



## The Influence of Local Leadership Roles and Community Participation Toward Community Economic Improvement Mediated by Asset Based Community Development in Penglipuran Tourism Village, Bali

Haniek Listyorini<sup>1</sup>, Vinka Wahyu Pramesti<sup>2</sup>, Putri Aulia Hamidah<sup>3</sup>

S1 Pariwisata, Sekolah Tinggi Ilmu Ekonomi Pariwisata Indonesia (STIEPARI), Semarang, Indonesia

---

### Article history:

Received: 31,May,2024

Accepted: 05,June,2024

Published: 30,June,2024

**Keywords:** Local Leadership Role, Community Participation Asset Based Community Development, Community Economic Development.

**Abstract:** *This study aims to examine the influence of Local Leadership Role and Community Participation on Community Economic Improvement either directly or indirectly through Asset Based Community Development in Penglipuran Tourism Village Bali. The quantitative research method was used with 100 residents as a sample selected by purposive sampling. Data analysis using SMART PLS. Based on the results of the study, Local Leadership and Community Participation have a positive and significant effect on Asset Based Community Development in Penglipuran Tourism Village Bali. From the results of the mediation test, it was also found that Local Leadership cannot directly affect Community Economic Improvement but must be through community empowerment programs, namely Asset Based Community Development. While Community Participation can directly affect Community Economic Improvement and also have an indirect effect through Asset Based Community Development.*

---

### Corresponding Author:

Haniek Listyorini

Email: [hanieklisyorini@stiepari.ac.id](mailto:hanieklisyorini@stiepari.ac.id)

---

## 1. INTRODUCTION

The tourism sector has the potential to boost the economy of a region. Because it is considered as a tool for developing potential for economic growth, diversification, reducing poverty, increasing production and service provider sectors. The economic benefits of tourism activities can be felt when the area realizes its potential and develops tourism. Tourism development gives rise to the development of various other sectors related to tourism, so that it can be felt by all communities around the destination while providing opportunities for local community participation in it (Vga et al., 2018). Various tourism activities organized by the community will be enjoyed by the community directly, and the active role of the community is very decisive in the continuity of tourism activities (Hadiwijoyo, 2012). This shows that active community participation is needed in the development of tourism villages in order to achieve community welfare. The opportunity for community participation in tourism management is contained in article 19 of Law of the Republic of Indonesia Number 10 of 2009 concerning Tourism, which

states that every person and/or community in and around tourism destinations has priority rights: (a) to be workers/laborers; (b) consignment; and/or (c) management. The regulation confirms that community involvement is not only an object of tourism development but also a subject (Vga et al., 2018).

Tourism development can be felt its economic impact by the Community when the Community is empowered in tourism. One empowerment model is *Asset-Based Community Development (ABCD)*. The concept of ABCD is the development of Tourism Villages in terms of human assets, natural assets, economic assets, social assets, physical assets, tradition-cultural assets and spiritual assets. Assets in this context are given the meaning of potential owned by the community itself, by using the potential or wealth owned by the community can be used as the ultimate weapon to carry out empowerment programs. This potential can be in the form of wealth owned within oneself (intelligence, care, mutual assistance, togetherness, and others) or can be in the form of the availability of Natural Resources (Al-Kautsari, 2019).

While the Asset Based Approach criterion is a method used by using the basic potential owned by the community itself. Potentials such as intelligence, caring, participation, mutual assistance, etc. Some of these potentials are great assets in empowering the community. Through a sense of togetherness, harmony and solidarity in the community, it is hoped that social intelligence will emerge, so that people easily know problems and are able to solve them (Al-Kautsari, 2019). Another aspect of asset-based community empowerment is Natural Resources. Natural wealth is the biggest aspect in supporting the success of empowerment programs. It is an external aspect in relation to ABCD, because natural wealth or natural resources are things that nature has and is given from the Power to be preserved.

The challenge of rural tourism development today is that it is difficult to find a comparative advantage compared to many other tourist villages. Effective efforts are therefore required to exploit resources with a view to ensuring competitive advantage (Nuryanti et al., 2015). One of the challenges in tourism village development is absent of the leadership, as rural tourism businesses have dependence on other tourism services and a broader leadership role is needed in rural tourism development. The development of rural destinations should be driven by a grassroots approach, i.e. encouraging local community participation, developing small businesses, preserving traditions, character and culture, promoting sustainability and limiting dependence on external businesses, resulting in leakage of economic benefits outside of the village.

Previous research related to the impact of community participation on the economic welfare of the community stated that community participation had a significant effect on community welfare (Indrayani & Setiawina, 2018). Other studies also mention that the community can participate in the development of tourism village infrastructure starting from the planning, implementation to maintenance stages (Kogoya et al., 2015).

The development of tourism villages has an impact on the community's economy, this can affect land use change. The existence of tourism villages affects the economy, especially in expanding employment opportunities and increasing the income of stall owners, hair craftsmen and homestay owners. Tourism villages affect the social conditions of the community (Pamungkas & Muktiali, 2015), In addition to the economic impact, the village also has an impact on social aspects. The impact on the economic aspect of community participation in the development of tourism villages includes additional employment, income and purchasing power of the community, financing for village facilities and infrastructure. While the impact of social aspects includes cultural preservation, preservation of customs, improvement of education, improvement of skills to improve stability, language and community awareness (Aryani et al., 2017).

Community empowerment with an Asset Based approach that makes community potential a force for community empowerment was implemented in the development of Penglipuran Bali tourism village. There are several factors that influence community participation in Penglipuran Tourism Village, namely to improve the position and role of the community as well as maximize the use of human resources, through unwritten regulations or joint commitments, employees who work in Penglipuran Tourism Village must be natives of Penglipuran Village, the majority of people who are aware of tourism so that they can contribute and be actively involved in improving the quality of management and development tourism potential.

The forms of participation from the Penglipuran Tourism Village community are through thinking in the form of providing ideas, input, suggestions. Penglipuran community also offer physical participation in the form of mutual aid activities that are carried out regularly in. Participation in maintaining traditions by holding rules, continuing to carry out traditional traditions and traditional ceremonies. Therefore, Penglipuran Tourism Village is able to maintain its uniqueness and characteristics. Participation in maintaining community cleanliness of the area. Community skill participation acts as a tourism actor in providing services for tourist such as Tour Guides, homestays, souvenir sellers, and manager, also provides tour packages and so on.

Not all of studies agree that the development of tourism villages has a positive impact, but they also believe there are negative impacts, among others due to weak economic equity, an impact that has not touched the entire community but it is only enjoyed by a few people. Communities are vulnerable to fluctuating tourism conditions in the number of visits, not to mention the negative impact of tourist behavior that affects local communities. Impact on environmental damage, pollution and excessive physical development. The impact of the crowds of tourist visits that disturb the peace and peace of life of rural communities (Yudha, 2019).

The same thing was also felt by the community in Penglipuran. Although the economic impact has been quite real felt by the participating communities, there are still various complaints of residents in Penglipuran village. Perpetrators selling food and beverages need security protection and safety from the local police. Residents complained about environmental disturbances due to the progress of livestock activities. The existence of chicken coops near their settlers triggered many flies into people's homes and spread a foul smell. So that the Penglipuran customary treasurer needs to carry out Paruman Adat with local residents.

With the above problems, rural economic development policies encourage the growth of local leadership as the main means to encourage capacity building of rural communities. To strengthen local leaders, many leadership training programs are developed by the government. Local rural leadership development has been undertaken for a variety of purposes including those concerning health programs, economic development and environmental management, and as an important means by which communities can adapt to change (Haslam McKenzie, 2002). Leadership training programs are designed to increase the capacity of rural communities. Such programs promote local leaders as people who can come forward with their ideas and solutions to deal with problems, and who can and will implement strategies.

Despite many government efforts to promote policies to establish local leadership in rural areas, research on the importance of local leadership is still limited which specifically examines the extent to which rural leadership can affect the socio-economic viability of rural communities. Previous research reviewing the role and nature of local leadership in rural Australia found that local leadership can result in adaptive capacity building if leadership is similar to transformational leadership models **Burn (1978)**. Other studies are based on case studies from (McKinsey and Co., 1994; Johns et al., 2001; Epps and Sorensen, 1996; Sorensen and Epps, 1996) explain leaders in rural

communities have been associated with activities to revitalize communities, generate new economic prosperity and strengthen social ties (Kenyon, 1999; Sorensen, 2002). The definition of a local champion is defined as someone who has an initiative in the process of community change and an institution (Ecoplan International, 2005). Although there are similarities in these two roles of local community leaders, local champions are sometimes not leaders (Kirchner et.al, 2010). It is very difficult to trace the literature on the role of local champions in the development of rural tourism.

More research reveals the role of local leaders in rural tourism. The role of local champions in empowering rural communities is an important issue to study considering the general lack of community education and limited social facilities in rural areas (Xu et al., 2017). The importance of the role of local champions must be able to make common goals and mobilize communities to be able to make collective actions to achieve these goals (Haven-Tang & Jones, 2012). Local champions are required to maintain relationships between their leaders, so at least local champions must act as mediators, facilitators and also as mobilizers (Haven-Tang & Jones, 2012). Okazaki (2008), Local leaders have an important position, almost in all roles of community participation there is always a role of local leaders in it (Simanjuntak & Sariffuddin, 2018).

*Community Based Tourism* (CBT) is one of the strategic models in an effort to improve the quality of the economy of rural communities (Zapata et al., 2011) even UNWTO (2011) encourages the concept of CBT as a way to alleviate poverty (Simanjuntak & Sariffuddin, 2018). CBT is also a way of managing natural resources with the community for their welfare (Sebele, 2010). Previous research concluded that the presence of external parties in assisting the implementation of the CBT concept can actually cause dependence, while *bottom-up* processes such as community participation models can produce a stronger management order.

The purpose of the establishment of Tourism Villages is to, among others, improve the position and role of the community as subjects or important actors in tourism development. The development of a village that has tourism potential both from its landscape, local products and the uniqueness of customs and culture in it is of course one of them based on improving the welfare of the people in the economic field. All of this is inseparable from the participation of the community as one of *the stakeholders*. Community participation in development has a very important meaning, because its success is largely determined by the extent to which the community cares and takes part

in the development, as well as how much benefit the community will get from the development carried out in their area (Gede et al., 2022).

One of the villages that is very attached to local leadership is Penglipuran Bali village. Unlike other villages, Penglipuran village has a unique local leadership model, namely traditional leaders. Research from (Gede et al., 2022) It was found that people in Penglipuran Tourism Village have a perception that the existence of a Penglipuran Tourism Village is very important for the lives of local people, with many tourist visits. This is a motivation for the local community to want to maintain and want to participate in tourism activities in Penglipuran Tourism Village, the community wants to continue to take advantage of opportunities, both in providing cindramata handicraft products, lohoh cencem products and also waste management which is processed into a fertilizer. This community participation cannot be separated from the role and encouragement of the local leader.

Several previous research linking local champions to empowerment and economy. The significant influences of local champions on the community for the development of community resources, requires strengthening community leaders to become local champions in the management of local community capital to SDGs achievement (Sumardjo et al., 2022). The role of local champions into 3 categories, namely facilitators, mediators and mobilizers (Aziza, 2023). Partial leadership has a positive and significant effect on community involvement and the development of Tourism Villages (Trisna Semara & Saputra, 2020); (Nur, 2023); (Wibowo & Lestari, 2024) and (Syarifudin & Ma'ruf, 2022), the success of the empowerment was achieved by the appliance of local asset-based approach, by local actors' roles in encouraging community participation stated by (Rahman, 2018) and (Kushadajani & Permana, 2020).

Several other previous studies emphasized that the role of *local champions* in tourism economic development needs to be through community empowerment first, where local champions act as motivators, mobilizers, mediators, and facilitators. The implementation of *community development* causes an increase in the community's economy, social interaction is more cohesive, and the environment is more maintained, while preserving culture (Simanjuntak & Sariffuddin, 2018). A similar opinion was expressed by (Setyaningrum & Kriswibowo, 2022) that local leadership is able to influence the economic development of tourism villages by applying 4 aspects of transformational leadership, namely the *Idealized Influence (role-model) aspect. Inspirational Motivation, Intellectual Stimulation, Individualized Consideration*. Langit, D. A. S. (2017) *Democratic local leadership* . as

coordinator and intergrator, ensuring togetherness, corrective and educative, showing appreciation to high-achieving subordinates. (Kogoya et al., 2015) community participation in the development of tourism destinations, also (Aryani et al., 2017) that community participation will have an impact on the economic and socio-cultural aspects of the community, among others : (1) The opening of new jobs, (2) Reduced unemployment, (3) Increasing people's income and purchasing power, (4) Helping to bear the burden of building local facilities and infrastructure, (5) a very high but only seasonal increase in income. Socio-cultural aspects include: (1) Protection and preservation of culture and customs, (2) Increased level of education, (3) Increased skills, (4) Language use, (5) Increased awareness.

Research from (Nurhajati, 2018) stated the impact of tourism village development on improving community welfare, while research (Vga et al., 2018) explained that community participation in tourism villages has an impact on the economy, new jobs, additional income, and increasing local products. That community participation has a significant positive effect on the management of Community Empowerment Program (Setianingsih et al., 2022).

From the problems and gaps of the research above, this study aims to analyze how important the influence of local leadership role and community participation in creating economic improvement of the community in Penglipuran Bali tourism village, both directly and indirectly through Asset Based Community Development.

## 2. RESEARCH METHOD

This study used a quantitative type of research. The population of this study is the entire population of Penglipuran tourism village, which is recorded as 250 households with a population of 1,250 people, and based on the calculation of the Slovin formula, the minimum number of samples is 100 residents. Samples were collected using purposive sampling where each family was represented as a respondent. Data collection by distributing questionnaires and data analysis used is Partial Least Square (PLS).

Formulation of the equations structure are:

First equation =  $Z = a + b_1X_1 + b_2X_2 + e$

Second equation =  $Y = a + b_3X_1 + b_4X_2 + b_5Z + e$

Information:

.a = *intercept*

b<sub>1</sub>, ...b<sub>5</sub> = *path coefficient*

X <sub>1</sub>	= Local Leadership Role
X <sub>2</sub>	= Community Participation
Z	= Asset Based Community Development
Y	= Community Economic Development
.e	= <i>error estimation</i>

Processing respondent identity data into descriptive statistics using SPSS and processing equation structure data using SMART-PLS. Data analysis uses *outer model* and *inner model* testing as follows (Chin et al., 1998)(Sekaran & Bougie, 2016) (Yamin, 2023), *outer models* include loading factor, AVE, *Discriminating validity and Composite Reliability*. *Inner model testing includes R<sup>2</sup> Coefficient of Determination (R-Square), Goodness of Fit Test (GoF), hypothesis test t-test and mediation test*

### 3. RESULTS AND DISCUSSIONS

The profile of respondents in this study consisted of 100 residents as the majority sample was Penglipuran village residents are female 55% and male 45%. The highest age distribution is 33% responden with the age range of 26-45 years, 25% of respondents in the age range of 26-35 years, 24% of the age range between 17-25 years, 7 % within the age range of 46-55 years and the rest age of more than 55 years is 1%. The role of respondents in the tourism village economy is mostly 60% community, followed by tourism village managers and tourism business and service providers 25%, the remaining 15% community leaders.

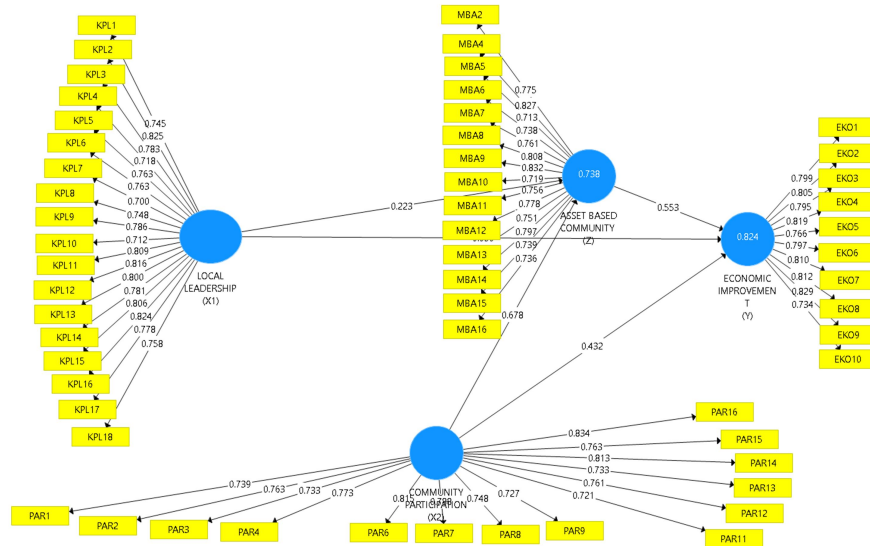
#### Outer Model Results

To explain the relationship of indicator blocks with their latent variables, the outer model test is used. In the Outer Model reflective indicators are evaluated using convergent and discriminant validity of the indicator and composite reliability for the indicator block (Ghozali & Latan, 2015). The results of each validity test are as follows:

##### 1. Convergent Validity

Convergent Validity can be seen from the correlation between the item/indicator score and the construct score. Individual indicators are considered valid, if the correlation value is greater than or equal to 0.70.





Source: Data processing with PLS (2024)

Figure 1. PLS Alogarithm Analysis Results

Based on the calculation of data in Table 1, when referring to the required initial outer loading value of 0.70, there are 4 statement items that have an initial outer loading of < 0.70, namely the community participation indicator item 4 and item 10 and the variable Asset Based Community Development item 1 and item 3. Therefore indicator items having an outer loading < 0.70 are removed from the model. After deletion of the 4 items, the value of each outer loading has exceeded 0.70, so that all remaining statement items used have been declared valid.

Table 1 Convergent Validity Test Results

Variabel	Total Items	Outer Loading
Local Leadership Role	18	0.700 to 0.825
Community Participation	14	0.721 to 0.834
Asset Based Community Development	14	0.713 to 0.832
Community Economic Improvement	10	0.734 to 0.829

Source: Data processing with PLS (2024)

## 2. Discriminant Validity

Discriminating validity testing is carried out by looking at the discriminatory validity in the reflective indicator measurement model which is assessed based on cross-loading construct measurements. The results of the

discriminating validity test are shown in Table 2. From the results of the validity discrimination test, the correlation of Local Leadership Role, Community Participation, Asset Based Community Development and Community Economic Development constructs with indicators is higher than with the correlation between indicators and other constructs. Different construct gauge indicators should not be highly correlated. This shows that the construct of each study variable is able to predict the indicators in their block better than with indicators in other blocks .

Tabel 2  
Item Discriminating Validity Test Results Based on Cross Loading

Instrument Items	Asset Based Community Development	Community Participation	Community Economic Improvement	Local Leadership Role
Asset Based (Z)				
MBA2	<b>0.775</b>	0.772	0.703	0.630
MBA4	<b>0.827</b>	0.710	0.736	0.616
MBA5	<b>0.713</b>	0.587	0.602	0.527
MBA6	<b>0.738</b>	0.600	0.696	0.589
MBA7	<b>0.761</b>	0.626	0.665	0.584
MBA8	<b>0.808</b>	0.793	0.716	0.614
MBA9	<b>0.832</b>	0.681	0.718	0.614
MBA10	<b>0.719</b>	0.579	0.574	0.493
MBA11	<b>0.756</b>	0.614	0.651	0.531
MBA12	<b>0.778</b>	0.580	0.641	0.465
MBA13	<b>0.751</b>	0.693	0.623	0.588
MBA14	<b>0.797</b>	0.669	0.757	0.579
MBA15	<b>0.739</b>	0.674	0.657	0.544
MBA16	<b>0.736</b>	0.628	0.692	0.516
Participation(X2)				
PAR1	0.698	<b>0.739</b>	0.696	0.653
PAR2	0.627	<b>0.763</b>	0.671	0.519
PAR3	0.529	<b>0.733</b>	0.612	0.513
PAR4	0.732	<b>0.773</b>	0.695	0.614
PAR6	0.708	<b>0.815</b>	0.686	0.587
PAR7	0.665	<b>0.788</b>	0.679	0.671
PAR8	0.686	<b>0.748</b>	0.700	0.519
PAR9	0.644	<b>0.727</b>	0.609	0.463
PAR11	0.545	<b>0.721</b>	0.542	0.595
PAR12	0.710	<b>0.761</b>	0.659	0.599
PAR13	0.499	<b>0.733</b>	0.590	0.557
PAR14	0.686	<b>0.813</b>	0.678	0.669
PAR15	0.642	<b>0.763</b>	0.689	0.568
PAR16	0.639	<b>0.834</b>	0.671	0.600

Economic (Y)				
EKO1	0.764	0.715	<b>0.799</b>	0.663
EKO2	0.666	0.649	<b>0.805</b>	0.485
EKO3	0.710	0.695	<b>0.795</b>	0.583
EKO4	0.751	0.726	<b>0.819</b>	0.593
EKO5	0.628	0.691	<b>0.766</b>	0.539
EKO6	0.690	0.662	<b>0.797</b>	0.499
EKO7	0.648	0.669	<b>0.810</b>	0.437
EKO8	0.660	0.640	<b>0.812</b>	0.511
EKO9	0.761	0.742	<b>0.829</b>	0.590
EKO10	0.720	0.662	<b>0.734</b>	0.534
Leadership (X1)				
KPL1	0.580	0.493	0.520	<b>0.745</b>
KPL2	0.649	0.625	0.632	<b>0.825</b>
KPL3	0.534	0.543	0.495	<b>0.783</b>
KPL4	0.444	0.538	0.435	<b>0.718</b>
KPL5	0.565	0.572	0.537	<b>0.763</b>
KPL6	0.594	0.586	0.550	<b>0.763</b>
KPL7	0.510	0.584	0.526	<b>0.700</b>
KPL8	0.517	0.551	0.483	<b>0.748</b>
KPL9	0.582	0.601	0.560	<b>0.786</b>
KPL10	0.463	0.471	0.365	<b>0.712</b>
KPL11	0.628	0.593	0.568	<b>0.809</b>
KPL12	0.636	0.678	0.629	<b>0.816</b>
KPL13	0.536	0.603	0.521	<b>0.800</b>
KPL14	0.636	0.664	0.542	<b>0.781</b>
KPL15	0.585	0.574	0.499	<b>0.806</b>
KPL16	0.585	0.627	0.505	<b>0.824</b>
KPL17	0.584	0.660	0.596	<b>0.778</b>
KPL18	0.572	0.572	0.498	<b>0.758</b>

Source: Data processing with PLS (2024)

In addition to discriminating validity has a value above 0.70, then when viewed from the value of the square root of AVE each construct consisting of the AVE root of the Asset Based Community Development, Community Participation, Economic Improvement and Local Leadership Role contracts obtained a value greater than the correlation value between constructs with other constructs in the model, so that the results have a good validity discrimination.

Another method for assessing discriminating validity is to compare the Square Root of Average Variance Extracted (AVE) value of each construct with the correlation between one construct and another in the model. The results of doskiminant validity based on AVE are shown in Table 3.

Table 3.  
Discriminant Validity Test Results using AVE Square Root  
in Fornell-Larcker Criterium Test Results

Variable	Asset Based Community Development	Community Participation	Economic Improvement	Local Leadership Role
Asset Based Community Development	0.767	-	-	-
Community Participation	0.847	0.766	-	-
Economic Improvement	0.881	0.861	0.797	-
Local Leadership Role	0.738	0.760	0.685	0.774

Source: Data processing with PLS (2024)

The test results explain that the AVE value in the research variable has a value above 0.50. An AVE value of  $> 0.50$  indicates that the latent variable can explain on average more than half the variance of the indicators.

### 3. Construct Reliability

The results of processing research data for construct reliability are measured using composite reliability and Cronbach's Alpha. The results of construct reliability processing are presented in Table 4.

Tabel 4 Composite Reliability dan Cronbach's Alpha

Variabel	Composite Reliability	Cronbach's Alpha
Asset Based Community Development	0.952	0.946
Community Participation	0.952	0.946
Community Economic Improvement	0.946	0.936
Local Leadership Role	0.964	0.960

Source: Data processing using PLS (2024)

Composite validity is used to prove the accuracy, consistency and accuracy of instruments in measuring constructs. With a composite reliability value of  $> 0.70$ , the research instrument has been accurate, consistent and precise in measuring their respective constructs.

## Inner Model Results

### 1. R-Square

The results of R-Square are presented in Table 5 as follows

Tabel 5. R-Square

Relationships between variables	R-Square	R-Square Adjusted
Effect of X1 and X2 on Z	0.738	0.733
Effect of X1, X2 and Z on Y	0.824	0.819

Source: Data processing with PLS (2024)

The first model states that Local Leadership Role (X1) and Community Participation (X2) have an effect on Asset Based Community Development (ABCD) with an R Square value of 0.738 or 73.8% of changes in ABCD are caused by variables X1 and X2 but the remaining 26.2% is caused by other variables that are not studied. R Square of 0.738 falls into the moderate influence category.

While the second model states that Local Leadership Role (X1), Community Participation (X2) and Asset Based Community Development (Z) affect Community Economic Improvement (Y) with an R Square Adjusted value of 0.819 or 81.9% change in Community Economic Improvement can be explained by the variants X1, X2 and Z but the remaining 18.1% is caused by other variables that are not studied. R Square as 0.819 falls into the category of strong influence.

### 2. Effect Size

If the effect size value is to measure whether the predictor of the variable has a strong, moderate or weak influence. The results of data processing are shown in Table 6.

Tabel 6. F-Square (Effect Size)

	Asset Based Community Development	Community Participation	Community Economic Improvement	Local Leadership Role
Asset Based Community (Z)			0.456	
Community Participation (X2)	0.740		0.258	
Community Economic Improvement (Y)				
Local Leadership (X1)	0.080		0.006	

Source: Data processing with PLS (2024)

- a. The effect size of Local Leadership Role ( $X_1$ ) on Asset Based Community Development ( $Z$ ) of 0.080 is included in the weak category. As a predictor variable, Local Leadership role is weak in influencing Asset Based Community Development
- b. The effect size of Community Participation ( $X_2$ ) on Asset Based Community of 0.740 is included in the strong category. As a predictor variable, Community Participation has a strong influence on Asset Based Community Development.
- c. The effect size of Local Leadership on Community Economic Improvement ( $Y$ ) of 0.006 is included in the category of no influence. Local Leadership role is not a predictor variable that affects Community Economic Improvement.
- d. The effect size of the effect of Community Participation on Community Economic Improvement of 0.258 is included in the moderate category. As a predictor variable, Community Participation is quite moderate in influencing Community Economic Improvement.
- e. The effect size of the effect of Asset Based Community Development on Community Economic Improvement of 0.456 is included in the strong category. As a predictor variable, ABCD is a strong variable in influencing Community Economic Improvement.

### 3. Hypothesis Testing

The hypothesis in this study is tested using the t-Test The hypothesis will be accepted if the t-statistic value exceeds the t-table value for a significant degree of 0.05 of 1.98.

#### Direct influence

Testing data to obtain coefficient values and significant values of t-statistics direct influence using testing with Bootstrapping steps on PLS programs. Bootstrapping is a selection of commands in the PLS program display whose results are shown in Table 7.

Table 7. Results of Path-Coefficients with PLS Method of Direct Influence

Relationship Intervariables	Original Sample	Sample Mean (M)	Standard Error	t-statistics	p-value
$Z \rightarrow Y$	0.553	0.574	0.122	4.520	<b>0.000</b>
$X_2 \rightarrow Z$	0.678	0.678	0.086	7.876	<b>0.000</b>
$X_2 \rightarrow Y$	0.432	0.432	0.119	3.614	<b>0.000</b>
$X_1 \rightarrow Z$	0.223	0.215	0.095	2.337	<b>0.021</b>
$X_1 \rightarrow Y$	-0.050	-0.070	0.077	0.650	<b>0.517</b>

Source: Data processing with PLS (2024)

Based on the results of these tests, the direct influence of this research variable can be described as follows:

**1) The influence of Local Leadership Role on Asset Based Community Development**

The results of hypothesis testing (H1) show that the Local Leadership Role has a positive and significant influence on Asset Based Community Development in Penglipuran Tourism Village Bali with a statistical test value of  $> 1.98$ , which is  $2.337$  and the level of significance shown through the results of  $p\text{-value } 0.021 < 0.05$ . The path coefficient value of the Local Leadership role is positive at  $0.223$ . Thus, the Local Leadership Role affects Asset Based Community Development in Penglipuran Tourism Village, Bali. The better the role of local leaders will further increase Asset-based Community Development in Penglipuran Tourism Village Bali.

These results indicate that Local Leadership is a variable that needs to be considered and affects Asset Based Community Development in moving tourism villages. The leaders of the Penglipuran traditional village led by this traditional leader play an important role in empowering community assets to support the development of tourism villages.

The role of local leadership is measured in several dimensions, namely the role of changing, the role of relationships, motivators, the role of social architects, the role of role models and the role of role models (Northhouse, 2021). The role of leadership in changing has indicators of the role of changing people, moving the community to achieve expectations, then the role of relationships includes identifying cooperation between tourism actors, collaborating with the government, and other stakeholders

The motivation role of leader in the form of paying attention to the needs and motives of followers, helps followers reach their full potential. The role of social architects involves themselves in the culture of organization, shaping the meaning of the organization and helping to build community trust. Leader as the role models includes creating, explaining, and implementing the vision, empowering followers to meet high standards, planning for the long term. The role of locality are playing a role in the development of destination culture,

committed, able to consider political, socio-cultural, educational, business and local environmental conditions.

The results of this study are in line with research that states that Local champions have an influence on the empowerment of tourism communities (Aziza, 2023); (Trisna Semara & Saputra, 2020); (Nur, 2023); local stakeholders or community leaders play an important role in community empowerment (Wibowo & Lestari, 2024) and (Syaifudin & Ma'ruf, 2022). The success of the empowerment was achieved by the appliance of local asset-based approach, by local actors' roles in encouraging community participation (Rahman, 2018) and (Kushadajani & Permana, 2020).

## **2) The influence of Community Participation to Asset Based Community Development**

Based on the results of the second hypothesis test (H2), where Community Participation has a positive and significant influence on Asset Based Community Development in Penglipuran Bali Tourism Village with a t-statistical test value of  $>1.98$  which is 7.876 and p value  $0.000 < 0.05$ . The path coefficient value is positive at 0.678.

Thus, Community Participation is a variable that affects Asset Based Community Development in Penglipuran Tourism Village, Bali. This means that the higher the community wants to participate, the higher the empowerment of Asset Based Community Development in Bali Tourism Village. The results also show that when compared to the Local Leaders Role, Community Participation is a more influential variable in the empowerment of Asset Based Community Development in Penglipuran Tourism Village Bali. These results indicate that the Asset Based Community Development carried out by Penglipuran villagers will be more empowered if the level of community participation is higher.

The variable of community participation in this study is measured by several dimensions, namely exploring ideas, physically participation in building infrastructure, participation in material possessions, participation in expertise, creativity and innovation, participation in skills, and participation in business. The role of exploring ideas is measured by indicators giving ideas for the development of attractions, amenities. Participation in physics by participating in building infrastructure facilities and preparing activities. Participation in property is an indicator of participation in funds and objects. Participation in creativity, and



innovation. Participation in skills as a tour guide, photographer, providers of lodging, food and drink, souvenirs, transportation and management staff (Vga et al., 2018).

The results of this study are consistent with research that states that community participation has a significant positive effect on the management of Community Empowerment Program (Setianingsih et al., 2022). Other supporting research also states that high community participation is a factor that supports empowerment (Nur, 2023).

### **3) The influence of Local Leadership Role to Community Economic Improvement**

Based on the results of hypothesis 3 (H3) testing shows that the Local Leaders Role does not have a positive and significant influence on economic improvement in Penglipuran Tourism Village Bali. With a t-statistics test value of  $<1.98$ , which is  $0.650$  and a p-value of  $0.517 > 0.05$ . The path coefficient value of the local leader is negative at  $-0.050$ . These results show that local leaders do not affect the economic improvement of tourism villages. This means that although local leaders have been running with but not significantly affecting the economic improvement of the Penglipuran Tourism Village community. The economic improvement of Penglipuran Tourism Village is more influenced by other variables.

Community Economic improvement in this study is measured by the dimensions of providing employment, additional income, encouraging the growth of other businesses, increasing demand for local products, encouraging infrastructure development, encouraging transportation development, hygiene programs, health, development of cultural facilities and environmental preservation (Wahab, 2003).

### **4) The influence Community Participation to Community Economic Improvement**

Based on the results of the 4th hypothesis (H4) test, it shows that Community Participation has a positive and significant influence on economic improvement in Penglipuran Tourism Village, Bali. With a t-statistics test value of  $>1.98$ , which is  $3.614$  and a p-value of  $0.000 > 0.05$ . The path coefficient value of the local leader is positive at  $0.432$ . These results show that community participation in the development of tourism villages affects the economic

improvement of the Penglipuran village community. Community participation as figures, managers, business actors, visitor services has affected the overall village economy.

These results indicate that local communities need to participate in the development and day-to-day operations of tourism villages in order to improve economic conditions. The results of this study are in line with research (Kogoya et al., 2015) that community participation is important in the economic development of tourism, and from (Aryani et al., 2017) which states the economic impact felt by people who participate in tourism development include : (1) The opening of new jobs, (2) Reduced unemployment, (3) Increasing people's income and purchasing power, (4) Helping to bear the burden of building local facilities and infrastructure, (5) a very high but only seasonal increase in income. Socio-cultural aspects include: (1) Protection and preservation of culture and customs, (2) Increased level of education, (3) Increased skills, (4) Language use, (5) Increased awareness. And (Vga et al., 2018) Community participation in tourism villages has an impact on the economy, new jobs, additional income, and increasing local products.

Previous research related to the impact of community participation on the economic welfare of the community stated that community participation had a significant effect on community welfare (Indrayani & Setiawina, 2018). Other studies also mention that the community can participate in the development of tourism village infrastructure starting from the planning, implementation to maintenance stages (Kogoya et al., 2015).

##### **5) The influence of Asset Based Community Development on Community Economic Improvement**

Based on the results of the 5th hypothesis (H5) test, it shows that Asset Based Community Development has a positive and significant influence on economic improvement in Penglipuran Tourism Village, Bali. With a t-statistics test value of  $>1.98$ , which is 4.520 and a p-value of  $0.000 > 0.05$ . The path coefficient value of the Asset Based Community Development is positive at 0.553. These results show that Asset Based Community Development affects the economic improvement of the Penglipuran village community.

In this study Asset Based Community Development is categorized with six dimensions of assets such as Human Assets, Natural Assets, Economic Assets,

Social Assets, Physical Assets and Traditional and spiritual Assets (Al-Kautsari, 2019). Empowerment Human assets in terms of intelligence and skills. Empowerment of natural assets by utilizing the wealth of flora and fauna, as well as landscapes. Economic assets by empowering entrepreneurial ways and funds. Social assets empower the values of gotong-royong, togetherness, solidarity, Physical assets include land and building use. Cultural tradition assets with indicators of cultural empowerment, tradition and art and spiritual assets include religious and ritual (Al-Kautsari, 2019).

### Indirect Influence

Testing data to obtain coefficient values and significant values of indirect t-statistic influence using testing with the Bootstrapping step in PLS programs. Bootstrapping is a selection of commands in the PLS display with the results presented in Table 8.

Tabel 8. Path Analysis Test Result using PLS Method for Indirect Effect

Relationships between variables	Original sampel	Sample mean	Standar deviation	T-stat	P Value
$X_1 \rightarrow Z \rightarrow Y$	0.123	0.122	0.058	2.122	0.036
$X_2 \rightarrow Z \rightarrow Y$	0.374	0.397	0.109	3.428	0.001

Source: Data processing with PLS (2024)

#### 1) The influence of Local Community Participation to Economic Improvement through Asset Based Community Development

The results of testing the H6 hypothesis show that the Local Leader Role has a positive and significant influence directly on economic improvement but must be through the empowerment of Asset Based Community Development in Penglipuran Tourism Village Bali with a statistical test value of  $> 1.98$ , which is 2.122 and a p-value of  $0.036 < 0.05$ . Thus, the Local Leader role has an indirect positive and significant influence on the Economic Improvement of the community through Asset Based Community Development in the tourist village of Penglipuran Bali. The path coefficient value of the indirect influence of the Local Leader on Community Economic Improvement of .0.123 shown in Table 8. This result proves that Asset Based Community Development as an intervening variable, strengthens the influence of the Local Leader in improving the economy of the community, because a good local lader will do empowerment through Asset

Based Community Development and with the increase in Asset Based Community Development it will increase The impact on economic improvement.

The results of this study are in line with other studies that state that the role of local leaders in community empowerment and development further causes an increase in the community's economy (Simanjuntak & Sariffuddin, 2018) and (Setyaningrum & Kriswibowo, 2022). In line with other studies where local champions contribute significantly to community for empowering the development of coastal community resources. Participatory extension for the empowerment of coastal communities requires strengthening community leaders to become local champions in the management of local community capital to SDGs achievement (Sumardjo et al., 2022).

## **2) The influence of Community Participation on Community Economic Improvement through Asset Based Community Development**

The results of testing the H7 hypothesis show that Community Participation has a positive and significant influence on Community Economic Improvement through Asset Based Community Development in Penglipuran Tourism Village Bali with a statistical test value of  $> 1.98$ , which is 3.428 and a p-value of  $0.001 < 0.05$ . Thus, Community Participation has a positive and significant effect on Community Economic improvement among the people of Penglipuran Bali tourism village. The path coefficient value of the indirect effect of Community Participation on Community Economic Improvement is 0.374 shown in Table 6. This result proves that Asset Based Community Development as an intervening variable, strengthens the influence of Community Participation on Community Economic Improvement, because good community participation causes the empowerment of Asset Based Community Development and increases the empowerment of Asset Based Community Development will be able to improve the economy of the community of Penglipuran Bali Tourism Village

## **4. CONCLUSION**

Based on the results of the study, it can be concluded that the Local Leadership Role has a positive and significant effect on Asset Based Community Development. Community Participation also has a positive and significant effect on Asset Based Community Development in Penglipuran Bali tourism village. The Local Leadership Role does not directly affect Community Economic Improvement but significantly

affects indirectly through Asset Based Community Development. Community Participation can significantly affect directly or indirectly on Community Economic Improvement through Asset Based Community Development.

## ACKNOWLEDGEMENTS

On this occasion, the author would like to thank STIEPARI Semarang and the Center for Research and Service (P3M) STIEPARI Semarang for providing research opportunities and compiling the results of this research to be published in international conferences.

## REFERENCES

- Al-Kautsari, M. M. (2019). Asset-Based Community Development : Strategi Pengembangan Masyarakat. *Empower: Jurnal Pengembangan Masyarakat Islam*, 4(2), 259. <https://doi.org/10.24235/empower.v4i2.4572>
- Aryani, S. W., Sunarti, & Darmawan, A. (2017). Analisis Dampak Pembangunan Pariwisata pada Aspek Ekonomi dan Sosial Budaya Masyarakat ( Studi Kasus pada Desa Wisata Bejiharjo , Kecamatan Karangmojo , KabupatenGunungkidul, D.I.Yogyakarta). *Jurnal Administrasi Bisnis (JAB)*, 49(2), 142–146.
- Aziza, M. F. (2023). THE ROLE OF LOCAL CHAMPIONS IN THE DEVELOPMENT OF COMMUNITY BASED TOURISM IN PONGGOK VILLAGE , KLATEN. 02(12), 2900–2910. <https://doi.org/10.59141/jrssem.v2i12.508>
- Chin, W. W., Chinn, W. W., & Chin, W. W. (1998). The partial least squares approach to structural equation modelling. In Marcoulides G. A. (Ed.). *Modern Methods for Business Research*, 295(2), 295–336.
- Gede, I., Fujihasa, M., Ayu, I., Widawati, P., Made, N., & Mahadewi, E. (2022). Pembangunan Pariwisata di Desa Wisata Penglipuran Melalui Peran Partisipasi Masyarakat, Kewirausahaan Sosial Berkelanjutan dan Inovasi. *Tahun*, 10(2), 290–305. <https://ejournal.undiksha.ac.id/index.php/EKU>
- Ghozali, I., & Latan, H. (2015). *Partial least squares konsep, teknik dan aplikasi menggunakan program smartpls 3.0 untuk penelitian empiris*. Badan Penerbit UNDIP.
- Haven-Tang, C., & Jones, E. (2012). Local leadership for rural tourism development: A case study of Adventa, Monmouthshire, UK. *Tourism Management Perspectives*, 4, 28–35. <https://doi.org/10.1016/j.tmp.2012.04.006>
- Indrayani, N. K. A., & Setiawina, N. D. (2018). Pengaruh partisipasi masyarakat dan kebijakan pemerintah terhadap kesejahteraan masyarakat melalui keberlanjutan pariwisata nusa penida. 2018, 7(4), 1079–1106.
- Kogoya, T., Olfie, B., & Laoh, E. (2015). Pembangunan Infrastruktur Jalan Desa Di Kabupaten Lanny Jaya-Papua. *Jurnal Berkala Ilmiah Efisiensi*, 15(2), 1–14. <https://ejournal.unsrat.ac.id>

- Kushadajani, K., & Permana, I. A. (2020). Inovasi Pemberdayaan Masyarakat Desa: Peran Kepemimpinan Lokal dalam Perspektif Relasi Antar Aktor. *JIIP: Jurnal Ilmiah Ilmu Pemerintahan*, 5(1), 70–80. <https://doi.org/10.14710/jiip.v5i1.7318>
- Nur, A. A. (2023). Peran Bumdes Dalam Pemberdayaan Masyarakat: Pengembangan Desa Wisata Di Desa Mangkupadi Kecamatan Tanjung Palas Timur Kabupaten Bulungan. *Jurnal Ekonomi Pembangunan Dan ...*, 2(2). <https://ekman.fakultasekonomiunikaltar.ac.id/index.php/Ekman/article/download/60/24>
- Nurhajati, N. (2018). Dampak Pengembangan Desa Wisata Terhadap Kesejahteraan Masyarakat. *Publiciana*, 11(1), 1-13., 11(1), 1–13.
- Nuryanti, W., Prayitno, B., Ahmad Sarwadi, D., Teknik Arsitektur dan Perencanaan, J., Teknik, F., Gadjah Mada, U., Besar pada Jurusan Teknik Arsitektur dan Perencanaan, G., & Professor pada Jurusan Teknik Arsitektur dan Perencanaan, A. (2015). Destination Competitiveness on The Basis of Psychographic Typology of Tourist (The Case of North Sumatera). *Jurnal Ilmiah Hospitality Management*, 5(2), 9–18.
- Pamungkas, I. T. D., & Muktiali, M. (2015). Pengaruh Keberadaan Desa Wisata Karangbanjarterhadap.... *Jurnal Teknik PWK*, 4(3), 361–372.
- Rahman, N. E. (2018). Pengaruh Potret Pemberdayaan Masyarakat Berbasis Aset Lokal pada Kelompok Budidaya Ikan Koi di Desa Banyuglugur Kecamatan Banyuglugur Situbondo. *Jurnal Penelitian Kesejahteraan Sosial*, 17(3), 207–216. <http://ejournal.kemensos.go.id/index.php/jpks/article/view/1457>
- Sekaran, U., & Bougie, R. (2016). *Research Methods For Business : A Skill-Building Approach*. In John wiley & sons.
- Setianingsih, N. A., Asmoro, W. K., & Putranti, E. (2022). Pengaruh Partisipasi Masyarakat, Transparansi dan Akuntabilitas dalam Pengelolaan Dana Program Pemberdayaan Masyarakat. *Owner*, 6(4), 3860–3869. <https://doi.org/10.33395/owner.v6i4.1127>
- Setyaningrum, M. D., & Kriswibowo, A. (2022). Gaya Kepemimpinan Transformational Kepala Desa Sekapuk Kecamatan Ujungpangkah, Kabupaten Gresik dalam Pengembangan Desa Wisata. *Jurnal Noken: Ilmu-Ilmu Sosial*, 8(1), 27–40.
- Simanjuntak, F., & Sariffuddin, S. (2018). Peran Local Champion Dalam Pengembangan Community Based Tourism Di Desa Wisata Candirejo, Magelang. *Jurnal Pengembangan Kota*, 5(2), 190. <https://doi.org/10.14710/jpk.5.2.190-199>
- Sumardjo, Firmansyah, A., & Dharmawan, L. (2022). The Role of Extension and Local Champions in Empowering Coastal Communities For Achieving SDGs. *The Seybold Report*, 17(11), 1639–1651. <https://doi.org/10.5281/zenodo.7376514>
- Syaifudin, M. Y., & Ma'ruf, M. F. (2022). PERAN PEMERINTAH DESA DALAM PENGEMBANGAN DAN PEMBERDAYAAN MASYARAKAT MELALUI DESA WISATA ( studi di Desa Jurug Kabupaten Ponorogo ). *Publika*, 10(2), 17–30.
- Trisna Semara, I. M., & Saputra, I. P. D. A. (2020). Pengaruh Kepemimpinan, Komunikasi, Dan Sistem Religi Terhadap Keterlibatan Masyarakat Di Desa Wisata Panglipuran.

Jurnal Ilmiah Hospitality Management, 10(2), 130–141.  
<https://doi.org/10.22334/jihm.v10i2.166>

- Vga, N. A., Kusumawati, A., & Hakim, L. (2018). Partisipasi Masyarakat Dalam pengembangan Desa Wisata Serta Dampaknya terhadap Perekonomi Warga di Desa Tulungrejo Kota Batu. *Jurnal Administrasi Bisnis (JAB)*, 61(3), 50.
- Wibowo, A., & Lestari, E. (2024). Pemberdayaan Masyarakat Melalui Penguatan Modal Sosial dan Peran Stakeholder dalam Pembangunan Desa Wisata di Kabupaten Karanganyar *Community Empowerment Through Strengthening Social Capital and the Role of Stakeholders in the Development of Tourism Villa*. 20(01).
- Xu, K., Zhang, J., & Tian, F. (2017). Community leadership in rural tourism development: A tale of two ancient Chinese villages. *Sustainability (Switzerland)*, 9(12). <https://doi.org/10.3390/su>