

Social Return on Investment and Impact Reporting Transparency as Determinants of Investor Trust and Funding Sustainability in Foreign Architecture Development Companies in Bali

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ABSTRACT

The increasing complexity of global investment environments has encouraged development companies to demonstrate not only financial performance but also measurable social value creation and transparent accountability. Foreign architecture development companies operating in Bali face growing expectations from investors regarding sustainable development practices, social responsibility, and long-term investment credibility. This study aims to examine the influence of Social Return on Investment (SROI) and Transparency in Impact Reporting on Investor Trust and Funding Sustainability among foreign architecture development companies in Bali. This research employs a quantitative approach using a survey method involving 185 respondents consisting of investors, project managers, company representatives, and related stakeholders. Data were collected through a structured questionnaire using a five-point Likert scale and analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS 3. The results indicate that Social Return on Investment has a positive and significant effect on Investor Trust, and Funding Sustainability. Transparency in Impact Reporting also significantly influences Investor Trust and Funding Sustainability. Furthermore, Investor Trust has a strong positive influence on Funding Sustainability. The mediation analysis confirms that Investor Trust plays an important mediating role in strengthening the relationship between sustainability-oriented practices and long-term funding continuity. These findings demonstrate that measurable social impact practices and transparent reporting mechanisms are essential strategic approaches for foreign architecture development companies to enhance investor confidence and maintain sustainable financial support. This study contributes to the literature on sustainable investment, stakeholder management, and corporate accountability by highlighting the importance of social value creation and transparency in strengthening investment relationships.

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1. INTRODUCTION

The global architecture and property development industry has experienced significant transformation as investors increasingly consider not only financial returns but also environmental, social, and governance (ESG) dimensions in evaluating investment decisions. Traditional investment assessment models that primarily emphasize profitability, asset appreciation, and financial performance are gradually being complemented by approaches that evaluate broader societal contributions and long-term sustainability outcomes [1], [2]. This shift reflects the growing expectation that companies demonstrate responsible business practices and measurable contributions to sustainable development [3], [4]. In this context, foreign architecture development companies operating in emerging destinations such as Bali face increasing pressure to demonstrate their contribution to local communities, cultural preservation, environmental sustainability, and inclusive economic development. The ability to communicate these contributions effectively has become a strategic factor in maintaining investor confidence and ensuring continuous access to financial resources.

Bali represents one of the most attractive destinations for international architecture and property development due to its global tourism reputation, cultural uniqueness, and increasing demand for sustainable hospitality and residential projects [5], [6]. The presence of foreign development companies has contributed significantly to infrastructure expansion, employment opportunities, and regional economic growth. However, these investments have also generated concerns regarding social inequality, cultural transformation, environmental degradation, and the sustainability of benefits received by local communities [6], [7]. As a result, investors are increasingly concerned not only with financial outcomes but also with how development companies manage their social responsibilities and environmental consequences. Companies that can provide

credible evidence of positive social impacts are more likely to establish stronger relationships with investors and secure sustainable financial support in competitive investment environments.

One important mechanism for demonstrating organizational contribution beyond financial performance is Social Return on Investment (SROI), which provides a framework for evaluating the social, economic, and environmental value generated by organizational activities relative to the resources invested. Unlike conventional financial indicators [8], [9], SROI captures intangible and non-financial outcomes, including community empowerment, employment creation, local economic stimulation, stakeholder welfare improvement, and environmental benefits. For architecture development companies, implementing SROI enables organizations to demonstrate that their projects create meaningful value beyond physical infrastructure development [10], [11]. Through systematic measurement and valuation of social impacts, companies can provide investors with stronger evidence regarding the effectiveness, legitimacy, and long-term sustainability of their investments.

The growing importance of SROI is closely associated with increasing demands for transparency and accountability in corporate impact reporting. Investors require reliable information regarding how organizations manage social and environmental consequences resulting from their operational activities. Transparent impact reporting allows stakeholders to evaluate whether companies fulfill their commitments toward sustainable development principles and responsible investment practices [10], [11]. In the architecture and development sector, such transparency may involve reporting on community engagement programs, environmental management initiatives, local economic contributions, cultural preservation efforts, and mechanisms for distributing social benefits. Effective impact transparency can reduce information asymmetry between companies and investors, thereby

strengthening stakeholder confidence and improving perceptions of organizational credibility.

Investor trust has become a critical intangible asset that determines organizations' ability to attract, maintain, and expand long-term investment relationships. Based on Stakeholder Theory, organizations are expected to establish trust-based relationships by demonstrating accountability, legitimacy, and responsiveness to the expectations of various stakeholders, including investors, local communities, governments, and society. Meanwhile, Signaling Theory suggests that transparent disclosure of social impact information functions as a positive signal regarding organizational reliability, ethical commitment, and future performance potential. When foreign architecture development companies demonstrate measurable social value creation through SROI and communicate their impacts transparently, investors are more likely to perceive these organizations as responsible and capable of generating sustainable value. Consequently, investor trust may become an important mechanism linking social impact practices with funding sustainability, particularly in capital-intensive industries requiring continuous financial support throughout project development phases.

Despite growing attention toward sustainability, transparency, and stakeholder-oriented investment practices, several research gaps remain. Previous studies have largely examined sustainability disclosure and stakeholder trust within large corporations, financial institutions, and publicly listed companies, while limited research has focused on foreign architecture development companies operating in tourism-based regions such as Bali. Furthermore, although SROI has gained recognition as an approach for measuring social value creation, empirical evidence regarding its influence on investor trust remains limited. The mechanism through which transparency in impact reporting strengthens investor trust and subsequently contributes to funding sustainability also

requires further investigation. Therefore, this study aims to examine the determinants of investor trust and funding sustainability among foreign architecture development companies in Bali by analyzing the influence of Social Return on Investment and Transparency in Impact Reporting. This research contributes theoretically by extending sustainable investment and stakeholder relationship literature through the inclusion of investor trust as a mediating mechanism. Practically, the findings provide insights for foreign architecture development companies regarding the importance of integrating measurable social value creation and transparent impact communication strategies to enhance investor confidence and establish sustainable funding relationships in an increasingly responsible investment landscape.

2. LITERATURE REVIEW

2.1 *Stakeholder Theory*

Stakeholder Theory, introduced by Freeman (1984), explains that organizational success depends not only on maximizing shareholder value but also on addressing the interests and expectations of various stakeholders, including investors, communities, governments, and society. For foreign architecture development companies in Bali, maintaining stakeholder legitimacy is crucial due to their economic, social, and environmental impacts. SROI aligns with this perspective by enabling companies to measure and communicate the broader value created for stakeholders beyond financial returns [12], [13]. Meanwhile, transparency in impact reporting strengthens accountability, reduces information uncertainty, and enhances investor confidence. Therefore, Stakeholder Theory

provides a foundation for explaining how SROI and impact transparency contribute to investor trust and funding sustainability [13], [14].

2.2 Signaling Theory

Signaling Theory, introduced by Spence (1973), explains how organizations reduce information asymmetry by providing signals that communicate their credibility, capabilities, and future prospects to external stakeholders. In investment contexts, sustainability disclosures, impact assessments, and corporate reports serve as important signals that demonstrate organizational commitment to responsible practices [15], [16]. For foreign architecture development companies, transparency in impact reporting through the disclosure of social contributions, community engagement, and sustainability performance can enhance investor perceptions of reliability and accountability [16], [17]. Therefore, Signaling Theory provides a theoretical foundation for explaining how transparency in impact reporting strengthens investor trust, which subsequently contributes to funding sustainability.

2.3 Social Return on Investment (SROI)

Social Return on Investment (SROI) is an impact measurement framework that evaluates the social, environmental, and economic value generated by organizational activities relative to the resources invested. Unlike conventional financial performance measures, SROI

captures broader dimensions of value creation, such as community welfare improvement, environmental benefits, stakeholder empowerment, and social change [11], [18]. In the architecture development sector, particularly among foreign companies operating in Bali, SROI enables organizations to demonstrate the wider contributions of their projects, including local employment creation, community engagement, cultural preservation, and sustainable development outcomes. By providing measurable evidence of social value creation, SROI enhances transparency, strengthens organizational legitimacy, and increases investor confidence. Therefore, this study proposes that SROI positively influences investor trust and contributes to funding sustainability by demonstrating responsible investment practices and long-term value creation.

H1: Social Return on Investment has a positive and significant effect on Investor Trust.

H2: Social Return on Investment has a positive and significant effect on Funding Sustainability.

2.4 Transparency in Impact Reporting

Transparency in impact reporting refers to the extent to which organizations disclose accurate, comprehensive, and accessible information regarding their social, environmental, and economic impacts. As an essential element of corporate accountability, transparent reporting enables stakeholders,

particularly investors, to evaluate organizational performance, sustainability commitments, and responsible business practices [19]. In sustainable investment contexts, impact reporting serves as a strategic mechanism to reduce information asymmetry and strengthen stakeholder confidence. For architecture development companies, disclosures related to community development, environmental management, cultural preservation, and stakeholder engagement provide investors with insights into the broader value generated by development projects. Therefore, transparency in impact reporting is expected to enhance investor trust and support funding sustainability by demonstrating organizational credibility, accountability, and long-term commitment to sustainable value creation.

H3: Transparency in Impact Reporting has a positive and significant effect on Investor Trust.

H4: Transparency in Impact Reporting has a positive and significant effect on Funding Sustainability.

2.5 Investor Trust

Investor Trust represents investors' confidence in an organization's capability, integrity, and commitment to achieving sustainable objectives. In investment environments characterized by uncertainty and long-term commitments, trust becomes a critical factor influencing continued financial support [20]–[22]. For foreign architecture development companies, maintaining investor

trust is essential due to the substantial capital requirements, regulatory challenges, and social and environmental risks associated with development projects. Practices such as SROI implementation and transparent impact reporting can strengthen investor trust by providing evidence of responsible resource management, social value creation, and organizational accountability [22], [23]. Therefore, investor trust serves as an important mechanism that connects sustainability practices with funding sustainability, as trusted organizations are more likely to maintain long-term investment relationships and attract continued financial support.

2.6 Funding Sustainability

Funding Sustainability refers to an organization's ability to maintain continuous and stable access to financial resources required for long-term operations and strategic development. In capital-intensive industries such as architecture and property development, funding sustainability is crucial due to high investment requirements, extended project timelines, and complex stakeholder coordination [24], [25]. Foreign development companies must demonstrate financial credibility, responsible management, and strong stakeholder relationships to secure continuous investor support. Investor trust plays a significant role in achieving funding sustainability, as trusted organizations are more likely to retain existing investments and attract future funding

opportunities [26], [27]. Therefore, effective stakeholder management, transparency, and accountability mechanisms are essential factors in strengthening long-term financial stability and investment continuity.

H5: Investor Trust has a positive and significant effect on Funding Sustainability.

3. METHODS

3.1 Research Design

This study employs a quantitative approach with an explanatory research design to examine the relationships among Social Return on Investment (SROI), Transparency in Impact Reporting, Investor Trust, and Funding Sustainability in foreign architecture development companies operating in Bali. The quantitative method is applied to empirically test the proposed hypotheses and measure the relationships among variables through statistical analysis. Based on Stakeholder Theory and Signaling Theory, this study analyzes whether SROI and Transparency in Impact Reporting enhance Investor Trust and whether Investor Trust subsequently contributes to Funding Sustainability. The unit of analysis consists of foreign architecture development companies involved in architecture, property development, hospitality development, and related construction activities with foreign ownership, investment participation, or international investor involvement, as these organizations operate within an environment where social accountability, impact communication, and sustainable funding are critical determinants of long-term success.

3.2 Population and Sample

The population of this study consists of stakeholders associated with foreign architecture development companies operating in Bali, including foreign investors, project managers, company representatives, financial decision-makers, business partners, and other stakeholders involved in investment and development activities.

Purposive sampling was applied to select respondents who met specific criteria, namely having experience with foreign architecture development projects, understanding investment activities, project management, sustainability practices, or impact reporting processes, and having a minimum involvement period of one year in the relevant organization or project. A total of 185 respondents participated in this study, which is considered sufficient for Structural Equation Modeling using Partial Least Squares (PLS-SEM). This method is appropriate for analyzing complex models involving latent variables and examining predictive relationships among constructs without requiring strict assumptions regarding data distribution.

3.3 Data Collection Procedure

Data were collected through a structured questionnaire distributed to selected respondents associated with foreign architecture development companies operating in Bali. The questionnaire was developed based on measurement indicators adapted from previous studies related to social impact measurement, sustainability reporting, investor relationships, and organizational performance. Respondents evaluated each statement using a five-point Likert scale ranging from 1 = Strongly Disagree to 5 = Strongly Agree, allowing the measurement of perceptions regarding SROI implementation, transparency in impact reporting, investor trust, and funding sustainability. Prior to analysis, all collected responses were examined for completeness and consistency, and incomplete questionnaires were excluded to ensure data quality and reliability.

3.4 Research Variables and Measurement Indicators

This study consists of four main constructs: Social Return on Investment (SROI), Transparency in Impact Reporting (TIR), Investor Trust (IT), and Funding Sustainability (FS). All constructs were measured using reflective indicators because

each indicator represents a manifestation of the underlying latent variable.

Table 1. Research Variables and Measurement Indicators

Variable	Definition	Indicators
Social Return on Investment (SROI)	The extent to which companies measure and demonstrate social, economic, and environmental value generated from investment activities.	SROI1: The company measures social benefits generated from development projects. SROI2: Investment activities create measurable benefits for local communities. SROI3: Social impact evaluation is integrated into project decision-making. SROI4: The company communicates social value generated from investments. SROI5: Social impact measurement improves stakeholder understanding of project value.
Transparency in Impact Reporting (TIR)	The extent to which companies provide accurate, accessible, and comprehensive information regarding social and sustainability impacts.	TIR1: The company regularly reports social and environmental impacts. TIR2: Impact reports provide accurate and reliable information. TIR3: The company discloses sustainability achievements transparently. TIR4: Impact information is easily accessible to investors. TIR5: Reporting practices reduce uncertainty regarding project performance.
Investor Trust (IT)	Investors' confidence in the company's integrity, capability, and commitment to sustainable development.	IT1: Investors believe the company manages investments responsibly. IT2: Investors trust the company's sustainability commitments. IT3: The company demonstrates reliability in fulfilling investment objectives. IT4: Investors perceive the company as transparent and accountable. IT5: Investors have confidence in the company's future performance.
Funding Sustainability (FS)	The ability of companies to maintain continuous and stable access to financial resources for long-term development.	FS1: The company can maintain long-term investment support. FS2: Investors are willing to continue funding future projects. FS3: The company has stable access to investment resources. FS4: Sustainable practices improve future funding opportunities.

		FS5: The company can maintain financial partnerships over time.
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3.5 Data Analysis Technique

The collected data were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS 3 software, as this method is suitable for examining complex relationships among latent variables and evaluating predictive research models. The analysis was conducted through two main stages: measurement model evaluation (outer model) and structural model evaluation (inner model). The outer model assessment examined indicator reliability, internal consistency reliability, convergent validity, and discriminant validity using outer loading, Cronbach's Alpha, Composite Reliability, Average Variance Extracted (AVE), and Fornell-Larcker criteria. Meanwhile, the inner model evaluation assessed the structural relationships among constructs through coefficient of determination (R^2), effect size (f^2), predictive relevance (Q^2), and hypothesis testing. Hypotheses were tested using the bootstrapping procedure with 5,000 subsamples, where relationships were

considered significant when the t-statistic exceeded 1.96 and the p-value was below 0.05. The tested relationships included the effects of Social Return on Investment and Transparency in Impact Reporting on Investor Trust and Funding Sustainability, as well as the influence of Investor Trust on Funding Sustainability.

4. RESULTS AND DISCUSSION

4.1 Respondent Characteristics

This study involved 185 respondents associated with foreign architecture development companies operating in Bali. The respondents consisted of investors, project managers, company representatives, business partners, and stakeholders who had direct knowledge regarding investment activities, sustainability practices, impact reporting, and project funding continuity. The demographic characteristics were analyzed to understand the background profile of respondents participating in this research.

Table 2. Respondent Demographic Characteristics

Characteristics	Category	Frequency	Percentage (%)
Gender	Male	118	63.8
	Female	67	36.2
Age	25–35 years	52	28.1
	36–45 years	74	40.0
	46–55 years	43	23.2
	>55 years	16	8.7
Education Level	Bachelor Degree	96	51.9
	Master Degree	69	37.3
	Doctoral Degree	20	10.8
Position	Investor/Investment Representative	56	30.3
	Project Manager	48	25.9
	Company Executive/Director	39	21.1
	Business Partner/Consultant	42	22.7
Experience in Development Projects	1–5 years	58	31.4
	6–10 years	77	41.6
	More than 10 years	50	27.0

Table 2 presents the demographic characteristics of the respondents involved in this study. The majority of respondents were male (63.8%), while female respondents

accounted for 36.2%. In terms of age, most respondents were between 36–45 years old (40.0%), followed by those aged 25–35 years (28.1%), 46–55 years (23.2%), and above 55

years (8.7%). Regarding educational background, the majority held a Bachelor's Degree (51.9%), followed by Master's Degree (37.3%) and Doctoral Degree (10.8%). Based on position, the respondents consisted of investors or investment representatives (30.3%), project managers (25.9%), business partners or consultants (22.7%), and company executives/directors (21.1%). In terms of experience in development projects, most respondents had 6–10 years of experience (41.6%), followed by 1–5 years (31.4%) and more than 10 years (27.0%). These characteristics indicate that the respondents possessed relevant professional backgrounds and sufficient experience to evaluate social impact practices, investor relationships, and

funding sustainability within foreign architecture development companies in Bali.

4.2 Measurement Model Evaluation

The measurement model was evaluated to assess indicator reliability, internal consistency reliability, convergent validity, and discriminant validity. The evaluation was conducted using SmartPLS 3.

4.2.1 Outer Loading Analysis

Indicator reliability was examined through outer loading values. Indicators with loading values above 0.70 are considered acceptable because they demonstrate strong representation of their respective constructs.

Table 3. Outer Loading Results

Construct	Indicator	Loading
Social Return on Investment (SROI)	SROI1	0.821
	SROI2	0.856
	SROI3	0.873
	SROI4	0.838
	SROI5	0.861
Transparency in Impact Reporting (TIR)	TIR1	0.845
	TIR2	0.878
	TIR3	0.864
	TIR4	0.832
	TIR5	0.891
Investor Trust (IT)	IT1	0.874
	IT2	0.892
	IT3	0.851
	IT4	0.879
	IT5	0.866
Funding Sustainability (FS)	FS1	0.852
	FS2	0.884
	FS3	0.873
	FS4	0.861
	FS5	0.895

Table 3 presents the outer loading results for each indicator used to measure the research constructs. The results show that all indicators of Social Return on Investment (SROI), Transparency in Impact Reporting (TIR), Investor Trust (IT), and Funding Sustainability (FS) have loading values above the recommended threshold of 0.70, indicating strong indicator reliability. The SROI construct demonstrates loading values ranging from 0.821 to 0.873, while the TIR

construct ranges from 0.832 to 0.891. Meanwhile, the Investor Trust construct has loading values between 0.851 and 0.892, and the Funding Sustainability construct ranges from 0.852 to 0.895. These findings confirm that all indicators adequately represent their respective constructs and can be retained for further analysis in the PLS-SEM model.

4.2.2 Reliability and Convergent Validity Testing

Presents the reliability and convergent validity assessment based on Cronbach's Alpha, Composite Reliability (CR), and Average Variance Extracted (AVE). The results indicate that all constructs achieved Cronbach's Alpha values ranging from 0.904 to 0.921 and Composite Reliability values ranging from 0.929 to 0.941, exceeding the recommended threshold of 0.70 and confirming strong internal consistency reliability. Furthermore, the AVE values for Social Return on Investment (0.724), Transparency in Impact Reporting (0.740), Investor Trust (0.761), and Funding

Sustainability (0.752) were all above the minimum criterion of 0.50, indicating adequate convergent validity. These findings confirm that the measurement model meets the required reliability and validity criteria and is suitable for further structural model analysis using PLS-SEM.

4.2.3 Discriminant Validity

Discriminant validity was evaluated using the Fornell–Larcker criterion. The square root of AVE for each construct should be higher than its correlation with other constructs.

Table 4. Fornell–Larcker Criterion

Construct	SROI	TIR	IT	FS
SROI	0.851			
TIR	0.672	0.860		
IT	0.714	0.738	0.872	
FS	0.645	0.691	0.759	0.867

Table 4 presents the discriminant validity assessment using the Fornell–Larcker criterion. The results indicate that the square root values of AVE for each construct, shown on the diagonal, are higher than the correlations with other constructs. Specifically, the square root of AVE values for Social Return on Investment (SROI), Transparency in Impact Reporting (TIR), Investor Trust (IT), and Funding Sustainability (FS) are 0.851, 0.860, 0.872, and 0.867, respectively, which exceed the inter-construct correlation values. These findings confirm that each construct demonstrates adequate discriminant validity, indicating that the variables in this study are empirically distinct and measure different conceptual dimensions. Therefore, the measurement model satisfies the discriminant validity requirements for subsequent structural model evaluation.

4.3 Structural Model Evaluation

After confirming the reliability and validity of the measurement model, the structural model was assessed by examining coefficient determination (R^2), predictive relevance (Q^2), effect size (f^2), and hypothesis testing.

4.3.1 Coefficient of Determination (R^2)

The coefficient of determination (R^2) results for the endogenous constructs in the structural model. The findings show that Investor Trust obtained an R^2 value of 0.623, indicating that Social Return on Investment and Transparency in Impact Reporting collectively explain 62.3% of the variance in Investor Trust, which is categorized as moderate explanatory power. Meanwhile, Funding Sustainability achieved an R^2 value of 0.714, demonstrating that Social Return on Investment, Transparency in Impact Reporting, and Investor Trust explain 71.4% of the variance in funding sustainability, indicating strong explanatory power. These results suggest that sustainability-oriented practices and trust-building mechanisms significantly contribute to explaining investment continuity and long-term funding stability among foreign architecture development companies operating in Bali.

4.3.2 Predictive Relevance (Q^2)

The predictive relevance (Q^2) results of the structural model. The findings indicate that both endogenous constructs have Q^2 values greater than zero, confirming that the

model demonstrates adequate predictive relevance. Investor Trust obtained a Q^2 value of 0.438, while Funding Sustainability achieved a Q^2 value of 0.512, indicating that the model has a strong predictive capability in explaining funding sustainability outcomes. These results demonstrate that the proposed framework involving Social Return on Investment, Transparency in Impact Reporting, and Investor Trust provides

meaningful predictive power in explaining the sustainability of funding relationships among foreign architecture development companies operating in Bali.

4.3.3 Hypothesis Testing

Hypothesis testing was performed using bootstrapping with 5,000 subsamples in SmartPLS 3.

Table 5. Path Coefficient and Hypothesis Testing Results

	Relationship	β	t-value	p-value	Decision
H1	SROI $\rightarrow$ Investor Trust	0.421	5.786	0.000	Supported
H2	SROI $\rightarrow$ Funding Sustainability	0.214	3.102	0.002	Supported
H3	Transparency in Impact Reporting $\rightarrow$ Investor Trust	0.486	6.934	0.000	Supported
H4	Transparency in Impact Reporting $\rightarrow$ Funding Sustainability	0.267	4.015	0.000	Supported
H5	Investor Trust $\rightarrow$ Funding Sustainability	0.531	8.247	0.000	Supported

Table 5 presents the path coefficient and hypothesis testing results obtained through the PLS-SEM analysis. The findings indicate that all proposed hypotheses are supported, as each relationship demonstrates a positive and statistically significant effect with t-values greater than 1.96 and p-values below 0.05. Social Return on Investment (SROI) positively influences Investor Trust ($\beta = 0.421$; $t = 5.786$; $p = 0.000$) and Funding Sustainability ($\beta = 0.214$; $t = 3.102$; $p = 0.002$), confirming that measurable social value creation contributes to stronger investor confidence and sustainable funding. Transparency in Impact Reporting also shows significant positive effects on Investor Trust (β

$= 0.486$; $t = 6.934$; $p = 0.000$) and Funding Sustainability ($\beta = 0.267$; $t = 4.015$; $p = 0.000$), indicating that transparent communication of social and environmental impacts enhances organizational credibility. Furthermore, Investor Trust has the strongest influence on Funding Sustainability ($\beta = 0.531$; $t = 8.247$; $p = 0.000$), demonstrating that investor confidence plays a critical role in maintaining long-term financial support for foreign architecture development companies. To examine whether Investor Trust mediates the relationship between sustainability practices and Funding Sustainability, an indirect effect analysis was conducted.

Table 6. Indirect Effect Results

Relationship	Indirect Effect	t-value	p-value	Result
SROI $\rightarrow$ Investor Trust $\rightarrow$ Funding Sustainability	0.224	4.892	0.000	Significant Mediation
TIR $\rightarrow$ Investor Trust $\rightarrow$ Funding Sustainability	0.258	5.641	0.000	Significant Mediation

Table 6 presents the indirect effect results to examine the mediating role of Investor Trust in the relationship between Social Return on Investment (SROI), Transparency in Impact Reporting (TIR), and Funding Sustainability. The findings indicate that Investor Trust significantly mediates the relationship between SROI and Funding

Sustainability ($\beta = 0.224$; $t = 4.892$; $p = 0.000$), demonstrating that the positive impact of SROI on sustainable funding is strengthened through increased investor confidence. Similarly, Investor Trust significantly mediates the relationship between Transparency in Impact Reporting and Funding Sustainability ($\beta = 0.258$; $t = 5.641$; $p =$

0.000), indicating that transparent impact disclosure enhances funding sustainability by improving investors' perceptions of organizational credibility and reliability. These results confirm that Investor Trust serves as an important mechanism linking sustainability-oriented practices with long-term funding continuity among foreign architecture development companies operating in Bali.

Discussion

The results of this study demonstrate that Social Return on Investment (SROI) has a positive and significant effect on Investor Trust, indicating that companies capable of measuring and demonstrating their social value creation are more likely to gain investor confidence. Foreign architecture development companies operating in Bali face increasing expectations from investors regarding responsible investment practices, where financial performance alone is no longer the primary consideration. Through SROI implementation, companies can provide evidence that their projects generate broader benefits, including community empowerment, employment opportunities, local economic contributions, and sustainable development outcomes. These findings support Stakeholder Theory, which emphasizes that organizational legitimacy is strengthened when companies create value for multiple stakeholders rather than focusing solely on financial returns [12], [13]. Furthermore, the findings indicate that SROI also has a significant effect on Funding Sustainability, although the direct influence is lower than its impact on Investor Trust. This suggests that social value creation contributes to long-term funding continuity because investors increasingly prefer organizations that demonstrate alignment with sustainability principles and responsible development practices [28], [29].

The findings further reveal that Transparency in Impact Reporting has a positive and significant effect on both Investor Trust and Funding Sustainability, with the strongest influence observed in its relationship with Investor Trust. This

indicates that transparent communication regarding social, environmental, and economic impacts represents a critical factor in shaping investor perceptions of organizational credibility. The results support Signaling Theory, which explains that organizations can reduce information asymmetry by providing reliable signals regarding their capabilities, accountability, and future prospects. For foreign architecture development companies, transparent disclosure of community development initiatives, environmental management practices, cultural preservation efforts, and project sustainability outcomes enables investors to better evaluate organizational performance and risk management capabilities. Consequently, companies that consistently provide credible impact reports are more likely to maintain investor confidence and secure continuous financial support, as transparency strengthens perceptions of reliability and responsible management [30], [31].

Investor Trust demonstrates the strongest positive effect on Funding Sustainability, confirming that trust represents a fundamental mechanism in maintaining long-term investment relationships. In capital-intensive industries such as architecture and property development, projects require substantial financial resources, extended implementation periods, and continuous collaboration between companies and investors. High levels of investor trust reduce perceived risks and increase investors' willingness to maintain existing investments or provide additional funding for future projects. Furthermore, the mediation results confirm that Investor Trust acts as an important bridge connecting SROI and Transparency in Impact Reporting with Funding Sustainability. This finding highlights that sustainability practices alone are insufficient unless they successfully build investor confidence. Therefore, foreign architecture development companies in Bali should integrate measurable social impact practices and transparent reporting mechanisms as strategic approaches to

strengthen trust and achieve sustainable funding continuity [31], [32].

5. CONCLUSION

This study examined the role of Social Return on Investment (SROI) and Transparency in Impact Reporting as determinants of Investor Trust and Funding Sustainability among foreign architecture development companies operating in Bali. The findings indicate that SROI positively influences Investor Trust and Funding Sustainability, showing that measurable social value creation strengthens investor confidence and supports long-term financial commitments. Transparency in Impact Reporting has the strongest effect on Investor Trust, demonstrating that accurate and reliable impact disclosure reduces information asymmetry and enhances

organizational credibility. Furthermore, Investor Trust significantly contributes to Funding Sustainability and mediates the relationship between sustainability practices and financial continuity. Theoretically, this study extends Stakeholder Theory and Signaling Theory by highlighting the role of social impact measurement and transparent communication in building trust-based investment relationships. Practically, companies should integrate SROI frameworks and impact reporting systems to strengthen legitimacy, investor relationships, and funding stability. Future research may expand the model by examining other sectors, regions, and additional factors such as ESG performance and corporate reputation. Overall, the study confirms that social value creation and transparency are essential for achieving sustainable investment relationships.

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