



Original Article

The Role of Social Capital and Communication Networks in the Development of Micro, Small, and Medium Enterprises in Riau Province, Indonesia

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Abstract: Micro, Small, and Medium Enterprises (MSMEs) play a critical role in regional economic development; however, in Riau Province, their growth remains constrained by limited access to resources, weak coordination, and dependence on traditional sectors such as oil and gas. Despite increasing attention to entrepreneurship, many MSMEs continue to face challenges related to information asymmetry, low innovation capacity, and fragmented networks. Existing studies have largely emphasized economic or technological aspects, with limited attention to the interaction between social capital and communication networks within local entrepreneurial ecosystems. This study examines the role of social capital and communication networks in enhancing the development, competitiveness, and sustainability of MSMEs in Riau Province, Indonesia. A qualitative case study approach was employed, involving in-depth interviews with 11 women entrepreneurs, participant observation in WhatsApp groups over one year, and document analysis. The findings reveal that social capital, comprising trust, shared norms, and networks developed through organizations such as PPUMI and IWAPI, serves as the foundation for collaboration and access to external resources. Communication networks exhibit a centralized yet dynamic structure, in which opinion leaders, bridges, and liaisons facilitate information flow and accelerate the diffusion of innovation. The study also highlights the complementary roles of homophily and heterophily in strengthening cohesion while promoting innovation and market expansion. Furthermore, integrating formal and digital communication channels enhances coordination, although digital literacy gaps remain. Thus, MSME development in Riau depends on the synergy between social capital, communication networks, and innovation.

Keywords: Social Capital, Communication Networks, MSMEs, Innovation Diffusion, Indonesia context.



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1. Introduction

Social capital encompasses trust, social networks, values, and norms, serving as a crucial foundation that strengthens solidarity, collaboration, and collective action (Putnam, 1993). In parallel, communication networks are not merely flows of information but processes of building shared understanding, enabling entrepreneurs to access

knowledge, establish partnerships, and expand market opportunities (Rogers & Kincaid, 1981). In 1755, Richard Cantillon first introduced the concept of entrepreneurship, encompassing critical competencies such as decision-making, business management, capital acquisition, human resource management, and marketing (Sutrisna, 2017). Entrepreneurship gained significant scholarly and practical attention around 1852, when business owners and investors in Europe sought fresh opportunities and innovative approaches to resource utilization, as conventional methods had become insufficient. Over time, entrepreneurship has established a strong reputation for driving economic growth, creating employment, and fostering innovation (Mazzarol & Rebound, 2017; Hisrich et al., 2017). Contemporary nations increasingly recognize a robust entrepreneurial sector as essential to maintaining competitiveness and achieving long-term economic resilience.

Indonesia continues to fall below global standards in entrepreneurial development. As of early 2024, data from the Badan Pusat Statistik (BPS) indicates that approximately 56.56 million entrepreneurs, out of a total workforce of 149.38 million, operate independent businesses, and 22.44 million rely on non-permanent workers (Asmini et al., 2024). The Ministry of Cooperatives and SMEs aim to increase the entrepreneurship ratio to 3.95% in 2024, up from the previous 3.18–3.47%, with a long-term target of at least 4% by the minimum benchmark among developed nations. However, the challenge extends beyond quantitative targets. Most entrepreneurs operate in the informal sector as micro- or small-business owners, facing constraints such as limited capital, restricted access to information, and inadequate management capacity. Although MSMEs continue to emerge, persistent structural obstacles hinder their growth and competitiveness (Hardi & Zaharman, 2018; Anita & Sumarni, 2023).

Riau Province exemplifies these challenges acutely. The regional economy has weakened due to excessive dependence on the oil and gas sector (PDPR, 2017), and efforts to diversify through MSME development have yielded limited results. Entrepreneurs in the region face significant barriers to accessing information on legal compliance, product selection, and market expansion (Nurjanah, 2021; Hanif et al., 2022). In this context, social organizations such as PPUMI and the Ikatan Wanita Pengusaha Indonesia (IWAPI) serve as vital support mechanisms, facilitating connectivity, training, collaboration, and market access. The evidence suggests that entrepreneurial success depends not solely on individual skill or motivation, but substantially on interpersonal connections and network formation (Reyes Bautista et al., 2025; Zhang et al., 2023). Social capital, comprising trust, shared norms, and community ties, promotes cooperation, resource sharing, and collective problem-solving (Khairussalam et al., 2024). Furthermore, entrepreneurs who leverage robust communication networks are better positioned to access information, forge partnerships, and enter new markets (Wang et al., 2018).

Prior research demonstrates that entrepreneurs with strong social networks exhibit greater innovation, resilience, and long-term sustainability (Soldatenko, 2020). However, most existing studies focus predominantly on political circles, technology sectors, or Western social media contexts, without adequately examining how local, community-based organizations facilitate entrepreneurial connectivity and communication (Kreiss & Saffer, 2015; Lauren & Pigg, 2016; Spinuzzi et al., 2016; Wang et al., 2018; Sun, 2020; Gontareva et al., 2020). This represents a significant gap in the literature. Further research is needed that integrates local community relationships with organizational communication practices, particularly in relation to MSME development. Collectively, the evidence suggests that social networks and effective communication extend beyond mere information dissemination. They provide the foundation for innovation, shared identity, and long-term success across diverse contexts.

This study examines the role of social capital and communication networks in supporting entrepreneurial development, with particular emphasis on enhancing the competitiveness and sustainability of MSMEs in Riau Province. It integrates social capital theory and communication network frameworks, highlighting the province's transition from dependence on oil and gas towards economic diversification through MSMEs. The theoretical contribution lies in offering new insights into how trust, norms, social relations, and communication flows shape entrepreneurial behavior. The practical contribution includes offering policy recommendations and organizational strategies to strengthen MSME competitiveness through network-based collaboration (Littlejohn et al., 2017; Feldner & Fyke, 2018).

2. Literature Review

Social capital is central to understanding how individuals come together to achieve collective outcomes. Putnam (1993; 2000) describes it as the networks that enable people to cooperate more effectively. It is broadly characterized by four core components: trust, social norms, social networks, and values. Trust facilitates smooth cooperation by reducing transactional friction and lowering the costs associated with collective action. Social norms, comprising shared rules and values, maintain social order and promote group cohesion. Social networks, whether formal or informal, enable the flow of information and resources among individuals. Shared values, at the core, unify members by providing a meaningful basis for civic engagement and mutual support. Social capital is generally categorized into three types. First, bonding social capital refers to connections derived from close ties among family members, friends, individuals sharing similar backgrounds, or residents of the same community. Second, bridging social capital involves establishing connections with individuals from other groups, thereby broadening one's social circle (Rohmawati et al., 2024). Third,

linking social capital encompasses relationships between individuals or communities and those with greater power or resources, such as government officials or large organizations.

Bonding social capital maintains intra-group cohesion, bridging social capital facilitates inter-group connectivity and cooperation, and linking social capital connects communities to institutions with authority or influence. Khairussalam et al. (2024) highlight that strong social capital significantly shapes individual and group behavior, influencing leadership effectiveness and economic development. Mikiewicz (2021) characterizes social capital as a "community resource" that reflects the degree of active participation in public life. In the context of entrepreneurship, these four components of social capital function in an integrated manner. Trust among entrepreneurs builds reputational capital and facilitates collaboration. Social norms such as honesty and commitment sustain the integrity of business relationships. Social networks provide access to new markets, funding, and opportunities that might otherwise remain inaccessible. Shared values, such as solidarity and mutual support, sustain cohesion during periods of adversity. Collectively, social capital serves as a critical enabler of the survival and growth of MSMEs. In parallel, communication network theory emphasizes that organizations and societies are formed through consistent patterns of interaction. Castells (2004) describes networks as sets of interconnected nodes, each capable of efficiently absorbing and processing information.

Littlejohn et al. (2017) argue that communication networks function to control information flows, unify interests, build shared interpretations, strengthen social influence, and enable resource exchange. Monge and Contractor (2003) add that communication networks consist of actors (nodes) and relationships (links) that define communication connections among individuals, groups, and organizations. Consequently, communication networks are not merely channels of information but also social structures that determine the effectiveness of coordination, knowledge distribution, and collaboration. Rogers (2003) examined the process by which new ideas and technologies are adopted through his Diffusion of Innovations theory. He posited that such ideas are disseminated through social networks and that opinion leaders exert significant influence on others' adoption decisions. According to Rogers, denser network connectivity accelerates the diffusion of innovations, whereas fragmented or poorly connected networks impede adoption. In entrepreneurial contexts, Rogers & Kincaid (1981) framework illustrates how information, such as emerging business opportunities, technological advances, or novel marketing strategies, is transmitted among individuals. Such exchanges shape entrepreneurial perceptions and encourage the adoption of innovative practices. However, the quantity of connections alone is insufficient; the nature of relationships, whether characterized by similarity (homophily) or difference (heterophily), also significantly influences the rate of diffusion.

Homophily refers to the tendency of individuals to associate with others who share similar characteristics, such as age, business type, or background. Rogers (2003) notes that this facilitates communication, as shared understanding is more readily achieved; however, a notable limitation exists in that homophilous networks may impede the entry of novel ideas. This dynamic is observable among culinary entrepreneurs, who naturally gravitate toward others in the same field. While this shared context builds trust and community cohesion, it may also intensify competition and restrict the circulation of new information. Heterophily, by contrast, occurs when individuals form connections with others from differing backgrounds or sectors. Rogers argues that such diversity enriches communication and introduces a broader range of perspectives. When culinary entrepreneurs collaborate with those from the beverage or creative industries, for instance, new product development emerges and marketing strategies are renewed. Such diversity stimulates innovation and facilitates access to broader markets.

Rogers identifies four main network patterns, all of which are observable among MSMEs in Riau. First, cliques are cohesive clusters of individuals connected by shared characteristics, such as culinary or fashion MSMEs that primarily associate within their own sector. While such groups are effective for building trust and facilitating cooperation, cliques may restrict the inflow of external ideas. Second, bridges are individuals who connect distinct groups, serving as conduits for information on training opportunities, new markets, and emerging opportunities. In Riau, individuals such as Yuli and Indah serve as bridges, ensuring broader information circulation within the network. Third, liaisons are typically external to MSMEs, such as government officials, bankers, or academics who are not MSME members themselves but facilitate access to external resources and opportunities. Organizations such as Bank Indonesia and Pertamina function as liaisons by providing funding or organizing exhibitions, granting MSMEs access to resources that would otherwise remain unavailable. Fourth, isolates engage minimally with the broader network, receiving information passively without contributing to or participating in collective exchanges.

Focused primarily on their own production activities, isolates tend to miss opportunities for knowledge exchange and innovation. These four network roles, namely cliques, bridges, liaisons, and isolates, collectively shape the diffusion of innovation within the network. Where homophily predominates, trust and solidarity are strengthened, but the generation of new ideas may be limited. Where heterophily is present, creative potential and innovation opportunities expand. The balance between these patterns, guided by opinion leaders who maintain both cohesion and openness, determines the pace and reach of innovation diffusion and sustains both network cohesion and receptivity to new ideas.

3. Materials and Methods

This study employed a qualitative, exploratory case study design to investigate the role of social capital and communication networks in the development of Micro, Small, and Medium Enterprises (MSMEs) in Riau Province, Indonesia. The qualitative method was chosen to gain a deep understanding of social interactions, trust-building processes, and communication patterns within entrepreneurial communities, particularly in the context of regional economic transformation from oil and gas dependence to MSME-driven diversification. The study focused on MSME actors who are actively involved in social and entrepreneurial organizations such as PPUMI and IWAPI, as these groups play a central role in facilitating networking, collaboration, and resource access. Participants were selected using purposive sampling based on specific criteria, including active participation in MSME-related organizations, a minimum of two years of business experience, and involvement in networking or community-based entrepreneurial activities. A total of 11 informants were included in the study, representing diverse business sectors, including culinary, food processing, and creative industries. These participants also held different organizational roles, including members, secretaries, and chairpersons, allowing the study to capture varied perspectives on communication flows and network structures.

Data collection was conducted using multiple methods to ensure comprehensive and credible findings. First, in-depth semi-structured interviews were conducted both face-to-face and online to explore participants' experiences, perceptions, and strategies regarding social capital and communication networks. Second, participant observation was conducted over 1 year, particularly within WhatsApp groups used by MSME communities, enabling the researcher to observe patterns of interaction, information exchange, and communication dynamics in real time. Third, secondary data were collected through document analysis, including academic literature, organizational records, policy documents, and relevant online sources, to provide contextual support and strengthen data triangulation. The data were analyzed using the interactive model proposed by Miles et al. (2014) which consists of three main stages: data condensation, data display, and conclusion drawing and verification. Data condensation involved organizing, coding, and simplifying the raw data to identify key themes, while data display was conducted through narrative descriptions and thematic categorization. The final stage involved interpreting the data, identifying relationships and patterns, and verifying conclusions through continuous comparison across data sources. To ensure the validity and reliability of the findings, the study applied source triangulation by cross-checking information obtained from interviews, observations, and documentation.

4. Results

4.1. Profile of Informants

Table 1 presents a comprehensive overview of the demographic and organizational characteristics of the 11 informants involved in this study. The informants consist exclusively of women entrepreneurs in Riau Province who are not only engaged in Micro, Small, and Medium Enterprises (MSMEs) but also actively participate in various entrepreneurial and community-based organizations, including PPUMI, IWAPI, and government-supported institutions such as AKU-BKKBN, PLUT, and PINBAS-MUI. Their ages range from 31 to 53 years, indicating that the sample comprises individuals in their productive, mature working years, with sufficient experience to provide meaningful insights into entrepreneurial practices and network dynamics. All participants have managed their businesses for at least two years and demonstrate sustained involvement in organizational activities. From an organizational perspective, the informants are affiliated with a diverse set of institutions, including PPUMI, IWAPI, AKU, PINBAS, PLUT, PUCUK REBUNG, UPPKA Wonorejo, UMKM Lam Riau, PPJI, and PERKUM. Among these, PPUMI and IWAPI emerge as the most dominant organizations, reflecting their central role in supporting MSME development in the region.

The diversity of affiliations suggests that the informants are embedded in multiple, overlapping networks, thereby enhancing their access to information, resources, and collaborative opportunities. This multi-membership also indicates the presence of both bonding and bridging social capital within the MSME ecosystem. Most informants work in the culinary sector, reflecting local market preferences and the availability of training and support in this field. Some entrepreneurs specialize in traditional products, such as *Kue Semprong*, fish rendang, and Riau-style chili paste, while others focus on modern food products, including frozen foods, chocolate, and herbal beverages. In addition, several informants provide training and certification services. The sample reflects a diverse range of entrepreneurial experience, from relatively new business owners to those with more than thirteen years of experience, offering a balanced perspective between emerging and established entrepreneurs.

Table 1. Profile of Informants

No.	Informant (Initials)	Age	Organization(s)	Position
1	DS	46	PPUMI; PINBAS; PLUT	Member

No.	Informant (Initials)	Age	Organization(s)	Position
2	EF	31	IWAPI	Member
3	IA	44	PPUMI	Member
4	IS	50	IWAPI; AKU	Chairperson
5	AS	52	PPUMI	Member
6	IPS	40	PPUMI	Member
7	DN	46	PPUMI	Secretary
8	AN	53	PPUMI; PUCUK REBUNG	Member
9	AM	49	IWAPI; AKU	Deputy Chairperson; Organizational Board
10	EI	52	IWAPI; UPPKA Wonorejo; UMKM Lam Riau	Branch Secretary; Chairperson; Organizational Board
11	YL	48	IWAPI; PPUMI; PPJI; PERKUM	Deputy Division Head; Member

In terms of organizational roles, the informants hold a wide range of positions, from general members to key leadership roles, including chairperson, secretary, deputy chairperson, and board members. The inclusion of individuals in leadership positions, such as IS, AM, and EI, highlights the presence of key decision-makers and opinion leaders within the sample. These actors play a critical role in facilitating communication flows, coordinating organizational activities, and connecting members with external stakeholders. Conversely, informants serving as general members provide valuable insights into how information is received, interpreted, and applied at the operational level. The variation in organizational roles reflects the hierarchical and functional structure of MSME networks in Riau. Leaders and administrators typically serve as central nodes in communication networks, responsible for disseminating information and maintaining coordination, while general members primarily act as recipients and implementers of that information.

Additionally, informants such as YL, who are involved in multiple organizations and hold hybrid roles, illustrate the role of bridging actors, connecting different groups, and facilitating the flow of knowledge and opportunities across networks. Participation in these organizations significantly enhances the informants' social capital by enabling network development, access to training, product improvement, and expansion of market opportunities. The result demonstrates that the informants are not only diverse in terms of age, organizational affiliation, business sector, and roles, but are also strategically positioned within MSME communication networks. This diversity strengthens the analytical depth of the study by capturing multiple perspectives from leadership-level decision-making to grassroots-level implementation and provides a holistic understanding of how social capital and communication networks support MSME development in Riau Province.

4.2. Social Capital as the Foundation of Networks

Social capital plays a crucial role in shaping how entrepreneurs in Riau establish and maintain relationships within their business networks. Elements such as trust, shared values, and social ties developed through organizations such as PPUMI and IWAPI facilitate information exchange, mutual support, and cross-sector collaboration. Participation in these organizations is not merely symbolic; rather, it serves as a strategic mechanism that connects entrepreneurs to external resources, including government programs, state-owned enterprises, and financial institutions. The findings indicate that homophily significantly contributes to network formation and cohesion. Informants emphasized that similarities in age, organizational membership, and business experience enhance interpersonal trust and ease of communication. As expressed by one informant, "Entrepreneurs become close because they share common characteristics, such as being part of the same communities or receiving similar institutional support. Age differences also influence interaction patterns." Similarly, another informant noted that shared affiliations, such as support from Bank Indonesia and business-sector similarities, foster closer relationships and smoother communication, particularly as entrepreneurs face comparable operational challenges, including access to raw materials, regulatory requirements, marketing, and capital constraints.

However, the study also reveals that heterophily plays a critical role in stimulating collaboration and innovation. Differences in business sectors, cultural backgrounds, and communication styles encourage the exchange of diverse perspectives and knowledge. As one informant explained, "Differences in products and experiences enable us to collaborate and learn from each other, often generating new ideas that we would not have considered individually." Such diversity enhances creativity, broadens problem-solving approaches, and facilitates cross-sector partnerships, ultimately expanding market opportunities. These findings align with perspective of Putnam (1993), which conceptualizes social capital as a public good that benefits both individuals and communities. Trust, as a core component of social capital, is developed through consistent interactions characterized by honesty, credibility, and shared norms. In the context of MSMEs in Riau, social organizations actively cultivate this trust by organizing training

programs in digital marketing, financial management, product development, and packaging, as well as by helping with legal compliance and market access. Furthermore, these organizations serve as intermediaries that connect entrepreneurs with external stakeholders, including government agencies, state-owned enterprises, and financial institutions.

Thus, the social capital emerges as the foundational element underpinning effective communication networks among MSMEs in Riau. Homophily strengthens internal cohesion and solidarity, while heterophily introduces diversity that fosters innovation and adaptability. The interaction between these two dimensions demonstrates that social organizations function not only as platforms for interaction but also as key drivers in building resilient, dynamic, and competitive entrepreneurial ecosystems.

4.3. Entrepreneurial Communication Networks

4.3.1. Communication Channels

In Riau, MSME social organizations use a variety of communication channels to disseminate information, ranging from formal mechanisms such as meetings, official correspondence, and government invitations to informal channels such as social media, WhatsApp groups, and face-to-face conversations. Among these, WhatsApp groups emerge as the most dominant and effective communication medium. They function as integrative platforms that accelerate information flow, enhance coordination, and ensure that members remain aligned. As one informant noted, "Official correspondence is slow because it requires preparation, whereas sharing information via WhatsApp is faster and more efficient." This reflects how digital communication tools reduce bureaucratic delays and enable real-time interaction among network members. The findings indicate that WhatsApp is not merely used for disseminating announcements but also serves multiple functions, including sharing meeting outcomes, distributing official invitations, facilitating discussions, clarifying regulatory information, and promoting products in line with schedules coordinated by group administrators. This multifunctionality highlights the role of digital platforms in blending formal and informal communication, thereby reducing uncertainty and increasing member participation.

These findings are consistent with previous studies (Suranto, 2018; Fischer & Reuber, 2014), which emphasize that communication channels influence not only the transmission of information but also the speed and effectiveness of its diffusion within entrepreneurial networks. Despite its advantages, digital communication is not without limitations. The study reveals disparities in digital literacy among members, particularly among older entrepreneurs who tend to prefer face-to-face interactions and structured training sessions. As one informant explained, training sessions are often more effective for knowledge transfer and last 1 to 3 days. Additionally, some participants rely on younger family members or team members to manage digital communication and online promotion, suggesting generational and skill-based gaps in technology adoption. These findings suggest that conventional communication methods remain relevant in complementing digital platforms and ensuring inclusivity within the network.

In addition to WhatsApp, other platforms such as Instagram, TikTok, Facebook, and Zoom are also utilized, albeit to a lesser extent. Instagram is primarily used for product promotion, while Zoom facilitates formal meetings with external stakeholders, particularly by organizational leaders. This hybrid communication system demonstrates that the effectiveness of communication networks depends not only on technological tools but also on underlying social capital, including trust and credibility. Information shared through WhatsApp is generally perceived as more reliable when disseminated by administrators or opinion leaders, whereas information obtained from external social media platforms often requires verification. Thus, the communication channels within MSME networks in Riau function not only as tools for information dissemination but also as mechanisms for maintaining legitimacy, strengthening social cohesion, and fostering active participation. The integration of digital and conventional communication practices ensures that networks remain both efficient and inclusive, thereby supporting the sustainability and adaptability of the entrepreneurial ecosystem.

4.3.2. Communication Network

The communication network structure of MSMEs in Riau exhibits a predominantly centralized pattern, with organizational leaders, particularly those within PPUMI and IWAPI, serving as primary connectors. Information dissemination typically follows a structured process, whereby official information is verified through meetings before being circulated to members via WhatsApp groups. As one informant explained, "Usually, I receive invitations or instructions from the chairperson, and then we share them with members according to the information received." This mechanism indicates that information flows are not entirely open but are governed by administrative control, ensuring both legitimacy and accuracy in communication. From Rogers's (2003) perspective, network structure plays a critical role in determining the direction and speed of innovation diffusion. The findings reveal that MSME networks in Riau function not only as hierarchical systems, but also as complex social ecosystems composed of multiple nodes with distinct roles. Cliques, for instance, consist of small groups formed based on business similarity or shared organizational membership. While these groups facilitate coordination and trust-building, they also risk exclusivity and fragmentation.

Bridges, on the other hand, are active members with access to external networks who connect internal groups to external opportunities, thereby accelerating innovation diffusion through the introduction of training programs, market access, and business development initiatives. Liaisons, such as government agencies, state-owned enterprises, financial institutions, and academic actors, provide formal access to resources and institutional support, thereby enhancing MSME capacity and legitimacy beyond internal networks. However, the findings also indicate the presence of isolated passive members who primarily receive information without actively participating in its dissemination or discussion. These individuals tend to lag behind in innovation adoption due to limited interaction and a primary focus on production activities. Such conditions may lead to stagnation, as isolates remain disconnected from evolving network dynamics. Thus, the MSME communication network in Riau can be understood as a dynamic and multifaceted social system. While centralization through organizational leadership ensures coordination, legitimacy, and information control, effective innovation diffusion requires a balance between centralized authority and network openness.

Excessive dominance of cliques may restrict information flow, whereas a high number of isolates may weaken participation and engagement. In contrast, the active involvement of bridges and liaisons enhances network openness, adaptability, and innovation capacity. Thus, the communication network structure of MSMEs in Riau functions not only as a hierarchical system of information distribution but also as a social mechanism that shapes the speed, quality, and direction of innovation diffusion. The advancement of MSMEs depends on how effectively organizations manage the balance between centralization and openness, as well as between internal cohesion and external collaboration.

4.4. Opinion Leaders in MSME Networks

The findings indicate that organizational chairpersons, secretaries, and active members with access to external networks function as opinion leaders within MSME communication networks in Riau. These individuals are highly trusted due to their credibility, entrepreneurial experience, and ability to establish and maintain relationships with external stakeholders. As one informant noted, "Opinion leaders are typically those in leadership positions, such as figures in IWAPI and PPUMI, whose networking ability and personal qualities attract other entrepreneurs to join." This statement suggests that trust in opinion leaders is not derived solely from formal authority, but also from their proven track records and interpersonal influence. From the perspective of Rogers and Cartano (1962), opinion leaders are key actors who are frequently consulted for advice and information. They play a critical role in accelerating the diffusion of innovation by connecting network members with external resources, including government institutions, state-owned enterprises, financial institutions, and academic bodies. At the same time, they reinforce internal trust by ensuring that the information disseminated is accurate, relevant, and aligned with members' needs. In this regard, opinion leaders function as intermediaries linking internal community cohesion with external opportunities.

Empirical findings further demonstrate that opinion leaders in Riau's MSME networks extend beyond formal leadership roles. Their influence is rooted in practical experience, networking, and effective communication with diverse stakeholders. These individuals actively facilitate the flow of information, validate its relevance, and encourage members to adopt new ideas, training opportunities, and business strategies. As a result, members are more likely to accept and implement innovations when they are endorsed by trusted figures within the network. In addition, opinion leaders help maintain network cohesion by preventing the concentration of information within limited groups or cliques. Through their relational capacity, they enable broader access to opportunities such as training programs, funding, product development initiatives, and market expansion. Their role is particularly important in bridging the gap between highly active members and more passive participants, ensuring a more inclusive and functional communication network. Thus, the presence of opinion leaders constitutes strategic social capital within MSME networks. They are not merely formal authorities but key actors who shape information flows, strengthen trust, and facilitate innovation. The effectiveness and sustainability of MSME communication networks in Riau are closely linked to opinion leaders' ability to serve as connectors, role models, and catalysts for the diffusion of innovation.

4.5. Opportunities and Access to Resources

Opportunities and access to resources play a critical role in shaping how entrepreneurs in Riau develop and utilize their networks. The findings indicate that social organizations such as PPUMI and IWAPI function not merely as associative groups but as strategic platforms that facilitate access to valuable information and resources essential for business development. Through these organizations, entrepreneurs gain access to a wide range of support, including training in digital marketing and financial management, product innovation and packaging development, and assistance with halal certification and legal compliance. In addition, these networks offer opportunities to expand into new markets through participation in bazaars, exhibitions, and other promotional events. Such access is not incidental but is enabled by structured, well-coordinated communication networks that link entrepreneurs with external stakeholders. Empirical evidence highlights the importance of external linkages in expanding entrepreneurial opportunities. Informants emphasized that many growth opportunities originate from connections with external actors, including government

agencies, state-owned enterprises, financial institutions, and media organizations. As one informant noted, “External parties providing information include PLN, BI, RRI, government institutions, BRI, and SPPG.”

These actors function as liaisons, providing MSMEs with access to resources that would otherwise be difficult to obtain. At the same time, active members of the network act as bridges, acquiring information from external sources and disseminating it internally. As another informant explained, “We receive information from various sources, and once obtained, it is shared with the group administrator to be distributed within the WhatsApp community.” This process illustrates the dynamic interaction between internal and external networks in facilitating resource flows. These findings are consistent with previous research. Iacob and Hristache (2017) argue that entrepreneurs who effectively interpret and utilize their networks are better positioned to identify opportunities and access resources that support business growth. Similarly, Rogers & Cartano (1962) emphasize that the diffusion of innovation is driven by the exchange of information within social systems, which in turn generates new opportunities. In the context of MSMEs in Riau, communication networks not only expand market access but also provide knowledge, skills, and institutional support that are essential for sustainable development.

The integration of findings further demonstrates that social capital and communication networks serve as the primary mechanisms through which entrepreneurs leverage opportunities and resources. Trust and credibility, particularly those associated with administrators and opinion leaders, ensure that information received is reliable and actionable. Bridges facilitate the diffusion of innovation by introducing cross-sector opportunities, while liaisons strengthen MSME capacity through formal support from external institutions. In contrast, passive members or isolates tend to develop more slowly due to limited interaction and engagement within the network. The opportunities and access to resources within MSME communication networks in Riau are not merely the result of external policies or programs but are largely shaped by structured social interactions. Social organizations act as key nodes connecting entrepreneurs with resources, while trust, solidarity, and openness in information exchange determine the extent to which these opportunities can be effectively utilized. When communication networks operate efficiently, MSMEs are not only able to sustain their businesses but also to advance through innovation, cross-sector collaboration, and broader resource utilization.

4.6. Homophily: Similarity as a Reinforcer of Solidarity

Within MSME networks in Riau, homophily plays a significant role in shaping interpersonal relationships and communication patterns. Entrepreneurs tend to associate with others who share similar characteristics, such as age, business type, and organizational membership. These shared attributes facilitate more frequent interaction, foster mutual understanding, and accelerate the development of trust and a sense of belonging. For instance, entrepreneurs operating in the same sector, particularly in the culinary industry, tend to form closer ties through shared experiences and common challenges. Similarly, members affiliated with the same supporting institutions, such as Bank Indonesia and PPUMI, develop stronger connections based on shared institutional support. As one informant explained, “The closeness between entrepreneurs comes from joining the same communities or receiving similar support; age differences also influence interaction patterns.” This highlights that both demographic and institutional similarities contribute to social cohesion within MSME networks.

Another informant noted that shared business sectors further reinforce these connections, as individuals are more likely to interact with others who face similar operational issues. Such conditions enable smoother communication and strengthen solidarity among network members. However, the findings also reveal that excessive homophily may generate unintended consequences. High levels of similarity can lead to increased competition, particularly in dominant sectors such as culinary businesses. As one informant observed, while MSMEs are expected to collaborate, competition among similar businesses may result in tension and fragmentation. This finding aligns with Everett Rogers's (2003) argument that homophily enhances communication effectiveness through shared attributes but may simultaneously limit the introduction of new ideas. Therefore, while homophily strengthens trust and cohesion, its overdominance may limit information diversity and hinder the diffusion of innovation.

4.7. Heterophily: Difference as a Source of Innovation

In contrast, heterophily, defined as interaction among individuals with diverse backgrounds, emerges as a critical driver of innovation within MSME networks in Riau. Differences in business sectors, cultural backgrounds, languages, and regional origins encourage the exchange of diverse perspectives and knowledge. These interactions foster creativity, promote adaptive learning, and stimulate the development of new products and strategies. For example, collaboration between culinary entrepreneurs and actors from other sectors, such as beverage or creative industries, enables the creation of more diverse product offerings and innovative marketing approaches. As one informant stated, “Differences in business types allow us to collaborate and exchange knowledge, leading to new ideas that would not emerge individually.” This illustrates how diversity enhances knowledge sharing and supports innovation. Another informant emphasized that differences in language and regional background encourage entrepreneurs to adapt their

communication styles, thereby increasing openness to new information and perspectives. Such adaptability strengthens entrepreneurs' overall capacity to operate in dynamic, evolving market environments.

These findings are consistent with Everett M. Rogers's (1983) perspective, which argues that innovation spreads more effectively when individuals interact with others who have different experiences and viewpoints. In the context of MSMEs in Riau, heterophily not only facilitates innovation diffusion but also expands market access. Cross-sector collaboration enables entrepreneurs to develop integrated product offerings, such as combining culinary products with creative industry outputs in exhibitions or promotional events. This approach enhances consumer value and strengthens competitiveness in both local and broader markets. Thus, heterophily functions as a creative bridge that connects entrepreneurs to new opportunities, enhances innovation capacity, and broadens market networks. While homophily reinforces trust and internal cohesion, heterophily introduces diversity that drives creativity and growth. A balanced integration of both dimensions is therefore essential to ensure that MSME communication networks remain cohesive while also being adaptive to external changes and competitive pressures.

5. Conclusions

This study demonstrates that social capital and communication networks play a fundamental role in supporting the development, competitiveness, and sustainability of MSMEs in Riau Province. Social capital, manifested through trust, shared norms, and strong relational ties within organizations such as PPUMI and IWAPI, serves as the foundation for effective collaboration, information exchange, and access to external resources. These findings confirm that entrepreneurial success is not solely determined by individual capabilities but is strongly influenced by the quality of social relationships and participation in networks. The study further highlights the dual role of homophily and heterophily in shaping network dynamics. Homophily strengthens cohesion, trust, and communication efficiency among entrepreneurs with similar backgrounds, while heterophily introduces diversity that stimulates innovation, cross-sector collaboration, and market expansion. A balanced integration of these two dimensions is therefore essential to ensure that MSME networks remain both cohesive and adaptive to change. In addition, the structure of communication networks in Riau is characterized by a centralized yet dynamic system in which organizational leaders and active members serve as opinion leaders, bridges, and liaisons. These actors play a critical role in facilitating information flows, validating knowledge, and connecting MSMEs with external stakeholders, including government institutions, financial organizations, and markets.

The presence of these roles enhances the speed and effectiveness of innovation diffusion, while also maintaining trust and coordination within the network. The findings also emphasize the importance of hybrid communication channels that combine formal mechanisms with digital platforms such as WhatsApp. This integration enables faster information dissemination, greater participation, and improved coordination, although it must be complemented by conventional methods to address disparities in digital literacy. Ultimately, the effectiveness of communication channels is closely linked to the underlying social capital that ensures trust and credibility in information exchange. In general, the development of MSMEs in Riau depends on the synergistic interaction between social capital, communication networks, and innovation processes. When these elements are effectively integrated, MSMEs are better positioned not only to survive but also to grow, adapt, and compete in an evolving economic environment. This study contributes to the literature by providing empirical insights into how social capital and communication networks interact within a localized entrepreneurial context, and it offers practical implications for strengthening MSME ecosystems through network-based collaboration and inclusive communication strategies.

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