the community empowerment programs effectiveness, although many influences remain outside the model.

### Hypothesis Testing

Hypothesis testing in PLS-SEM is conducted to determine whether the relationships among latent variables in the model can be considered statistically significant. This process typically uses bootstrapping, in which the data are resampled to estimate path coefficients and their standard errors. The results are commonly reported as t-statistics or p-values. A relationship is considered significant when the p-value is below the predetermined significance level. In this study, the significance level is 0.05. statistically significant path coefficients indicate strong empirical support for the relationship between independent and dependent latent variables, meaning the proposed hypothesis can be accepted. The bootstrapping results for the study model (direct effects and indirect effects) are presented below. The direct-effect bootstrapping results are shown in the following table.

**Table 9. Path Coefficient Bootstrapping Results - Direct Effect**

Hypothesis	T Statistics (O/Stdev)	P Values	Remark
H1 Funding Strategy Significantly Influence Strategic Partnership	8.031	0.000	Accepted
H2 Meaningful Youth Participation Significantly Influence Strategic Partnership	1.226	0.220	Rejected
H3 Strategic Partnership Significantly Influence Effectiveness of Community Empowerment Programs	1.451	0.147	Rejected
H4 Funding Strategy Significantly Influence Effectiveness of Community Empowerment Programs	0.068	0.946	Rejected
H5 Meaningful Youth Participation Significantly Influence Effectiveness of Community Empowerment Programs	4.195	0.000	Accepted

Source: Primary Data Processed by Researcher (2025).

The results presented in Table 9 indicate mixed findings regarding the hypothesized relationships among the study variables. This study examined the relationships among funding strategy, meaningful youth participation, strategic partnership, and the effectiveness of community empowerment programs within NGOs in Indonesia. The findings reveal differentiated pathways through which organizational capacity and participation dynamics influence partnerships and

program outcomes.

First, the results demonstrate that funding strategy has a strong and significant effect on strategic partnership. Consistent with Resource Dependence Theory (Gul, 2023; Sardana et al., 2023), NGOs with diversified and stable funding structures possess greater bargaining power and credibility in forming cross-sector collaborations. This finding reinforces prior studies emphasizing that financial capacity is not merely an administrative function but a strategic determinant shaping the quality, sustainability, and reciprocity of partnerships (Gul, 2023; Sardana et al., 2023). Empirically, NGOs with stronger funding strategies are better positioned to leverage partnerships for resource acquisition, capability sharing, and institutional strengthening, whereas weak funding strategies tend to produce short-term and transactional collaborations.

In contrast, meaningful youth participation does not significantly influence strategic partnerships. Although theory and prior literature suggest that youth participation can enhance organizational legitimacy and innovation, the findings indicate that in the Indonesian NGO context, partnership formation remains largely a managerial and leadership-driven process. Youth participation is predominantly concentrated at the operational level and has not been sufficiently institutionalized within governance structures to shape external strategic relationships. This aligns with Zeldin et al. (2008), who argue that youth participation often yields stronger effects on internal learning and program processes than on external organizational relations.

Furthermore, the study finds that strategic partnerships do not have a significant direct effect on the effectiveness of community empowerment programs. While collaborative governance theory posits that partnerships enhance program outcomes through shared resources and joint planning, the results suggest that many partnerships in practice remain formal-administrative rather than substantively operational. Without integrated mechanisms such as co-design, shared resource allocation, and joint implementation, partnerships are unlikely to translate into tangible improvements in program effectiveness. This finding corroborates earlier research by Gazley and Brudney (2007), which cautions that partnerships do not automatically generate programmatic value.

Similarly, funding strategy does not directly affect program effectiveness. Although funding stability and diversification are essential for organizational survival, the findings indicate that they function primarily as enabling conditions rather than direct drivers of empowerment outcomes. This supports Carroll and Stater's (2009) argument that financial strategies contribute more to organizational resilience than to immediate program results. Program effectiveness appears to depend more heavily on implementation quality, contextual adaptation, and participatory engagement at the community level.

In contrast, meaningful youth participation has a significant effect on the effectiveness of community empowerment program. This finding highlights youth participation as a critical driver of program relevance, adaptability, and community connection. Consistent with (Hart, 1997) participation framework and Zeldin et al. (2014), youth involvement enhances implementation through innovation, social proximity to communities, and the ability to act as bridge actors between organizations and beneficiaries. Notably, this effect persists despite incomplete institutionalization of youth roles, suggesting that youth contributions operate strongly through social capital, creativity, and relational engagement rather than formal authority.

Overall, the findings suggest that organizational capacity and participation influence outcomes through distinct pathways. Funding strategy primarily strengthens strategic partnerships, while meaningful youth participation directly enhances program effectiveness. Strategic partnerships, however, require substantive integration into program cycles to generate tangible impacts. These results underscore the importance of moving beyond formal structures, whether in funding, partnerships, or participation, toward deeper institutionalization and operational integration to improve community empowerment outcomes. Meanwhile, the indirect-effect bootstrapping results are shown in the following table.

**Table 10. Path Coefficient Bootstrapping Results - Indirect Effect**

Hypothesis	T Statistics (O/Stdev)	P Values	Remark
H6 Strategic Partnerships have significant influence on mediating the relationship between Funding Strategy and Program Effectiveness.	1.349	0.177	Rejected
H7 Strategic Partnerships have significant influence on mediating the relationship between Meaningful Youth Participation and Program Effectiveness.	0.860	0.390	Rejected

Source: Primary Data Processed by Researcher (2025).

Based on Table 10, the findings indicate that strategic partnership does not mediate the relationship between funding strategy and the effectiveness of community empowerment programs. This study examines the mediating role of strategic partnership between funding strategy, meaningful youth participation, and the effectiveness of community empowerment programs. The results show that strategic partnership does not significantly mediate either relationship.

The first mediation hypothesis proposed that funding strategy indirectly influences program effectiveness through strategic partnership. This assumption is grounded in Resource Dependence Theory (Simanjuntak & Widyadhana, 2025; Žak & Hamerska, 2025), which posits that organizations with stronger funding capacity possess greater bargaining power in forming cross-sector partnerships. In addition, partnership and collaborative governance literature emphasizes that high-quality strategic partnerships serve as mechanisms for resource distribution, cross-actor coordination, and strengthened implementation capacity, which ultimately enhance program effectiveness (Mukami et al., 2024; Natalia et al., 2025). However, the empirical findings do not support this mediation. Although funding strategy significantly influences strategic partnership, the indirect effect on program effectiveness is not statistically significant, indicating that partnerships have not yet become effective channels for transforming financial capacity into improved outcomes.

Descriptive results reveal that partnerships remain weak in resource acquisition, capability sharing, and managerial and institutional readiness. These limitations suggest that partnerships are largely formal and administrative rather than substantively integrated into program implementation. This finding is consistent with Building Partnerships through Third-Party Facilitation, which shows that partnerships fail to generate tangible impacts without structured facilitation, trust-building, and operational integration (Siddiqui et al., 2024).

The second mediation hypothesis proposed that strategic partnership mediates the relationship between meaningful youth participation (MYP) and program effectiveness. Although MYP has a significant direct effect on program effectiveness, its indirect effect through strategic partnership is not supported. Youth participation remains concentrated at the operational level and is not institutionalized within partnership decision-making structures, while partnerships themselves lack substantive collaboration mechanisms.

Overall, strategic partnerships do not meet the structural and operational requirements to function as mediators. Funding strategy and meaningful youth participation influence program effectiveness through separate direct pathways, rather than through partnership mediation.

## CONCLUSION

This study provides important insights into how funding strategy, meaningful youth participation, and strategic partnership shape the effectiveness of community empowerment programs within NGOs. The key lesson derived from the findings is that organizational resources and participatory practices operate through distinct mechanisms rather than reinforcing one another. While funding strategy enhances NGOs' capacity to establish strategic partnerships, it

does not automatically translate into improved program effectiveness. In contrast, meaningful youth participation directly strengthens empowerment outcomes by enhancing program relevance, responsiveness, and community engagement. These findings highlight that empowerment effectiveness is driven less by financial capacity or formal collaboration structures and more by the substantive inclusion of beneficiaries particularly youth within program implementation processes. Strategic partnerships, when limited to administrative coordination, are insufficient to mediate or amplify the effects of funding and participation on program outcomes.

From a scholarly perspective, this study contributes to the literature by empirically disentangling the roles of managerial, participatory, and collaborative dimensions within NGO governance using a PLS-SEM approach. It advances existing theory by demonstrating that strategic partnerships do not inherently function as effective mediators unless embedded within operational and decision-making structures. However, this study is limited by its focus on a single national context, a relatively small sample size, and reliance on cross-sectional survey data, which restricts causal inference and generalizability. Future research is encouraged to adopt comparative and longitudinal designs, incorporate larger and more diverse samples, and explore additional moderating variables such as organizational size, sectoral focus, and the depth of partnership engagement to provide a more comprehensive understanding of empowerment program effectiveness and inform evidence-based policy and practice.

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