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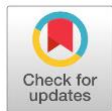
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Strengthening the Creative Industry through Corporate Governance: The Role of Green Accounting, Intellectual Capital, Competitive Advantage, and Fintech on Financial Performance

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Abstract

This research is important and aims to provide an empirical understanding of the determining factors of the financial success of the creative industry sector in a local context, while providing strategic recommendations for business actors, local governments, and other stakeholders in encouraging the sustainability of the creative economy. The research approach used is quantitative research with explanatory research. The data used in this study are primary data in the form of questionnaires. The population in this study are creative industry actors in Kupang City spread across six Districts in Kupang City. The sampling technique uses quota sampling so that the number of samples is 60 samples. The results of the study indicate that Green Accounting, Fintech, Green Intellectual Capital, and Green Competitive Advantage have a positive and significant effect on the financial performance of the creative industry in Kupang City. In addition, Good Corporate Governance (GCG) is proven to act as a moderating variable that strengthens the relationship between the variables Green Accounting, Fintech, Green Intellectual Capital, and Green Competitive Advantage with the financial performance of the creative industry in Kupang City.

Introduction

The creative economy serves as the lifeblood of regional development and grassroots entrepreneurship. Taking Kupang City as a prime example, the continuous emergence of local enterprises highlights the resilience of this sector. Yet modern business actors navigate a highly volatile landscape defined by rapid digitalization and fierce market rivalry. Traditional models of consumer behavior have fundamentally fractured under the weight of social commerce (Patwa et al., 2025; Leong et al., 2024; Al-Omouh & Shuhaiber, 2026). Today purchasing choices are rarely driven by isolated evaluations of price or basic utility. Instead, consumers rely heavily on community validation shared digital experiences and peer endorsements. Social Influence Theory clarifies this phenomenon by demonstrating that individuals actively align their personal choices with the collective intelligence of their broader networks (Wu et al.,

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2021; Centola, 2022; Rae & Blenker, 2024; Terenzi, 2024). To thrive in this interconnected environment creative industries can no longer rely solely on operational efficiency. They must actively engineer social legitimacy and community trust to secure their financial future.

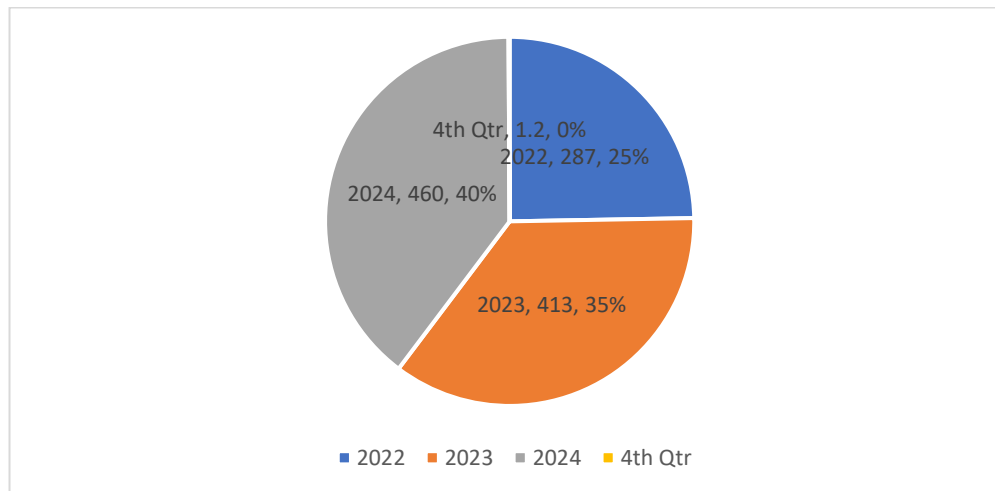


Figure 1. Number of Creative Industries

Source: Kupang City Tourism and Creative Economy Office (2025)

The demand for environmental responsibility forces organizations to completely reimagine their corporate reporting. Rather than treating Green Accounting as a mere compliance exercise forward thinking firms deploy it as a strategic communication tool. Signaling Theory provides a robust explanation for this shift. According to Connelly et al. (2011) organizations deliberately broadcast unobservable attributes to reduce information asymmetry and prove their underlying quality to the market. When companies voluntarily disclose their ecological impacts and environmental costs they emit a powerful signal of ethical integrity. This transparency does much more than satisfy regulatory bodies because it actively shapes public perception and cultivates deep relational trust (Zhou et al., 2024). Within socially driven markets these positive environmental signals ripple outward through community networks. This organic diffusion of ethical commitment solidifies consumer loyalty and ultimately translates into superior financial outcomes (Budi Riharjo et al., 2026; Celestin et al., 2024; Adhikari et al., 2025).

This pursuit of sustainability also reshapes how we understand organizational knowledge. Historically scholars have treated Green Intellectual Capital as an isolated internal asset primarily used to streamline production. However, placing this concept within a social commerce ecosystem reveals its true value as a mechanism for shared community enrichment. When firms disseminate their environmental expertise across their supply chains and customer bases, they stimulate collaborative innovation (Yusliza et al., 2020). This transparent sharing of green knowledge acts as a catalyst for community engagement and validates the ethical posture of the firm (Malik et al., 2020; Alqatan et al., 2025; Badar & Siddiquei, 2025; Azumah et al., 2026). Consequently, Green Intellectual Capital ceases to be a static asset. It evolves into a socially embedded capability that transforms internal environmental awareness into tangible economic success through the strengthening of stakeholder bonds.

As these sustainable practices mature, they naturally forge a Green Competitive Advantage. Conventional strategy literature often reduces competitive advantage to physical product superiority or cost leadership. Yet contemporary market dynamics suggest that true differentiation stems from collective reputation. Businesses that genuinely integrate environmentally responsible operations inadvertently generate a wealth of positive informal

testimonials and customer advocacy. These organic narratives circulate freely within local communities and exert a profound influence on public perception. Therefore, Green Competitive Advantage represents far more than a marketing tactic. It operates as a socially constructed asset and a symbolic reflection of shared ethical values which consistently drives purchasing intentions and guarantees long term financial stability (Agu et al., 2024; Alam et al., 2025).

While sustainability provides the ethical foundation the actual mechanics of modern commerce depend on robust digital architecture. The integration of Financial Technology fundamentally alters the interaction between creative industries and their consumers. Much of the existing literature narrowly confines the value of financial technology to transaction speed and cost reduction. However, in an era dominated by social commerce this technology functions as a vital social infrastructure that makes trust possible (Chang et al., 2016; Alnoor et al., 2022). Transparent digital payment ecosystems and secure online platforms drastically reduce the perceived risks associated with digital transactions. This technological reliability encourages repeated consumer engagement and enables firms to construct unassailable digital reputations. By facilitating seamless information diffusion financial technology deepens relational embeddedness and converts digital trust into measurable economic growth (Sharma et al., 2025).

Thus, the success of both green initiatives and digital transformations hinges entirely on the integrity of the organization itself. Legitimacy Theory posits that businesses can only survive when their operations align seamlessly with the moral and social expectations of their surrounding communities (Benvenuto et al., 2023). In this context Good Corporate Governance is not merely an administrative checklist or a compliance burden. Governance principles like accountability and transparency serve as vital social signals that eradicate stakeholder doubt (Janang et al., 2020). When a community perceives a firm as ethically and transparently governed, they are far more willing to embrace its environmental claims and trust its digital platforms. Strong governance therefore establishes the essential bedrock of relational trust amplifying the financial benefits of every other strategic initiative.

Despite a wealth of research addressing sustainability and digital innovation a glaring theoretical void persists. Most previous studies isolate variables like Green Accounting Green Intellectual Capital Green Competitive Advantage and financial technology treating them exclusively as cogs in a machine of operational efficiency. This study directly challenges that narrow perspective. By weaving together Social Influence Theory Signaling Theory and Legitimacy Theory this research constructs a comprehensive social commerce framework. The primary objective is to investigate how these specific green and digital strategies elevate the financial performance of the creative industry in Kupang City. More importantly this study explores how Good Corporate Governance moderates these relationships by acting as the ultimate anchor for community trust and social legitimacy.

Theoretical Framework

Social Influence Theory and Social Commerce Dynamics

The theoretical foundation of this study is rooted in Social Influence Theory which explains how individuals adjust their behaviors and decisions based on interactions within a community setting. In the context of social commerce businesses leverage community validation and peer interactions to build trust and drive consumer engagement. Studies show that sellers intentionally applying social influence approaches can significantly foster trust and repurchase intentions among buyers (Wu et al., 2021). Within digital environments platforms integrate

social interactions and collective intelligence to shape purchasing behavior which fundamentally differs from traditional electronic commerce models (Hongsuchon et al., 2025). The adoption of financial technology further expands these transactional networks and acts as a social infrastructure that accelerates information diffusion. By nurturing shared value and relational embeddedness organizations create a strong social network that translates community trust into tangible economic performance. Financial technology platforms facilitate interaction and digital reputation building which heavily influence consumer choices in socially connected markets.

Signaling Theory Green Accounting and Intellectual Capital

Signaling Theory provides the mechanism to understand how firms communicate their unobservable attributes to external stakeholders to reduce information asymmetry. Companies utilize green accounting and environmental disclosures as credible signals of their commitment to sustainability which enhances their corporate reputation and financial performance (Zhou et al., 2024). Furthermore, sustainability disclosures serve as vital indicators that influence market valuation and stakeholder trust (Djasuli, 2025). When organizations develop green intellectual capital, they are not merely accumulating internal capabilities but are generating shared value across the broader business ecosystem. The diffusion of environmental knowledge through social networks signals managerial quality and ethical responsibility which subsequently strengthens consumer confidence and organizational resilience (Asiawati, 2025). These transparent signals allow consumers to validate the environmental claims of the firm which directly supports the formation of a green competitive advantage grounded in collective reputation rather than mere product features. This strategic communication bridges the gap between internal sustainability efforts and external market expectations.

Legitimacy Theory and Good Corporate Governance

The integration of Good Corporate Governance is best understood through the lens of Legitimacy Theory. This theory posits that a company must operate within the bounds and norms of its surrounding society to secure ongoing support and survival. Organizations secure legitimacy only if their actions align with societal expectations and when they effectively communicate these actions to the public (Benvenuto et al., 2023). In this framework corporate governance acts as the foundational element of relational trust rather than a mere administrative function. Robust governance mechanisms ensure that social disclosures and sustainability practices are of high quality and fulfill community expectations (Janang et al., 2020). By adhering to these governance principles firms reduce the legitimacy gap and signal their commitment to ethical conduct which amplifies stakeholder trust and bolsters financial outcomes (Mahrani & Soewarno, 2018). A company striving for public approval will align its corporate governance structures to reflect community norms which in turn solidifies its social permission to operate (Fathoni & Suwarno, 2025). Strong governance mitigates perceived risks and fosters an environment where sustainable business practices are rewarded with consumer loyalty and increased economic performance.

Methods

This research utilizes a quantitative design with an explanatory approach to elucidate the relationships between Green Accounting, Green Intellectual Capital, Green Competitive Advantage, and Fintech on the financial performance of the creative industry in Kupang City, with Good Corporate Governance acting as a moderating variable. The population for this study is comprised of creative industry actors distributed across six sub-districts within the city. To ensure a representative distribution, this study employs a quota sampling technique. This

method allows for a balanced sample allocation, where the total sample size of 60 respondents is divided proportionally across the six sub-districts, resulting in 10 respondents from each sub-district. Primary data were gathered through the distribution of questionnaires directly to these business actors, ensuring that the collected information reflects the actual operational conditions and strategic perspectives of the creative industry enterprises in the region.

The research instrument was constructed as a structured questionnaire consisting of closed-ended statements. The indicators for each variable were developed based on theoretical dimensions and empirical frameworks relevant to the creative industry. To ensure precise measurement, all items are evaluated using a five-point Likert scale, ranging from 1 for strongly disagree to 5 for strongly agree. The operationalization of variables includes Green Accounting, which is measured by items representing the identification of environmental costs, the reporting of ecological impacts, and the measurement of environmental efficiency. Green Intellectual Capital is evaluated through indicators of green knowledge, innovation capabilities, and environmentally oriented work processes. Green Competitive Advantage is assessed using indicators such as environmentally friendly product differentiation, energy-efficient production processes, and the maintenance of an environmentally sound corporate image. Fintech is measured by the utilization of digital payment systems, access to technology-based financing, the use of digital banking, and investment platforms. Good Corporate Governance is operationalized through the five pillars of transparency, accountability, responsibility, independence, and fairness. Finally, Financial Performance is captured through indicators related to profitability, cost efficiency, revenue growth, and overall financial stability.

The data analysis follows a systematic process using the Partial Least Square approach with SmartPLS software version 3.0. This procedure is divided into several structured stages. First, raw data from the questionnaires are organized using Microsoft Excel before being imported into the SmartPLS environment for tabulation. Second, the measurement model evaluation stage confirms the validity and reliability of the research instruments by testing for convergent validity via outer loadings and Average Variance Extracted values, alongside internal consistency via Cronbach's Alpha and Composite Reliability. Discriminant validity is further verified using the cross-loading method, the Fornell-Larcker criterion, and the Heterotrait-Monotrait ratio to ensure each construct is distinct. Third, the structural model evaluation assesses the relationship between latent variables, involving the calculation of R-Square values to determine the percentage of variance in Financial Performance explained by the independent variables. Finally, the hypothesis testing stage employs bootstrapping procedures to determine the significance of the paths by testing the original sample estimates against standard deviations to produce T-statistics and P-values, confirming whether the proposed relationships and the moderating role of Good Corporate Governance are statistically significant.

Results and Discussion

Descriptive Analysis

The mean value for the Green Accounting variable ranges from 3.17 to 3.42. This finding indicates that environmental accounting practices such as identifying environmental costs, reporting ecological impacts, and measuring environmental efficiency have begun to be implemented, but are not yet fully optimal. Nevertheless, Green Accounting is generally considered relevant and supports transparency and sustainability, which impact financial performance. The mean value for all Green Intellectual Capital indicators ranges from 3.43 to 3.63. This indicates that creative industry players assess that environmentally oriented intellectual capabilities such as green knowledge, environmentally friendly innovation, and

sustainable work processes have been well implemented. The mean indicator for this variable ranges from 3.38 to 3.58. This finding indicates that companies in the creative industry perceive they have green competitive advantages such as environmentally friendly products, more energy-efficient production processes, and an environmentally sound corporate image. Thus, Green Competitive Advantage is an important driver in strengthening business positions and driving financial performance. All Fintech indicators have a mean of 3.58 to 3.75, included in the Strongly Agree category. This demonstrates that creative industry players have optimally utilized financial technology such as digital payments, technology-based financing access, digital banking, and investment platforms. Thus, fintech has become a crucial element in strengthening companies' financial structures and influencing the financial performance of the creative industry.

The mean GCG indicator ranges from 3.25 to 3.43. These results illustrate that the corporate governance principles of transparency, accountability, responsibility, independence, and fairness have been well implemented by creative companies. Strong GCG implementation creates investor confidence, reduces managerial risk, and encourages more efficient resource management. The mean indicator for Financial Performance is between 2.83 and 3.43. This indicates that the financial performance of creative industry companies is considered quite good, especially regarding profitability, cost efficiency, and the ability to generate economic value. Overall, there is a positive influence from the implementation of green strategies, financial technology, intellectual capital, and GCG on improving financial performance, although there is still room for improvement in certain aspects.

Evaluation of Measurement Model (Outer Model)

Table 1. Convergent Validity

Variables	Indicator	OL	Description
Green Intellectual Capital <i>CA:0.900</i> <i>CR:0.923</i> <i>AVE:0.668</i>	X1.1	0.870	Valid
	X1.2	0.864	Valid
	X1.3	0.808	Valid
	X1.4	0.831	Valid
	X1.5	0.735	Valid
	X1.6	0.789	Valid
Green Competitive Advantage <i>CA:0.855</i> <i>CR:0.892</i> <i>AVE:0.580</i>	X2.1	0.786	Valid
	X2.2	0.787	Valid
	X2.3	0.748	Valid
	X2.4	0.838	Valid
	X2.5	0.803	Valid
	X2.6	0.793	Valid
Fintech <i>CA:0.935</i> <i>CR:0.948</i> <i>AVE:0.754</i>	X3.1	0.799	Valid
	X3.2	0.840	Valid
	X3.3	0.867	Valid
	X3.4	0.929	Valid
	X3.5	0.914	Valid
	X3.6	0.855	Valid
Good Corporate Governance <i>CA:0.799</i> <i>CR:0.855</i> <i>AVE:0.597</i>	X4.1	0.701	Valid
	X4.2	0.767	Valid
	X4.3	0.789	Valid
	X4.4	0.791	Valid
	X4.5	0.743	Valid
	X4.6	0.720	Valid

	X5.1	0.830	Valid
Green Accounting	X5.2	0.797	Valid
CA:0.888	X5.3	0.792	Valid
CR: 0.915	X5.4	0.856	Valid
AVE:0.643	X5.5	0.849	Valid
	X5.6	0.775	Valid
	Y.1	0.761	Valid
	Y.2	0.826	Valid
Financial performance	Y.3	0.780	Valid
CA:0.885	Y.4	0.757	Valid
CR: 0.909	Y.5	0.764	Valid
AVE: 0.558	Y.6	0.791	Valid
	Y.7	0.744	Valid
	Y.8	0.731	Valid

All Green Intellectual Capital indicators have outer loading values between 0.735-0.870, exceeding the minimum limit of 0.70, thus all are valid. The Cronbach's Alpha (0.900) and Composite Reliability (0.923) values indicate excellent reliability, while the AVE of 0.668 proves that more than 66% of the indicator's variance can be explained by the construct. These findings illustrate that environmental-based intellectual capital encompassing knowledge, innovation, and the organization's ability to manage environmentally friendly processes is well-measured and capable of being a strong representation in explaining its contribution to strengthening the creative industry and improving financial performance.

The indicators in the Green Competitive Advantage variable have an outer loading of 0.748-0.838, all of which meet convergent validity standards. The Cronbach's Alpha value of 0.855, Composite Reliability of 0.892, and AVE of 0.580 indicate strong internal consistency and the variable's ability to accurately explain environmentally based competitive advantage. This confirms that green strategies such as environmentally friendly products, energy efficiency, and sustainability image are well-measured and valid constructs in influencing the competitiveness of the creative industry.

The Fintech variable demonstrates very strong measurement quality with outer loadings of 0.799–0.929, all of which are highly valid. The Cronbach's Alpha value of 0.935, CR 0.948, and AVE 0.754 are very high, indicating that the fintech variable has exceptional measurement consistency and is able to capture more than 75% of the indicator's variance. These results confirm that financial technology adoption, including digital transactions, technology-based financing, and financial efficiency, can be measured very accurately, allowing for a convincing analysis of its role in strengthening the creative industry and financial performance.

The outer loading of the Good Corporate Governance indicator ranges from 0.701 to 0.791, indicating complete validity. The Cronbach's Alpha value of 0.799, CR of 0.855, and AVE of 0.597 indicate adequate reliability and good convergent validity. These findings demonstrate that GCG principles such as transparency, accountability, responsibility, independence, and fairness are consistently measured. This confirms that corporate governance is a valid construct and plays a significant role in strengthening the foundation of the creative industry and driving improved financial performance.

Green Accounting has an outer loading of 0.775–0.856, indicating that all indicators are valid and able to represent the construct strongly. The reliability values of CA 0.888 and CR 0.915 are very good, while the AVE of 0.643 indicates that the variables explain more than 64% of the indicator variance. This indicates that environmental accounting practices including environmental cost identification, ecological impact measurement, and sustainability reporting

have been well measured in this study and are valid elements to understand their contribution to improving financial performance and strengthening the creative industry.

The outer loading of the Financial Performance indicator ranges from 0.731–0.826, all valid. The Cronbach's Alpha value of 0.885, Composite Reliability of 0.909, and AVE of 0.558 indicate that this construct is reliable and has good convergent validity. These results confirm that the dimensions of financial performance such as profitability, efficiency, revenue growth, and financial stability are effectively measured and can be used accurately to analyze the influence of GCG, Green Accounting, Intellectual Capital, Competitive Advantage, and Fintech in the context of the creative industry.

Discriminant Validity (Cross Loading)

Table 2. Discriminant Validity

	Green Intellectual Capital	Green Competitive Advantage	Fintech	Good Corporate Governance	Green Accounting	Financial performance
X1.1	0.870	0.622	0.705	0.690	0.476	0.466
X1.2	0.864	0.557	0.644	0.626	0.501	0.460
X1.3	0.808	0.589	0.594	0.614	0.498	0.469
X1.4	0.831	0.611	0.687	0.614	0.533	0.417
X1.5	0.735	0.528	0.593	0.525	0.492	0.370
X1.6	0.789	0.559	0.563	0.661	0.449	0.410
X2.1	0.632	0.786	0.561	0.589	0.507	0.514
X2.2	0.560	0.787	0.370	0.554	0.299	0.328
X2.3	0.606	0.748	0.515	0.653	0.455	0.429
X2.4	0.534	0.838	0.456	0.702	0.554	0.517
X2.5	0.463	0.803	0.488	0.595	0.585	0.548
X2.6	0.474	0.793	0.419	0.671	0.591	0.521
X3.1	0.589	0.468	0.799	0.422	0.429	0.416
X3.2	0.612	0.556	0.840	0.485	0.488	0.437
X3.3	0.624	0.467	0.867	0.425	0.506	0.604
X3.4	0.779	0.605	0.929	0.626	0.588	0.501
X3.5	0.668	0.515	0.914	0.455	0.471	0.524
X3.6	0.745	0.620	0.855	0.635	0.574	0.527
X4.1	0.502	0.527	0.554	0.701	0.452	0.500
X4.2	0.575	0.504	0.480	0.767	0.487	0.465
X4.3	0.538	0.464	0.504	0.789	0.633	0.664
X4.4	0.511	0.600	0.507	0.791	0.423	0.273
X4.5	0.452	0.632	0.465	0.743	0.358	0.484
X4.6	0.325	0.490	0.301	0.720	0.368	0.355
X5.1	0.420	0.558	0.303	0.510	0.830	0.629
X5.2	0.647	0.586	0.462	0.534	0.797	0.415
X5.3	0.579	0.646	0.464	0.470	0.792	0.462
X5.4	0.591	0.526	0.425	0.600	0.856	0.611
X5.5	0.462	0.514	0.422	0.580	0.849	0.557
X5.6	0.599	0.686	0.425	0.474	0.775	0.450
Y.1	0.538	0.490	0.411	0.614	0.464	0.761
Y.2	0.567	0.623	0.514	0.616	0.592	0.826
Y.3	0.537	0.531	0.512	0.555	0.497	0.780
Y.4	0.393	0.558	0.456	0.468	0.449	0.757
Y.5	0.247	0.383	0.352	0.458	0.495	0.764
Y.6	0.325	0.413	0.429	0.503	0.567	0.791
Y.7	0.190	0.360	0.354	0.374	0.506	0.744
Y.8	0.340	0.435	0.456	0.483	0.353	0.731

Based on the table above, the three discriminant validity measurement models, namely *cross-loading*, the *Fornell-Larcker criterion*, and the HTMT ratio, are well met. For discriminant validity with the *cross-loading model*, it can be seen that indicators X1.1 - X1.6 have the highest correlation with the Green Intellectual Capital variable. Likewise, other indicators have the highest correlation with each of their latent variables. Furthermore, for discriminant validity using the *Fornell-Larcker Criterion method*, it is seen that the value for each variable is greater than the correlation of other variables. Finally, for testing discriminant validity using the HTMT ratio method, it is seen that the correlation value between latent variables is less than 0.9.

Structural Model Evaluation (*Inner Model*)

Table 3. R – Square

	R-square	R-square adjusted
Financial performance	0.819	0.750
Good Corporate Governance	0.795	0.787

In the structure above, the *adjusted R Square value* was obtained at 0.750. This can be interpreted that the variability of the *Green Accounting*, *Green Intellectual Capital*, *constructs Green Competitive Advantage and Fintech* can explain 75% of the variability in the Financial Performance construct. Furthermore, the adjusted R Square value for the next structure is 0.795. This can be interpreted as indicating that the variability in the *Green Accounting and Green Intellectual Capital constructs is Green Competitive Advantage, Fintech, and Good Corporate Governance* can explain the variability of the Business Performance construct by 78.7%

Hypothesis Testing (Bootstrapping)

Table 4. Testing Hypothesis

Hypothesis	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values	Results
GA → KK	0.297	0.275	0.160	3.359	0.000	Accepted
GI → KK	0.215	0.241	0.213	3.010	0.000	Accepted
GCA → KK	0.306	0.331	0.173	3.537	0.000	Accepted
FT → KK	0.381	0.398	0.178	4.139	0.000	Accepted
GA → GCG → KK	0.299	0.263	0.207	3,477	0.000	Accepted
GI → GCG → KK	0.296	0.270	0.293	3,409	0.000	Accepted
GCA → GCG → KK	0.328	0.340	0.214	3,800	0.000	Accepted
FT → GCG → KK	0.324	0.359	0.278	3,764	0.000	Accepted

Sustainability, Social Trust, and Community Legitimacy as Drivers of Financial Performance in the Creative Industry

The findings demonstrate that Green Accounting, Green Intellectual Capital, Green Competitive Advantage, and Fintech significantly improve the financial performance of creative industry enterprises in Kupang City. In addition, Good Corporate Governance strengthens the influence of these strategic factors on financial performance. While previous studies have generally interpreted these relationships from efficiency-based and resource-based perspectives, the present findings suggest a broader explanation in which financial performance is shaped not only by internal capabilities but also by social processes involving trust formation, legitimacy building, and community validation.

The positive influence of Green Accounting on financial performance indicates that environmental accountability generates economic value beyond cost efficiency and regulatory compliance. From the perspective of Signaling Theory, environmental disclosures function as positive signals that communicate corporate responsibility and sustainability commitment to stakeholders. Such disclosures reduce information asymmetry and increase stakeholder confidence regarding the firm's environmental practices (Yahaya, 2025). In the context of the creative industry, where product differentiation is often associated with authenticity and ethical values, environmental transparency contributes to stronger consumer trust and favorable public perceptions. These findings support the argument that sustainability reporting serves as a trust-building mechanism capable of influencing consumer behavior and strengthening business performance. This interpretation is consistent with recent studies suggesting that environmental disclosure enhances stakeholder confidence and contributes to long-term organizational value creation (Dura & Suharsono, 2022; Safitri et al., 2024).

The findings also reveal that Green Intellectual Capital positively influences financial performance. Traditionally, Green Intellectual Capital has been understood as a combination of environmental knowledge, innovation capability, and organizational learning. However, the present findings indicate that its contribution extends beyond internal knowledge resources. Through the lens of Social Influence Theory, environmentally oriented knowledge and innovation become valuable when they are shared, communicated, and recognized within stakeholder networks. Creative industry actors who continuously develop environmentally friendly innovations create opportunities for stronger engagement with customers, suppliers, and local communities (Todeschini et al., 2017; Watson et al., 2018). Such interactions facilitate trust formation and strengthen stakeholder commitment to sustainable products and services. Consequently, Green Intellectual Capital functions not only as an internal organizational asset but also as a socially embedded resource that enhances legitimacy and strengthens market acceptance. This interpretation supports recent literature emphasizing the role of green knowledge and collaborative learning in generating sustainable competitive outcomes (Kaveh Asiaei et al., 2021; Noviarta et al., 2025).

Similarly, the significant effect of Green Competitive Advantage on financial performance suggests that environmentally oriented differentiation creates value through both economic and social mechanisms. Previous studies have predominantly emphasized superior product quality, innovation, and operational efficiency as sources of competitive advantage. However, the current findings indicate that competitive advantage is also reinforced by collective perceptions and community recognition. Environmentally friendly products generate symbolic value that extends beyond functional attributes. Consumers increasingly evaluate products based on environmental responsibility, ethical practices, and alignment with social values (Hosta & Zabkar, 2021; Romani et al., 2016). As positive experiences are communicated through recommendations, testimonials, and informal social interactions, environmentally responsible businesses receive broader community validation. This process strengthens reputation, enhances customer loyalty, and attracts new consumers. Therefore, Green Competitive Advantage can be understood as a socially constructed asset that operates through trust, reputation, and social endorsement mechanisms. These findings support previous studies demonstrating that environmentally responsible business practices contribute to stronger customer loyalty and sustainable financial outcomes (Chen & Chang, 2013; Imam et al., 2024).

The positive influence of Fintech on financial performance further highlights the importance of social interaction in contemporary business environments. Existing literature often focuses on Fintech as a tool for improving transaction efficiency and financial accessibility. While these benefits remain important, the present findings suggest that Fintech also functions as a social infrastructure that facilitates trust-based interactions between businesses and consumers.

Digital payment platforms, online transaction systems, and financial applications provide transparency, convenience, and security that reduce perceived transaction risks. These features strengthen consumer confidence and encourage repeated transactions. Moreover, digital financial platforms facilitate information sharing, customer engagement, and reputation development within online communities. In social commerce environments, trust generated through secure and transparent digital transactions can significantly influence purchasing behavior and business sustainability. Therefore, Fintech contributes to financial performance not only through operational efficiency but also through the creation of trusted digital ecosystems that support long-term business relationships. This interpretation aligns with recent studies emphasizing the strategic role of financial technology in strengthening customer engagement and business performance (Kurniawan et al., 2023; Dewanti et al., 2025).

An important contribution of this study is the finding that Good Corporate Governance strengthens the relationship between Green Accounting, Green Intellectual Capital, Green Competitive Advantage, Fintech, and financial performance. Previous research has frequently positioned GCG as an administrative mechanism focused on monitoring and control. However, the present findings suggest that its role extends to the development of social legitimacy and relational trust. Transparency, accountability, responsibility, fairness, and independence function as institutional signals that reduce uncertainty and information asymmetry among stakeholders (Efunniyi et al., 2024; Piuaru et al., 2024). These governance principles increase stakeholder confidence in the credibility of environmental initiatives, innovation activities, and digital transformation efforts undertaken by creative industry firms.

The moderating effect of GCG can be explained through Legitimacy Theory. Organizations that implement transparent governance practices are more likely to gain social acceptance because stakeholders perceive their activities as consistent with prevailing social norms and expectations. Consequently, environmental initiatives become more credible, innovation efforts receive stronger support, and digital technologies are adopted with lower levels of perceived risk. In this context, GCG serves as a trust-enhancing mechanism that amplifies the effectiveness of sustainability-oriented and technology-based strategies. The findings therefore support the argument that governance quality is not merely a managerial requirement but a critical foundation for building stakeholder trust and strengthening organizational legitimacy.

The results suggest that financial performance in the creative industry cannot be fully explained through efficiency-based perspectives alone. The significant effects of Green Accounting, Green Intellectual Capital, Green Competitive Advantage, and Fintech indicate that social mechanisms play an essential role in translating organizational strategies into economic outcomes. Trust formation, social influence, reputation building, and community validation emerge as important processes through which sustainability and digitalization initiatives generate financial value. The findings therefore contribute to the growing social commerce literature by demonstrating that economic performance is increasingly embedded within broader networks of social interaction, collective trust, and stakeholder legitimacy. As consumers become more socially connected and environmentally conscious, creative industry enterprises must integrate sustainability practices, digital technologies, and governance mechanisms to strengthen both economic performance and long-term stakeholder relationships.

Conclusion

The results of the study indicate that Green Accounting, Fintech, Green Intellectual Capital, and Green Competitive Advantage have a positive and significant impact on the financial performance of the creative industry in Kupang City. The implementation of environmental accounting practices, the use of financial technology, knowledge management and

environmentally friendly innovation, and the creation of green competitive advantages have been proven to increase sales, the number of consumers, profits, market expansion, and workforce absorption.

Furthermore, Good Corporate Governance (GCG) has been shown to act as a moderating variable, strengthening the relationship between these variables and financial performance. Information transparency, clarity of duties and authorities, objectivity in decision-making, fair treatment, and employee participation ensure the effective, accountable, and sustainable implementation of green and digital strategies. Therefore, the integration of green strategies, digitalization, and good governance is a key factor in driving sustainable improvements in the financial performance of the creative industry.

For creative industry players, it is recommended to improve the implementation of Green Accounting, the use of Fintech, and the management of Green Intellectual Capital and Green Competitive Advantage in an integrated manner with the principles of Good Corporate Governance. Increased information transparency, clarity of task allocation, and objectivity in decision-making need to be strengthened so that green and digital strategies can provide optimal impact on financial performance. For local governments and stakeholders, it is hoped that they can expand mentoring programs, training, and incentives related to financial digitalization and environmentally friendly business practices for creative industry MSMEs. Regulations and policies that encourage good business governance also need to be strengthened to increase business competitiveness and sustainability. For further research, it is recommended to add other variables such as digital capabilities, green innovation, financial literacy, or government policy support, as well as expand the scope of the region and research period to obtain more general and in-depth results.

Declaration of AI Use

During the preparation of this work, the author used generative AI technologies to enhance the clarity and stylistic quality of the manuscript. Specifically, AI was utilized to brainstorm patterns within the analyzed research findings and to paraphrase drafted sections for better textual delivery and academic flow. After using these tools, the author reviewed and edited the content to ensure accuracy and takes full responsibility for the final integrity of the research paper.

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