

Analysis of Entrepreneurial Leadership of the Tourism SMEs Cluster Leader in Borobudur Central Java

Rustina Untari¹, Apelina Teresia¹, Eugenius Tintus Reinaldi¹, Sri Hestningsih Widiyanti², Wiwin Widiastuti² & Arif Rizky Nurwidiyanto¹

¹Soegijapranata Catholic University

²Central Java Board of Research

Email: r_untari@unika.ac.id

Abstract

This research aims to identify the characteristics of leaders who have successfully mobilized their communities to develop an tourism business. The study focused on the leader of the Borobudur tourism cluster. Data were collected from three groups of informants: cluster members, district-level cluster assistants, and province-level cluster assistants. The qualitative data analysis was based on entrepreneurial leadership theory. The research found that cluster leaders possess a strong vision for developing their clusters to support international tourism activities. They also have excellent salesmanship skills, allowing them to promote their clusters to external parties. They have successfully formed partnerships with various stakeholders, securing financial assistance for cluster members. The rural leader can engage their members effectively and demonstrate high flexibility in managing the global tourism business. practicalimplications, this research can assist the leader of community to manage their organization. This research also can assist communities or NGO in developing activities and management to get income generating. Therefore the sustainability of community will be emerge. The Originality of this research are unit analysis of this research is rural Cluster. The Borobudur Cluster is rural Community wihich engage in global business activities.This research use entrepreneural leadership approach for community leader or rural leader. This research would be more perfect if it involved customers as respondents.

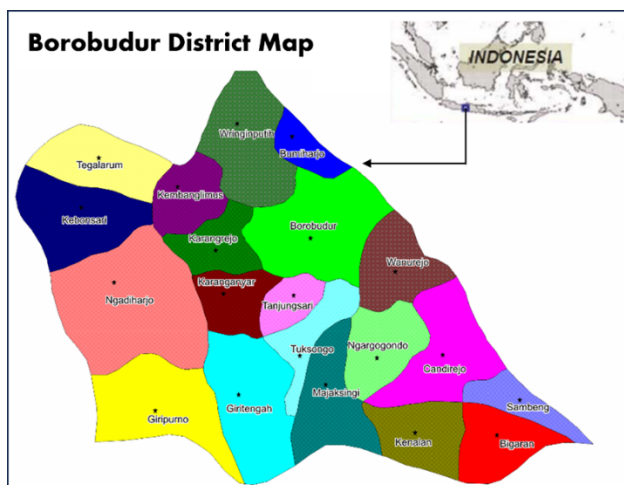
Keywords: Borobudur cluster; entrepreneurial leadership; SMES ; rural leader.

1. Introduction

Borobudur is a UNESCO World Heritage Site (Surya Diarta, 2017) and the largest Buddhist temple in the world, attracting many national and international tourists. According to BPS (2022), domestic tourist visits in 2022 reached 1,443,286, while foreign tourist visits totaled 53,936. This influx of tourists significantly benefits the Indonesian government by boosting economic output, creating jobs, and increasing tax revenues. Revenue is generated from various activities around the Borobudur Temple, such as ticket sales, accommodation, transportation, food, and other tourism-related activities, including the empowerment of local businesses.

Geographically, tourism at Borobudur Temple can be classified as Globalization Tourism because it involves intraregional and interregional travel, extending tourism on a global scale. Global tourism reflects converging world tastes, product preferences, and lifestyles. Additionally, it involves similar tourism practices worldwide, including distribution systems, marketing strategies, and product development (Brondoni, 2020). The globalization of tourism stems from the broader trend of increasing economic globalization and technological advancements in communication and transportation. Therefore, the globalization of tourism is considered a 'megatrend' with various dimensions and impacts (Brondoni, 2020; Kausar & Nishikawa, 2010).

Figure 1. Borobudur District Map



Source: (<https://petapotensi.yolasite.com/borobudur.php>)

Tourism business activities at Borobudur Temple are managed by PT Kawasan Candi Borobudur, a state-owned company that professionally oversees tourist visits. However, the local community around the temple has also seized the opportunity to earn revenue by serving international tourists. The villages surrounding Borobudur Temple have diverse potentials in their Small and Medium Enterprises (SMEs):

International Conference of Organizational Innovation 2025

Proceedings

ICOI

2025

e-ISSN: 3064-6030
FMI, Vol 2
15-17 July 2025

Table 1. Borobudur SMES Specializations

Villages	Specializes
Borobudur Village	Serves as a tourism hub.
Wanurejo	Specializes in the food industry.
Tanjungsari	Known for tofu production.
Tuksongo	Focuses on tobacco and starch flour.
Ringinputih	Specializes in agriculture and ornamental plants.
Bumiharjo	Known for ornamental plants.
Candirejo	Offers homestay accommodations.
Bigaran	Provides nature tourism and trekking activities.
Sambeng	Specializes in pandan crafts.
Kenalan	Offers trekking tours.
Majaksingi	Focuses on agriculture.
Giritengah	Specializes in honey production.
Karanganyar	Known for stone carvings.
Giripurno	Offers nature tourism and marble hills.
Ngadiharjo	Specializes in bamboo crafts.
Kebonsari	Focuses on bamboo crafts.
Tegalarum	Combines agriculture and bamboo crafts.
Karangrejo	Specializes in stone printing.
Kembanglimus	Focuses on recycling tin cans.
Ngargogondo	Known as a language village.

Recognizing the community's potential, the government has implemented empowerment programs. Previous research suggests that empowering local businesses can help reduce congestion at the temple and bolster the local economy (Fatimah, 2015). The government supports these efforts by facilitating the formation of clusters. According to Porter (1998), clusters are "geographic concentrations of interconnected companies and institutions in a particular field, displaying unusual competitive success." Porter's cluster model is advantageous for competitiveness. His theory has significantly influenced regional and national economic policies, promoting clusters and competitiveness principles (Keane & Costin, 2019)

The clustering phenomenon is gaining popularity and is increasingly included in economic development strategies worldwide. It is regarded as a vital development tool by many organizations, such as the Organization for Economic Cooperation and Development (OECD) and the European Union (EU) (Rentkova, 2019). The development of SMEs in Borobudur underscores the importance of SMEs for the Indonesian economy. In developing countries like Indonesia,

International Conference of Organizational Innovation 2025

Proceedings

ICOI

2025

e-ISSN: 3064-6030
FMI, Vol 2
15-17 July 2025

SMEs play a crucial role in achieving the Sustainable Development Goals (SDGs). However, despite recognizing the significance of implementing SDGs for sustainable business development, SMEs often face challenges when trying to pursue these goals independently (Di Maria et al., 2019). Therefore, forming clusters is essential for their growth and success.

In the villages of Borobudur, the cluster organization is known as the Forum Rembug Klaster (FRK). The FRK was established in 2001 to manage tourism service products comprehensively, from upstream to downstream, both directly and indirectly. It encompasses 20 villages in the Borobudur District, Magelang Regency. Research has shown that clusters, such as those represented by the FRK, function as local networks of SMEs. These clusters are seen as advantageous locations for providing goods and services to global leaders while also fostering local industrialization and development opportunities (Di Maria et al., 2019) (Giuliani et al., 2005) (Nadvi & Halder, 2005)

Forum Rembug Klaster (FRK) is community group in Borobudur is led by Mr. Kirno Prasajo, who has been serving as the cluster leader since its inception. The cluster leader plays a crucial role in the successful development of the cluster by guiding its members towards achieving common goals. The effectiveness of a cluster leader is largely determined by their character and leadership style. Leaders of the Borobudur cluster are uniquely positioned to influence their organization, as they lead local community groups with diverse backgrounds. Additionally, Borobudur leaders must mobilize local people to engage in global business activities. The success of rural regional development significantly depends on the involvement of community leaders (Rami et al., 2021). Effective leadership is characterized by how individuals handle difficulties and their ability to find meaningful lessons even in challenging situations. (Bojadjiev et al., 2019).

However, not all cluster leaders exhibit good character. Several factors can influence this, including: (1) during the selection process, members often choose someone vocal without thoroughly understanding their character; (2) the chairman prioritizes personal interests over the common good; (3) the chairman lacks innovation, hindering cluster development; (4) the chairman struggles to collaborate with external parties. Given these challenges, this study aims to investigate the entrepreneurial leadership character of Mr. Kirno Prasajo, who has successfully led the Forum Rembug Klaster.

Entrepreneurial leadership encompasses characteristics such as risk-taking, opportunity evaluation, innovation, productivity, adaptability, and strategic thinking. In essence, it combines leadership qualities with entrepreneurial traits (Esmer & Dayi, 2017). These characteristics are not limited to business research but also apply to other organizational contexts. Entrepreneurial leadership has been studied in school organizations (Brauckmann & Pashiardis, 2020), informal

leadership contexts (Musara & Nieuwenhuizen, 2020) , and even non-governmental organizations (Santora et al., 1999)

What makes this research unique is its focus on a community (the people around Borobudur) engaging in business activities to generate profits. Traditionally, communities are social organizations with non-profit aims. However, the Borobudur tourism cluster represents a community of local rural residents leveraging the appeal of Borobudur Temple to improve their welfare through profit generation.

2. Literature Review

Cluster is defined as the process of companies and other actors co-locating within a concentrated geographic area, collaborating around a specific functional niche, and building close relationships and working alliances to enhance their collective competitiveness (Lindqvist et al., 2013) Leadership is the ability to direct a group to achieve goals. Leaders can have formal or informal roles; the most important thing is that they can move the group/members/followers toward achieving group goals. Thus, not everyone who has a position can be called a true leader; However, this position can be a good start for someone to learn to be an effective leader the cluster (Robbins, 2005). Based on Young Entrepreneur Council (Esmer & Dayi, 2017) , there are 12 main characteristics needed by entrepreneurial leaders: Flexibility, Be humble, Focus, Make a decision, Stand by the decision, Vision, Self-confidence, Ownership, Positivism, Salesmanship, Self-awareness, Listening ability. Entrepreneurial leadership support success is not only to large companies. It is also known that entrepreneurial leadership plays an important role in achieving sustainability for small companies and start-ups. (Pauceanu et al., 2021).

3. Research Method

This research used qualitative methods by comprised several stages, including an initial survey, interviews, and focus group discussions. Data analysis utilized descriptive analysis with the snowball effect method. A qualitative approach was employed, with in-depth interviews serving as the primary data collection method. Key informants were selected from the Forum Rembug Klaster (Cluster Discussion Forum), forum members, and government officials supporting the forum. Interviews with key figures were conducted using predetermined guidelines based on the 12-character traits of entrepreneurial leadership theory. Representatives from the Economic and Resource Development Forum, cluster members, and local government officials were interviewed. Each interview session resulted in data collection, reduction, and processing into written material. Subsequent interviews were conducted with either the same or different sources to clarify existing data or gather additional information. This sequential approach involved selecting informants based on needs until data saturation was achieved. Analysis of interview results yielded

preliminary answers, which were then validated through information from subsequent sources. Ultimately, overall generalization was reached once data saturation was achieved.

4. Finding and Discussion

The Borobudur Tourism FRK currently comprises 26 SMES business groups, offering various services and products, with each group employing approximately 2,000 individuals. The range of service products developed within the Borobudur Tourism FRK is quite diverse, including homestays, Balkondes (village tourism accommodations), transport services, Andong tours (traditional horse-drawn carriage tours), safari car tours, painting artists and folk art, tour guides, pottery tour packages, village tour packages, horse riding tour packages, and pine tapping tour packages. These businesses are operated by residents organized under the Forum Rembug Klaster as a cluster. Clusters have been shown to enable small firms rooted in specific territorial contexts to achieve superior performance and competitiveness despite their size (Di Maria et al., 2019)

During its formation, Mr. Kirno was elected with the facilitation of the government, particularly the Bappeda Magelang Regency. At that time, approximately 70 groups with around 700 members participated. The primary tasks of the FRK include developing joint policies, creating work programs, and resolving issues. The chairman of the FRK adheres to the principle that problems are opportunities and endeavors to ensure that members benefit financially. Additionally, the FRK Head motivates members through various activities, establishes networks, listens to member suggestions, and works towards member welfare. The cluster head acts as a mediator, facilitating communication between cluster members, and as a communicator with external parties. It is expected that the Cluster Leader will motivate members, treat them fairly, demonstrate responsibility, and establish networks to support cluster development.

Table 2. Characteristic of Entrepreneurial Leadership of Borobudur Tourism Leader

Characteristics of Entrepreneurial Leadership	Description
Flexibility	Being able to think and act flexibly, thus finding solutions that accommodate multiple parties. For example, being able to accommodate the presence of morning market vendors who disrupt the road.
Humility	Have a humble nature, which allows them to gain the trust of many cluster members. Because of this trait, they can also approach individuals who are usually considered "second-class citizens," such as local toughs (pressman).

International Conference of Organizational Innovation 2025

Proceedings

ICOI

2025

e-ISSN: 3064-6030
FMI, Vol 2
15-17 July 2025

Focus	Having a focus on their business, so that their activities are related to that focus, leads to the growth of their business.
Decision-making	Being able to make decisions by involving their members. They strive to find solutions that are acceptable to many and beneficial for the common interest.
Resilience in decision-making	Having a calm and patient nature, not rushing into decisions. They tend to analyze a problem thoroughly before making a decision. They also can approach and communicate in a way that ensures the decision is accepted and implemented by all parties involved.
Vision	Having a vision to improve the welfare of cluster members. As a result, they regularly send cluster members to attend training, seminars, study visits, workshops, and other events to ensure they have up-to-date knowledge.
Paranoia - Self-confidence	Stirling a balance between self-confidence and being cautious. They continue to work according to their vision and firmly believe in the correctness of their vision.
Ownership	Being able to overcome external pressures and not giving up when faced with challenges. For example, during the COVID-19 pandemic that devastated the tourism business, they took this opportunity to evaluate themselves and their cluster business.
Positivism	Being able to think positively when facing problems, not getting stuck in the negative side. They can also encourage other members to see the problem from a positive perspective and make decisions based on that.
Salesmanship	Being able to promote their cluster to external parties. As a result, whenever there are discussions related to tourism conducted by government agencies, community groups, etc., this cluster is almost always involved. They have also managed to establish partnerships with various stakeholders, enabling them to secure financing assistance for cluster members.
Self-awareness	They are aware of their strengths and weaknesses. Therefore, they strive to maximize cooperation with various parties to achieve the best outcomes for all stakeholders. The management team is the most frequently involved in decision-making processes.
Listening skills	They can listen to complaints and feedback from other members. Therefore, the decisions they make are policies that can be accepted by all

parties. They don't make decisions immediately but also listen to the aspirations of others, such as the capacity of artisans to meet demands.

The cluster leader possesses twelve characteristics of entrepreneurial leaders. They are flexible, humble, focused, decisive, committed to their endeavors, visionary, skilled in interpersonal interactions, proactive, optimistic, and positive-minded, capable of building networks with various stakeholders, aware of their limitations, and capable of listening to other's opinions.

Cluster leaders with entrepreneurial leadership traits effectively mobilize cluster members, prioritizing their prosperity and economic benefit for cluster participation. They lead by example in business, exude positive energy, and effectively communicate the cluster's vision. These leaders serve as intermediaries in external relations, leveraging assistance and fostering business collaborations with external parties. Collaborations with external parties are executed collaboratively with cluster members, resulting in overall success for the organization. This resonates with the findings of Rahim et al (Rahim, Abidin, Mohtar, & Ramli, 2015), suggesting that leaders with entrepreneurial leadership positively impact organizational performance (Rami, Abdullah, & Ibrahim, 2017). A cluster rich with Small and Medium Enterprises (SMEs) cultivates significant social capital, which benefits cluster members' businesses. Leaders with entrepreneurial leadership traits play a crucial role in enhancing social capital, thereby supporting the cluster and its member businesses.

5. Conclusion

The Borobudur Cluster leader possesses twelve characteristics of entrepreneurial leaders. They are flexible, humble, focused, decisive, committed to their endeavors, visionary, skilled in interpersonal interactions, proactive, optimistic, and positive-minded, capable of building networks with various stakeholders, aware of their limitations, and capable of listening to others' opinions.

Borobudur Cluster leaders with entrepreneurial leadership qualities effectively rally cluster members, believing that their participation should lead to prosperity and economic gains. These leaders consistently demonstrate good business practices, radiate positive energy, and articulate the cluster's vision. Moreover, their entrepreneurial leadership traits contribute to the enhancement of social capital within the Borobudur cluster, bolstering support for both the cluster and its businesses.

As a result, these leaders are well-positioned to operate tourism businesses, catering to visitors from around the globe. They excel in networking and establishing partnerships within the global tourism industry, enabling them to collaborate effectively with various international stakeholders.

Cluster leaders with entrepreneurial leadership traits effectively mobilize cluster members, prioritizing their prosperity and economic benefit for cluster participation. For the wider and comprehensive research, the future research should involve many parties such as customer, supplier and also business partner

Managerial Implication cluster will get more attention from many policy maker to do community development. This research can assist the leader of community to manage their organization. This research also can assist communities or NGO in developing activities and management to get income generating.

Acknowledgement. This research was funded by Bappeda Central Java in the RUD Scheme 2022. Conference participation funded by Management Programm, Soegijapranata Catholic University

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e-ISSN: 3064-6030
FMI, Vol 2
15-17 July 2025

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FMI, Vol 2
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