

Effectiveness of Tat Twam Asi-Based Servant Leadership Model to Enhance Village Economic Performance

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Abstract

Community-owned enterprises must pursue economic performance while maintaining social legitimacy, yet leadership research has insufficiently explained how indigenous ethical frameworks can be integrated into servant leadership in culturally embedded organizations. This study examined changes in participants' assessments of village-owned enterprises (BUMDesa) performance after a Tat Twam Asi-based servant leadership intervention and explored the participants' experiences of its relevance and application. An embedded mixed-method quasi-experimental design involved 60 participants from 15 BUMDesa in Buleleng Regency, Indonesia. Quantitative data were analyzed using descriptive statistics and the Wilcoxon Signed-Rank Test, while interviews with 15 participants were thematically analyzed. Participants reported significantly higher post-intervention performance assessments than in the pretest ($M = 3.51$ vs. 2.49 ; $Z = -6.685$, $p < .001$), alongside positive perceptions of the training's clarity, relevance, applicability, and participatory process. Qualitative findings further indicated increased confidence, role understanding, and perceived organizational capacity. The study positioned Tat Twam Asi not merely as cultural context but as a normative resource for interpreting service, reciprocity, responsibility, and legitimate authority within servant leadership. The findings extend culturally grounded leadership scholarship and offer implications for community-based enterprises operating at the intersection of economic objectives, collective responsibility, and local systems of legitimacy.

A. Introduction

Leadership becomes most consequential where managerial authority alone is least capable of securing organizational performance. Rural and community-based organizations operate within dense social relationships in which economic decisions are inseparable from trust, shared norms, collective expectations, and social legitimacy (Dami et al., 2022). This creates a persistent tension: organizations must remain economically viable while responding to communal responsibilities that cannot be reduced to market transactions. Studies of village economic institutions show that leaders are consequently required to mobilize participation, manage relational resources, and sustain legitimacy while pursuing organizational goals (Herman & Andrianto, 2019; Prasetya et al., 2023). Economic performance in such settings is therefore produced through more than managerial competence. It depends on how leadership negotiates the boundary between organizational efficiency and communal obligation, making leadership simultaneously an economic, social, and moral practice.

This tension is particularly pronounced in village-owned enterprises, whose economic mandates are institutionally intertwined with community governance. In Indonesia, these organizations, commonly known as BUMDesa, are legally recognized community-owned enterprises established to manage local assets, provide economic services, and generate collective income (Hakim et al., 2024; Mukhlis et al., 2026). Comparable institutions operate internationally under different arrangements, but they confront a similar governance challenge: economic objectives must be pursued within structures of participation, collective ownership, and social accountability. Evidence indicates that their performance is closely associated with leadership practices that promote inclusion, role clarity, and shared ownership among organizational members (Adawiyah & Lawelai, 2025; Sita & Nor, 2024). The difficulty confronting such enterprises is thus not merely how to improve managerial capacity, but how to exercise leadership that remains economically effective without becoming detached from the social relationships and customary sources of legitimacy that sustain community-based governance (Mukhlis et al., 2026).

Scholarships on community-based enterprises has increasingly recognized this relational dimension, although it has approached the problem from different analytical directions. Organizational climates characterized by cooperation and moral responsibility have been associated with leadership effectiveness (Zhou & Shi, 2024), while studies of village-owned enterprises emphasize trust, perceived fairness, and meaningful participation

in explaining employee performance and satisfaction (Kurniasih et al., 2025). Research on community-based tourism and agricultural enterprises similarly indicates that leadership attentive to local values can support resilient organizational outcomes (Chen et al., 2023). Together, these studies challenge purely instrumental accounts of organizational performance by showing that relational and normative conditions matter. What remains less adequately explained is the mechanism through which culturally embedded moral values become part of leadership practice and subsequently shape organizational behavior and outcomes.

Servant leadership appears particularly relevant to this unresolved problem because it reorients leadership from authority and control toward service, stewardship, and responsibility for collective well-being (Aryee et al., 2023; Wang et al., 2023). Yet the growing application of servant leadership across organizational settings also reveals a conceptual difficulty (Meuser, 2023). Its ethical principles are often discussed as though service, responsibility, and stewardship carry relatively stable meanings across cultural contexts. In community-owned enterprises, however, leadership is enacted within culturally embedded understandings of obligation, reciprocity, authority, and moral conduct. Treating these cultural foundations merely as contextual background risks overlooking how they shape the meaning and enactment of servant leadership itself. Understanding leadership in such organizations consequently requires engagement with indigenous ethical systems through which service and legitimate authority are socially interpreted (Aryee et al., 2023; Hanifah et al., 2025).

This is where indigenous ethical traditions become theoretically consequential rather than merely culturally descriptive (Sendjaya et al., 2022). Tat Twam Asi articulates a moral philosophy of relational equivalence and shared existence in which individual and collective interests are fundamentally interconnected (Divayana, 2021). Its continuing relevance as a locally embedded normative framework has also been documented in research showing how Tat Twam Asi operates within community responses to social relations and conflict (Rasyid et al., 2023). Translated into leadership practice, its emphasis on empathy, mutual care, and moral accountability provides a normative logic through which responsibility toward others can be understood and enacted. These principles intersect with the ethical orientation of servant leadership, but they also ground that orientation in locally meaningful understandings of social and economic responsibility (Divayana, 2023; Hanifah et al., 2025). Tat Twam Asi can therefore be read not simply as a cultural value surrounding leadership, but as a moral framework capable of explaining

how servant-oriented principles acquire meaning, legitimacy, and practical expression within socially embedded organizations.

The importance of this relationship intensifies as rural economies encounter digitalization, market integration, and environmental pressures that simultaneously demand adaptation and social legitimacy (Liu et al., 2025; Xing et al., 2023). Evidence from rural development also warns that economic interventions disconnected from local moral frameworks may produce unintended social and environmental consequences (Musnadi et al., 2024; Rasyid et al., 2023). Although existing studies increasingly recognize local values, relational governance, and servant leadership, these strands of scholarship largely remain conceptually parallel. Indigenous ethics is commonly treated as context, while servant leadership is retained as the principal explanatory framework. Such separation leaves insufficiently theorized how indigenous moral reasoning may enter the internal logic of servant leadership and influence its enactment within community-owned enterprises. The unresolved issue is therefore not whether culture matters, but how culturally grounded ethics can become an explanatory component of leadership theory itself.

Examining this relationship through leadership intervention provides an empirical route for moving beyond that conceptual separation. Leadership training creates conditions in which ethical principles can be translated into organizational practices and participants can negotiate their relevance to actual institutional responsibilities (Ramanadhan et al., 2022; Sudathip et al., 2022). When servant leadership is articulated through *Tat Twam Asi*, training is no longer limited to transmitting managerial techniques; it becomes a process through which leadership may be reinterpreted in terms of relational responsibility, community obligation, and collective welfare. Participants' experiences can consequently reveal whether culturally grounded ethical principles are perceived as relevant and applicable, while changes in their assessments of organizational performance provide complementary evidence of how such an intervention operates within BUMDesa. This connection allows leadership development to be examined simultaneously as an organizational and culturally embedded process.

The present study consequently brings *Tat Twam Asi* into servant leadership theory as a complementary theoretical lens rather than treating it as a cultural attribute surrounding an otherwise universal leadership model. This positioning shifts the analytical question from whether local values influence leadership to how indigenous moral principles may reinforce the enactment of servant leadership within community-

B. Method

The study involved 15 BUMDesa in Buleleng Regency, with four participants from each organization, yielding 60 participants whose demographic characteristics are presented in Table 1. The intervention was implemented at the BUMDesa level, whereas quantitative data were collected from individual participants assessing their respective organizations. The dataset therefore comprised 60 matched pretest–posttest participant-level observations rather than 60 independent objective measurements of organizational performance. Because participants within the same BUMDesa shared the same organizational context and intervention, the observations may not have been fully independent. The analysis nevertheless retained the matched participant-level observations

to examine changes in participants' assessments. This nested structure was considered when interpreting the findings and is acknowledged as a study limitation.

Table 1. Participant Profile

Demographic characteristic		N	%
Gender	Male	23	38.3
	Female	37	61.7
Age (in Years)	18-24	12	20.0
	25-34	38	63.3
	35-44	7	11.7
	45-54	3	5.0
	55-64	1	1.7
Level of education	High school	29	48.3
	Diploma program	9	15.0
	Undergraduate degree	22	36.7
Experience (in Years)	01-05	48	80.0
	06-10	12	20.0

Data were collected using two quantitative instruments and a semi-structured interview protocol. The 10-item BUMDesa Performance Rating Scale measured participants' assessments of BUMDesa economic performance, while the 14-item Tat Twam Asi Leadership Response Scale assessed perceptions of the training and model application. Both instruments were developed from relevant literature and reviewed by six experts in leadership and community empowerment for content relevance, clarity, and representativeness. Content validity was assessed using four-point expert ratings and Aiken's V, yielding an overall value of 0.92. Both instruments demonstrated satisfactory internal consistency (Cronbach's $\alpha = 0.91$ and 0.96 , respectively). The interviews explored participants' experiences, perceived benefits and challenges, and perceptions of the model's practicality and sustainability.

Quantitative data were analyzed using IBM SPSS Statistics. Descriptive statistics summarized participants' assessments, while the Wilcoxon Signed-Rank Test examined changes between pretest and posttest scores, with statistical significance set at $p < .05$. Interview data were transcribed and thematically analyzed using Quirkos version 2.5.4. The qualitative findings complemented and contextualized the quantitative results by identifying patterns in participants' experiences of the leadership training and its organizational implementation.

All procedures involving human participants followed applicable institutional and national ethical requirements. Research permission was obtained from the Buleleng

Regency Government and the participating BUMDesa. Before participation, participants were informed about the study's purpose, procedures, voluntary nature, and confidentiality, and informed consent was obtained. Participants' confidentiality was maintained throughout the research process, and all data were used solely for academic and research purposes.

C. Results and Discussion

This section presents the empirical findings and their analytical interpretation in relation to the study objectives. The results first report changes in participants' assessments of BUMDesa economic performance following the leadership intervention, followed by their responses to and experiences with the Tat Twam Asi-based servant leadership model. The discussion then integrates the quantitative and qualitative evidence to examine the theoretical and practical implications of culturally grounded servant leadership for community-based economic governance.

1. Results

The results provide empirical evidence on two interrelated aspects of the study: changes in participants' assessments of BUMDesa economic performance following the Tat Twam Asi-based servant leadership intervention and participants' perceptions and experiences of its implementation. The quantitative findings describe changes between the pre- and post-intervention measurements and response patterns across the leadership training indicators, while the qualitative findings capture participants' experiences of the training process, organizational relevance, perceived benefits, and areas for improvement. Together, these findings address the study objectives while maintaining a distinction between the empirical results presented here and their theoretical interpretation in the subsequent Discussion.

a. BUMDesa Economic Performance

BUMDesa economic performance was assessed at two measurement points using the 10-item BUMDesa Performance Rating Scale. The same 60 participants completed the assessment before and after the intervention, generating 60 matched pretest-posttest observations. Consistent with the study design, these scores represent participants' assessments of the economic and organizational conditions of their respective BUMDesa

rather than independent objective measurements of organizational performance. Descriptive statistics for the two measurement phases are presented in Table 2.

Table 2. Descriptive Statistics of Overall BUMDesa Performance Before and After the Intervention

Intervention Phase	N	Mean (1-5)	SD	Range
Pre-intervention	60	2.49	0.33	1.70–3.40
Post-intervention	60	3.51	0.58	2.80–4.90

Table 2 shows a clear upward shift in participants' assessments between the two measurement phases. The mean composite performance score increased from 2.49 ($SD = 0.33$) before the intervention to 3.51 ($SD = 0.58$) after the intervention. The score range also shifted from 1.70–3.40 at pre-intervention to 2.80–4.90 at post-intervention. The higher post-intervention mean indicates that participants generally assessed the economic and organizational conditions of their respective BUMDesa more positively following the intervention period. The increase in the standard deviation from 0.33 to 0.58 indicates greater variation among participant assessments at post-intervention. The statistical significance of this difference was subsequently examined using the Wilcoxon Signed-Rank Test.

The Wilcoxon Signed-Rank Test compared the pre- and post-intervention scores across all 60 matched observations. This analysis was used to determine whether the shift identified descriptively represented a statistically significant difference between the two measurement phases. The results are presented in Table 3.

Table 3. Wilcoxon Signed-Rank Test Results for Pre- and Post-Intervention Scores

Intervention Phase	Mean (1-5)	Z	p-value
Pre-intervention	2.49	-6.685	< 0 .001
Post-intervention	3.51		

The analysis yielded $Z = -6.685$ and $p < .001$, indicating a statistically significant difference between the pre- and post-intervention assessment scores. All 60 matched observations were included in the analysis, with no cases excluded. This result corresponds with the descriptive increase in the overall mean score from 2.49 to 3.51. Statistical evidence therefore demonstrates a systematic change in participants' assessments between the two measurement phases. Given that the measurements represent participant-level assessments within a quasi-experimental design, the result is reported as an

observed pre-post difference associated with the intervention period rather than as an independently established causal effect.

Indicator-level results further show that higher post-intervention scores occurred across all ten dimensions included in the BUMDesa Performance Rating Scale. Table 4 presents the pre- and post-intervention means and standard deviations for each indicator, together with the reported standardized effect sizes.

Table 4. Effect Sizes (Cohen's *d*) for Pre- and Post-Intervention Differences Across Indicators

Indicator	Pre-intervention (Mean $\pm$ SD)	Post-intervention (Mean $\pm$ SD)	Cohen's <i>d</i>
Revenue Growth	2.50 $\pm$ 0.15	3.87 $\pm$ 0.09	11.08
Business Unit Growth	2.58 $\pm$ 0.14	2.93 $\pm$ 0.15	2.41
Customer Growth	2.45 $\pm$ 0.15	3.53 $\pm$ 0.08	8.98
Manager Welfare	2.58 $\pm$ 0.14	3.47 $\pm$ 0.12	6.83
Community Engagement	2.38 $\pm$ 0.15	3.40 $\pm$ 0.09	8.25
Innovation	2.58 $\pm$ 0.14	3.20 $\pm$ 0.14	4.43
Leadership Effectiveness	2.20 $\pm$ 0.14	3.53 $\pm$ 0.10	10.93
Transparency & Accountability	2.32 $\pm$ 0.14	3.93 $\pm$ 0.13	11.92
Asset Growth	2.43 $\pm$ 0.16	3.40 $\pm$ 0.10	7.27
Reputation & Trust	2.82 $\pm$ 0.15	3.87 $\pm$ 0.10	8.24

The largest absolute mean increase was recorded for transparency and accountability, which rose from 2.32 ($SD = 0.14$) to 3.93 ($SD = 0.13$), followed by revenue growth from 2.50 ($SD = 0.15$) to 3.87 ($SD = 0.09$) and leadership effectiveness from 2.20 ($SD = 0.14$) to 3.53 ($SD = 0.10$). Customer growth increased from 2.45 to 3.53, reputation and trust from 2.82 to 3.87, community engagement from 2.38 to 3.40, and asset growth from 2.43 to 3.40. Higher post-intervention scores were also observed for manager welfare (2.58 to 3.47), innovation (2.58 to 3.20), and business unit growth (2.58 to 2.93). Thus, the upward pattern was not confined to a single dimension but was evident across all indicators measured.

b. Participants' Perceptions and Experiences

Participants' responses to the leadership intervention were assessed through 14 items representing seven indicators, with each indicator comprising one positively worded and one negatively worded statement. The response distributions provide a complementary view of how participants perceived the clarity, relevance, usability, engagement, and organizational applicability of the training. Figure 1 presents the distribution of responses across the positive and negative statements.

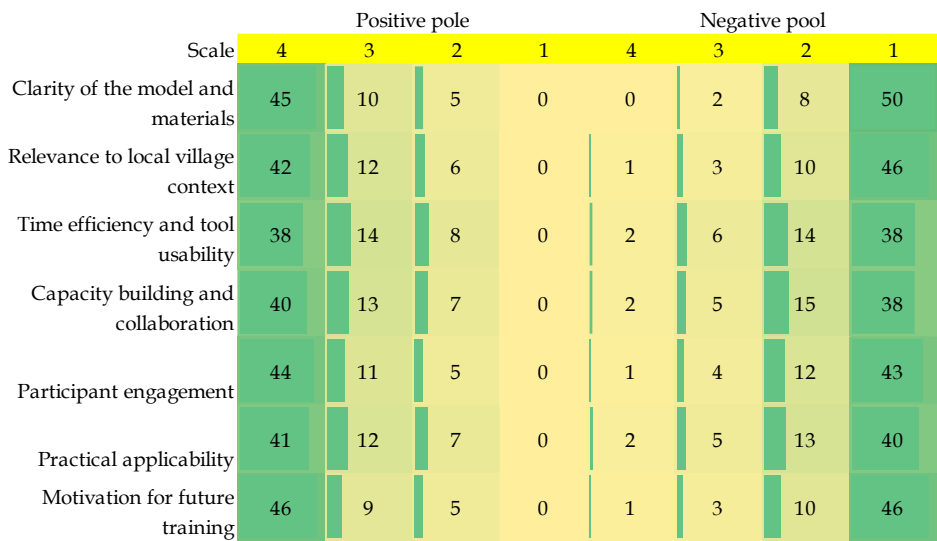


Figure 1. Heat Map of Semantic Differential Response Distributions

Responses to positively worded statements were predominantly concentrated at the higher scale points, whereas responses to corresponding negative statements were concentrated primarily at the lowest scale point. For clarity of the model and materials, 45 participants selected point 4 and 10 selected point 3 for the positive statement, while 50 participants selected point 1 for the corresponding negative statement. A similar pattern appeared for relevance to the local village context: 42 participants selected point 4 and 12 selected point 3 for the positive statement, whereas 46 responses to the corresponding negative statement were concentrated at point 1. These distributions indicate a consistent distinction between participants’ responses to the positively and negatively formulated items.

Comparable distributions occurred across the remaining indicators. For time efficiency and tool usability, the positive statement received 38 responses at point 4 and 14 at point 3, while the corresponding negative statement received 38 responses at point 1. Capacity building and collaboration recorded 40 responses at point 4 and 13 at point 3 for the positive statement, with 38 responses at point 1 for its negative counterpart. Participant engagement showed a similarly concentrated distribution, with 44 responses at point 4 and 11 at point 3 for the positive statement. Across the seven indicators, therefore, higher response points consistently characterized positively worded statements, while the corresponding negative statements were concentrated toward the lowest response point.

The quantitative response patterns were complemented by semi-structured interviews with 15 participants, representing the 15 participating BUMDesa. Thematic analysis identified five recurring themes: clarity of training, training process, relevance to BUMDesa, benefits and impact, and suggestions for improvement. The thematic structure derived from participants' accounts is summarized in Figure 2.



Figure 2. Canvas Visualization of Key Themes from Training Participants' Interviews

The first theme concerned clarity of training, particularly the accessibility of the objectives, materials, and model stages. Participants repeatedly described the content as structured and understandable. R1 explained, *"The goals were explained at the beginning, and the materials were presented in a structured and simple way"* (Interview with R1, 2026). R2 similarly stated, *"The purpose of the training was clear, and the materials were easy to understand. Visual explanations helped a lot"* (Interview with R2, 2026). These accounts consistently identified clear objectives, understandable materials, structured presentation, and visual explanations as prominent features of participants' training experiences.

The second theme concerned the training process, particularly its organization, interactivity, and opportunities for participation. R1 described the process as *"well organized"* and added that *"The methods used were interactive and helped me stay engaged throughout the sessions"* (Interview with R1, 2026). R3 similarly observed, *"The training methods encouraged participation and discussion"* (Interview with R3, 2026). Participants nevertheless identified variation in the pacing of the sessions. R2 noted, *"The training flow was systematic, although some sessions felt a bit rushed"* (Interview with R2, 2026). The

accounts therefore characterized the training process as organized and participatory while also identifying time allocation as an aspect that could be improved.

The third theme reflected the relevance of the training to participants' organizational contexts. Participants repeatedly connected the content and examples with challenges encountered in managing their respective BUMDesa. R1 stated, *"The content matched the real challenges we face in managing BUMDesa. The examples were very relevant to village business conditions"* (Interview with R1, 2026). R3 similarly explained, *"The cases presented were similar to issues we face in daily BUMDesa operations"* (Interview with R3, 2026). These accounts show that participants perceived the cases, examples, and training content as closely connected to their organizational responsibilities and everyday management conditions.

The fourth theme captured participants' perceived benefits of the training, particularly changes in confidence, understanding, skills, motivation, and perceived capacity to contribute to their organizations. R1 reported, *"I feel more confident in carrying out my role after the training. The knowledge gained is directly applicable to my work"* (Interview with R1, 2026). R2 described an improved understanding of organizational responsibilities, while R4 stated, *"I feel more capable of contributing to BUMDesa development"* (Interview with R4, 2026). The recurring accounts therefore centered on greater confidence, improved role understanding, practical applicability, and perceived capacity to contribute to BUMDesa activities rather than on a single dimension of individual benefit.

The final theme concerned areas for improving future implementation. Participants emphasized the need for greater opportunities for practical exercises, continued mentoring, and locally grounded cases. R1 suggested, *"More time should be allocated for practical exercises and group discussions"* (Interview with R1, 2026). R2 recommended that *"Future training could include follow-up mentoring"* (Interview with R2, 2026), while R3 proposed that *"More local case studies would be beneficial"* (Interview with R3, 2026). These recommendations identify practical priorities for strengthening training delivery and continuity. Overall, the qualitative findings show a consistent pattern in which participants described the intervention as clear, organized, participatory, and relevant to their BUMDesa contexts, while also identifying specific opportunities to strengthen practical application, time allocation, local case integration, and post-training support.

2. Discussion

The findings suggest that the observed improvement in participants' assessments of BUMDesa performance reflects more than a change in perceptions of technical management. The pattern across economic, organizational, and relational dimensions indicates that leadership development may operate through the interaction between managerial capacity and a culturally meaningful ethical orientation. The intervention embedded servant leadership within Tat Twam Asi, a philosophy emphasizing relational ethics, mutual recognition, and responsibility toward others (Diah, 2022; Greenleaf, 2002; Tika, 2020). This combination matters because community-owned enterprises cannot rely exclusively on hierarchical control: their functioning also depends on whether leadership is regarded as socially legitimate and responsive to collective interests. The post-intervention pattern can therefore be understood as consistent with leadership practices that connect organizational objectives with service, shared responsibility, and moral legitimacy, supporting broader arguments concerning values and compassion in organizational leadership (Ahmad, 2023; Novita et al., 2026; Rao, 2025; Supriani et al., 2023).

This interpretation becomes particularly important when the changes across individual performance dimensions are considered together. Participants reported higher post-intervention assessments not only for economically oriented indicators but also for transparency and accountability, leadership effectiveness, community engagement, reputation, and trust. These dimensions suggest that economic performance in community-owned enterprises cannot be analytically separated from the quality of their internal and external relationships. Previous studies similarly identify accountability, participation, and governance quality as important conditions for sustainable performance in village-owned and community-based enterprises (Adawiyah & Lawelai, 2025; Prasetya et al., 2023). Servant leadership offers one explanation because its emphasis on empowerment, ethical conduct, and participation can strengthen organizational members' willingness to engage with collective objectives (Mohzana et al., 2023; Mostafa & Abed El-Motalib, 2018; Ozyilmaz et al., 2019). Value-based leadership further suggests that shared moral frameworks can encourage commitment by making organizational goals normatively meaningful rather than merely administratively prescribed (Kimakwa, 2023; Novita et al., 2026; Uktutias et al., 2022).

The qualitative findings help clarify how this process may have operated. Participants consistently characterized the training as understandable, participatory, relevant to BUMDesa conditions, and applicable to their organizational responsibilities. Their accounts of increased confidence, improved role understanding, and greater perceived capacity to contribute provide a plausible organizational pathway through which leadership development can accompany changes in performance assessments. This interpretation is consistent with research linking servant leadership with psychological empowerment and professional commitment (Mohzana et al., 2023; Ozyilmaz et al., 2019; Richardson et al., 2023). More importantly, the qualitative evidence shows why contextualization matters: participants did not describe the intervention simply as acquiring leadership techniques but as learning practices connected to recognizable organizational problems. The quantitative and qualitative evidence therefore complement one another, with the former demonstrating systematic changes in participant assessments and the latter illuminating the experiences through which those changes may be understood.

The cultural grounding of the intervention adds another layer to this explanation. BUMDesa operate at the intersection of commercial activity, village governance, community relationships, and locally embedded norms, making leadership especially sensitive to the social meanings attached to authority and responsibility (Sujana et al., 2023). Participants' perceptions of contextual relevance suggest that Tat Twam Asi enabled servant leadership principles to be articulated through a moral vocabulary familiar to their sociocultural environment (Agustini et al., 2020). This interpretation is reinforced by evidence that Tat Twam Asi continues to function as a locally meaningful ethical resource in managing social relationships in Bali (Rasyid et al., 2023). More broadly, culturally responsive approaches indicate that indigenous values can be integrated into contemporary institutional practices rather than treated merely as background characteristics (Jayendra & Widiastiti, 2026). Rather than functioning as cultural decoration, indigenous ethics may therefore shape how service, responsibility, reciprocity, and legitimate authority are understood by organizational actors.

This distinction is theoretically consequential. Servant leadership generally presents service, stewardship, empowerment, and responsibility as broadly applicable principles, yet their practical meaning is inevitably mediated by cultural understandings of self, community, and obligation. Tat Twam Asi provides a relational ethical foundation through which these principles can be interpreted within village economic organizations.

Research concerning indigenous communities likewise shows the continuing importance of collective interests and traditional knowledge within contemporary institutional arrangements (Hanifah et al., 2025). Research on spiritual and value-based leadership similarly emphasizes the role of culturally embedded ethical values in institutional leadership (Hadisi et al., 2025; Novita et al., 2026). The present study therefore positions indigenous ethics not merely as an external contextual variable but as a potential normative mechanism within leadership practice itself. Culturally embedded moral reasoning may help constitute what servant leadership means and how it becomes organizationally legitimate.

This position extends the interpretation beyond whether servant leadership “works” in a rural organizational setting. International studies have reported positive relationships between servant leadership and organizational outcomes in social enterprises and community-oriented organizations (Kimakwa, 2023; Mostafa & Abed El-Motalib, 2018). The present findings suggest that these relationships may become more intelligible when cultural congruence is treated as part of the explanatory process. Leadership principles may acquire greater practical significance when organizational actors connect them with established moral understandings of interpersonal responsibility and collective welfare. This argument complements work emphasizing culturally embedded social relations in rural economic institutions (Xing et al., 2023) and evidence connecting value-oriented leadership with collaboration, empowerment, and institutional management (Mohzana et al., 2023; Novita et al., 2026; Rahmi et al., 2025). The theoretical contribution is therefore a culturally grounded extension that recognizes indigenous ethical philosophies as resources through which broader leadership principles can be interpreted, enacted, and socially legitimized.

The governance character of BUMDesa makes this relationship particularly visible. Their leaders operate simultaneously within economic, administrative, and communal spheres, requiring them to manage organizational resources while remaining accountable to community expectations. The observed changes in assessments of trust, reputation, transparency, and community engagement are meaningful because they point toward the relational dimensions through which organizational legitimacy is maintained. Greenleaf’s (2002) conception of leadership as service helps explain the ethical dimension of this relationship, while the BUMDesa context demonstrates that service itself is embedded within local institutional arrangements. Recent research on village governance

similarly shows that formal administrative authority can coexist with customary sources of legitimacy, producing forms of local governance that cannot be understood through formal institutional structures alone (Mukhlis et al., 2026). Value-based leadership may consequently function as a bridge between organizational accountability and socially embedded legitimacy (Novita et al., 2026; Rahman et al., 2025).

The findings also carry practical and social implications for leadership development in community-owned enterprises. Training interventions may be less effective when leadership is presented primarily as transferable managerial techniques detached from the moral and institutional environments in which participants operate. The participants' emphasis on practical relevance, local cases, interactive learning, and continued mentoring indicates that leadership development should connect conceptual principles with recognizable organizational problems and locally meaningful values. At the same time, their requests for additional practical exercises and follow-up mentoring caution against assuming that cultural congruence alone is sufficient. Culturally grounded leadership development still requires appropriate training design, adequate implementation time, continued organizational support, and explicit attention to ethical awareness (Syukur et al., 2025). The practical implication is therefore not simply to "localize" leadership training, but to integrate ethical relevance with sustained capacity development and organizational application.

This argument has implications beyond Indonesia because many cooperatives, social enterprises, indigenous economic organizations, and community development institutions operate at comparable intersections of formal governance and culturally embedded social authority. The specific ethical vocabulary will differ across societies, and Tat Twam Asi should not be treated as universally transferable. What may travel internationally is the theoretical proposition that indigenous ethical traditions can function as intellectual resources for interpreting and adapting broader leadership theories (Hadisi et al., 2025; Jayendra & Widiastiti, 2026; Novita et al., 2026). Evidence concerning indigenous welfare and traditional knowledge further demonstrates the importance of institutional approaches capable of recognizing collective cultural frameworks rather than reducing them to peripheral contextual characteristics (Hanifah et al., 2025). This perspective opens a broader dialogue between mainstream leadership scholarship and indigenous knowledge systems, particularly where economic organizations remain embedded in community relationships, collective identities, and plural forms of authority.

The international significance of this proposition also lies in its potential applicability across different forms of culturally embedded organization rather than in the transferability of Tat Twam Asi itself. Recent research shows that leadership grounded in spiritual and moral values can shape value internalization within institutions (Hadisi et al., 2025), while humanistic leadership integrating servant leadership with trust, justice, communal benefit, mutual respect, and shared decision-making can support collaborative organizational relationships (Rahmi et al., 2025). Research on culturally responsive institutional practices further demonstrates that indigenous values can be integrated into contemporary frameworks while retaining relevance beyond their immediate cultural setting (Jayendra & Widiastiti, 2026). Ethical awareness research likewise reinforces the broader importance of combining technical or applied competence with explicit ethical reasoning (Jannah et al., 2026; Syukur et al., 2025). These converging strands strengthen the relevance of the present study to international debates on culturally responsive, ethically grounded, and context-sensitive organizational leadership.

Such a perspective also reframes the relationship between economic performance and social responsibility. Community-based enterprises are frequently expected to generate income while simultaneously strengthening participation, social welfare, and local institutional capacity. Treating these objectives as inherently competing may overlook the possibility that relational legitimacy itself constitutes an organizational resource. The present findings indicate that participants perceived improvements across both economic and relational dimensions following the intervention, suggesting that service-oriented and culturally grounded leadership need not be positioned as alternatives to performance-oriented management. Instead, ethical legitimacy, trust, accountability, and economic objectives may become mutually reinforcing when leadership connects organizational performance with collective responsibility. This interpretation provides a more integrated account of community enterprise performance and strengthens the relevance of servant leadership to organizations whose economic purposes remain inseparable from their social foundations (Mei et al., 2020; Ridwansyah et al., 2025; Sita & Nor, 2024).

These findings must nevertheless be interpreted within the boundaries of the study design. The absence of a comparison group prevents the observed pre-post differences from being attributed exclusively to the intervention, while the inclusion of 15 BUMDesa from a single regency limits the extent to which the findings can be generalized to other

institutional and cultural contexts. The quantitative evidence was based on participant-level assessments nested within the participating BUMDesa rather than independently verified objective organizational performance measures, creating potential dependence among observations and limiting claims about organization-level change. The relatively short post-intervention period also prevents conclusions about the durability of the observed patterns. Finally, variation in local organizational conditions, implementation processes, and facilitator delivery may have influenced intervention fidelity. These limitations qualify the strength and scope of the conclusions while preserving the study's value as evidence of how culturally grounded leadership development may operate within community-owned enterprises.

D. Conclusion

This study shows that the implementation of a Tat Twam Asi-based servant leadership intervention was accompanied by significant positive changes in participants' assessments of BUMDesa economic and organizational performance. The quantitative pattern was complemented by participants' accounts of a training process that was clear, participatory, contextually relevant, and applicable to their organizational responsibilities. Taken together, these findings suggest that leadership development in community-owned enterprises is not solely a matter of strengthening managerial competence. Its organizational relevance may also depend on the extent to which leadership practices connect service, relational responsibility, ethical conduct, and collective interests with the sociocultural environment in which the organization operates.

The principal contribution of this study lies in positioning Tat Twam Asi as more than a cultural context surrounding servant leadership. By bringing indigenous relational ethics into dialogue with servant leadership, the study shows how local moral principles can provide normative resources for interpreting service, responsibility, reciprocity, and legitimate authority. This culturally grounded perspective extends servant leadership scholarship by explaining how broader leadership principles acquire meaning within socially embedded organizations. Practically, it highlights the value of integrating ethical orientation, contextual relevance, and organizational capacity building in community-based enterprises where economic objectives coexist with collective ownership and social accountability.

The study's limitations provide clear directions for future research. Longitudinal studies are needed to determine whether the observed changes persist over time, while comparative research across regions, cultures, and organizational settings could

examine the model's transferability. Studies using comparison groups, stronger experimental or quasi-experimental designs, and independently verified performance indicators would strengthen causal inference. Future analyses should also account for participants nested within organizations and examine variations in implementation conditions and facilitator delivery.

Ultimately, this study suggests that leadership theories become more meaningful for community-based organizations when broader principles engage with the moral contexts in which leadership is practiced. Tat Twam Asi illustrates how indigenous ethics can move beyond cultural background to become a theoretical resource for understanding socially embedded leadership and governance.

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Declaration of Competing Interest

The authors declare that they have no known competing financial or non-financial interests that could have appeared to influence the work reported in this paper.

Declaration of Generative AI

The authors declare that QuillBot was used during manuscript preparation solely for language refinement, including improving grammar, clarity, readability, and sentence structure. The tool was not used to generate research data, conduct data analysis, interpret findings, or formulate the scientific conclusions of the study. All AI-assisted text was reviewed and verified by the authors, who take full responsibility for the accuracy, integrity, and final content of the manuscript.

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