

## Buddhist Management Principles as a Driver of Social Entrepreneurship Success in Indonesia

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### ABSTRACT

Social entrepreneurship in Indonesia suffers a high failure rate, with roughly 60% of social startups collapsing within three years owing to weak managerial capacity and the difficulty of balancing profit with social mission. This study aims to examine the influence of Buddhist Management Principles (BMP) on the success of social entrepreneurship in Greater Jakarta. BMP is operationalized into five dimensions, namely Ethics (Sila), Wisdom (Panna), Servant Leadership (Metta-Karuna), Ecological Sustainability (Ahimsa), and Equanimity (Upekkha), while success is measured through financial sustainability, social innovation, stakeholder empowerment, and environmental preservation. Using an explanatory quantitative design, data from 150 social-enterprise actors selected by purposive sampling were analyzed with Partial Least Squares Structural Equation Modeling (PLS-SEM). The results show that BMP exerts a positive and significant effect on social-entrepreneurship success ( $b = 0.826$ ;  $t = 13.836$ ;  $p < 0.001$ ;  $R\text{-squared} = 0.683$ ;  $f\text{-squared} = 2.152$ ). The study concludes that Buddhist spiritual values can be translated into a measurable managerial framework. It is suggested that practitioners and educators embed these value-based principles in curricula and social-enterprise support policy.

**Keywords:** Buddhist Management Principles; Ecological Sustainability; Equanimity; PLS-SEM; Servant Leadership; Social Entrepreneurship

**JEL Classification:** L26; M14; Z12

## INTRODUCTION

Social entrepreneurship has become a key approach to addressing sustainable-development challenges in Indonesia, a country marked by persistent poverty and youth unemployment that exceeds the regional average. Social enterprises combine an explicit social mission with economic sustainability, positioning themselves as innovative responses to inequality, urban poverty, and environmental degradation (Klarin & Suseno, 2023; Setiawan et al., 2023). Despite their promise, the failure rate of social enterprises in Indonesia remains high; field reports indicate that approximately 60% of social startups do not survive beyond three years, primarily because of weak managerial capacity, dependence on external funding, and an inability to reconcile financial objectives with social mission (Pinheiro et al., 2021).

The fragility of these ventures reflects a deeper structural tension. Social enterprises must simultaneously pursue commercial viability and social value creation, a dual objective that frequently generates mission drift and resource constraints when managerial systems are immature (Sedeh et al., 2023). In emerging economies, limited access to finance, institutional voids, and the absence of value-anchored governance compound this fragility (Adam et al., 2024; Daskalopoulou et al., 2023). Consequently, a growing number of scholars argue that the survival of social enterprises depends less on capital alone than on the quality of leadership, ethics, and the value systems that guide everyday decisions.

Indonesia's development agenda has placed social enterprises at the center of efforts to meet the Sustainable Development Goals, particularly those concerned with poverty reduction, decent work, and reduced inequality. Yet the sector remains young and institutionally thin: financing instruments are underdeveloped, regulatory recognition is incomplete, and managerial talent is scarce (Setiawan et al., 2023; Adam et al., 2024). These conditions place a premium on the internal resources that founders bring to their ventures, among which their values, ethical commitments, and leadership orientation are arguably the most decisive.

Against this backdrop, Buddhist Management Principles (BMP) offer a distinctive perspective. Rooted in the Noble Eightfold Path and Buddhist ethics, this philosophy emphasizes compassionate leadership, the middle way, and social as well as ecological responsibility. The concept of right livelihood (Samma Ajiva) encourages business practices that avoid exploitation and contribute to collective well-being (Payutto, 1994; Schumacher, 1973). Evidence from organizations influenced by Buddhist and other spiritual traditions suggests that integrating such values fosters resilience during crises and a more durable balance between profit and social impact (Sharma et al., 2023; Mahadewi et al., 2022).

This proposition resonates with a broader resurgence of interest in workplace spirituality and value-based management. Spiritual-leadership theory holds that intrinsic motivation, a sense of calling, and a feeling of membership generate organizational commitment and performance (Fry, 2003). Recent empirical work confirms that spiritual leadership and workplace spirituality are positively associated with innovation, sustainability behavior, and employee well-being (Samul, 2024; Piwowar-Sulej & Iqbal, 2024; Lahmar et al., 2023). Within this stream, Buddhist principles are notable for offering an internally coherent ethical system that links individual conduct, organizational practice, and ecological stewardship.

Buddhist economics provides a coherent normative foundation for such a value-based orientation. Rather than treating the maximization of consumption as the goal of economic life, it foregrounds sufficiency, the reduction of craving, and the well-being of all stakeholders, including future generations and the natural world (Payutto, 1994; Schumacher, 1973). Translated into management, these ideas imply a preference for moderate and sustainable growth, fair treatment of workers and suppliers, and decision-making attentive to long-term social and ecological consequences. Such an orientation is highly congruent with the dual mission of social enterprises, suggesting that Buddhist-derived principles may be especially well matched to the demands of social entrepreneurship.

Nevertheless, the application of BMP in social entrepreneurship remains scarcely examined empirically, particularly in Indonesia. Most existing studies are qualitative or conceptual and are dominated by Western paradigms that emphasize scalability and quantitative metrics while underweighting local wisdom, spirituality, and community relations (Syahir et al., 2025; Hartnell et al., 2023). Few studies translate Buddhist values into a measurable managerial construct and test it against objective performance criteria. This gap motivates the present study, which addresses the research question: to what extent do Buddhist Management Principles influence the success of social entrepreneurship in Greater Jakarta?

The objective of this study is to measure the magnitude of the influence of BMP on social-entrepreneurship success and to demonstrate that Buddhist values can be operationalized as a measurable managerial construct. The significance of the study lies in providing the first quantitative, PLS-SEM-based evidence in the Indonesian context of a relationship that has previously been treated only conceptually. Its novelty rests in constructing a five-dimensional BMP instrument that bridges spiritual philosophy and managerial measurement. Theoretically, the study enriches the value-based management and Buddhist economics literature; practically, it guides social entrepreneurs toward value-driven practices; and at the policy level, it informs the design of more adaptive and ethically grounded social-enterprise ecosystems.

The study's contribution can be framed at three levels. At the theoretical level, it operationalizes an ancient ethical-spiritual tradition as a measurable managerial construct and provides confirmatory evidence of its explanatory power. At the practical level, it offers social entrepreneurs a concrete, value-based repertoire for strengthening both the commercial and the social dimensions of their ventures. At the policy level, it suggests that ecosystems designed to nurture social enterprise should attend not only to capital and markets but also to the cultivation of ethical and spiritual managerial capacity.

To pursue these objectives, the remainder of the article is organized as follows. The literature review develops the constructs of social-entrepreneurship success and Buddhist Management Principles, articulates the hypothesis, and presents the conceptual framework. The research method then describes the explanatory design, the population and purposive sample of Buddhist-grounded social enterprises in Greater Jakarta, the measurement instrument, and the PLS-SEM analysis strategy. The results report the assessment of the measurement and structural models, after which the discussion interprets the findings in relation to prior research and elaborates their theoretical and practical implications. The article closes with conclusions, suggestions, and an acknowledgment of limitations.

## LITERATURE REVIEW

### Social Entrepreneurship Success

Social entrepreneurship refers to the application of business principles to generate measurable social impact while maintaining financial sustainability (Feor et al., 2023). Its success is inherently dual in nature, requiring the achievement of both economic viability and social value creation. Previous studies emphasize that long-term success depends on adaptive leadership, ethical governance, and holistic problem-solving capabilities (Sedeh et al., 2023; Klarin & Suseno, 2023).

The literature suggests that social enterprise success should be assessed using multidimensional criteria rather than financial performance alone. In addition to profitability and financial sustainability, social enterprises are evaluated based on their capacity for social innovation, stakeholder empowerment, and environmental preservation (Daskalopoulou et al., 2023; Pinheiro et al., 2021). This perspective reflects a shift from purely economic indicators toward broader measures of organizational value, including legitimacy, community trust, and environmental responsibility. Accordingly, this study operationalizes social entrepreneurship success through four dimensions: financial sustainability, social innovation, stakeholder empowerment, and environmental preservation.

In Indonesia, social enterprises operate across sectors such as education, agriculture, waste management, handicrafts, and financial inclusion, often serving communities that are underserved by both government and conventional markets. Their performance depends not only on managerial competence but also on community relationships and local legitimacy (Setiawan et al., 2023; Hendar & Nuryakin, 2024). Consequently, value-based and culturally relevant management approaches play an important role in enhancing organizational sustainability and impact.

### Buddhist Management Principles as Value-Based Management

Buddhist Management Principles (BMP) refer to the application of Buddhist ethical and spiritual values within managerial practices. In this study, BMP is operationalized into five dimensions: Ethics (*Sila*), Wisdom (*Panna*), Servant Leadership (*Metta-Karuna*), Ecological Sustainability (*Ahimsa*), and Equanimity (*Upekkha*). This perspective is grounded in Buddhist economics, which emphasizes well-being, sufficiency, and non-harm rather than unlimited consumption (Payutto, 1994; Schumacher, 1973), and in spiritual leadership theory, which highlights the influence of leaders' ethical and inner qualities on organizational performance (Fry, 2003; Lahmar et al., 2023).

Each BMP dimension is supported by prior research. Ethics (*Sila*) promotes trust and legitimacy through moral governance. Wisdom (*Panna*) encourages reflective and mindful decision-making that enhances adaptability and creativity (Jiang et al., 2023). Servant Leadership (*Metta-Karuna*) emphasizes compassion and stakeholder care. Ecological Sustainability (*Ahimsa*) reflects the principle of non-harm and supports environmentally responsible practices (Sharma et al., 2023). Equanimity (*Upekkha*) represents emotional stability and resilience in uncertain situations, characteristics frequently associated with workplace spirituality and well-being (Syahir et al., 2025).

Within the Indonesian context, BMP aligns with local values such as *gotong royong* and collective responsibility, creating a culturally relevant framework for social entrepreneurship. This approach responds to calls for context-sensitive management theories that reflect local wisdom rather than relying exclusively on Western management models (Hendar & Nuryakin, 2024; Pasamar et al., 2023). Studies

published within the AIBPM network have similarly demonstrated the importance of value-based and competence-based orientations in improving organizational outcomes (Azizah et al., 2023; Rifani et al., 2025; Sarjiyono & Prasetio, 2025).

Conceptually, BMP integrates three major streams of management thought. From spiritual leadership theory, it adopts the view that leaders' inner values influence organizational vision and commitment (Fry, 2003). From stakeholder theory, it emphasizes balancing the interests of multiple stakeholders. From virtue ethics, it highlights character and ethical conduct as foundations of trust and organizational effectiveness (Hartnell et al., 2023; Lahmar et al., 2023). The uniqueness of BMP lies in its integration of ethical behavior, wisdom, compassion, ecological responsibility, and emotional balance into a coherent managerial framework that supports sustainable social entrepreneurship.

**Table 1.** Operationalization of Buddhist Management Principles

Dimension (X)	Meaning	Operational indicators
Ethics ( <i>Sila</i> )	Moral foundation and integrity	Financial transparency; ethics training; profit allocation to social programs
Wisdom ( <i>Panna</i> )	Reflective, cause-and-effect decisions	Causal analysis; market adaptability; staff development
Servant Leadership ( <i>Metta-Karuna</i> )	Compassion-based leadership	Employee satisfaction; empathic communication; staff welfare
Ecological Sustainability ( <i>Ahimsa</i> )	Non-harming / eco-friendliness	Eco-friendly materials; carbon-footprint reduction; ecological education
Equanimity ( <i>Upekkha</i> )	Inner stability and fairness	Fair profit-sharing; work-life balance; avoidance of speculation

Note. BMP = Buddhist Management Principles.

### Hypotheses Development

A growing body of literature suggests that ethical, mindful, and compassion-based management contributes positively to organizational performance. Ethical governance enhances trust and legitimacy, wise decision-making improves strategic adaptability, and servant leadership strengthens stakeholder engagement and organizational commitment (Hartnell et al., 2023; Fry, 2003). Furthermore, studies indicate that spiritual leadership and workplace spirituality positively influence innovation, pro-environmental behavior, employee well-being, and sustainable performance (Samul, 2024; Piwowar-Sulej & Iqbal, 2024).

Evidence from faith-informed and values-driven organizations further supports this perspective. Organizations guided by strong ethical values tend to demonstrate higher stakeholder trust, resilience, and long-term sustainability (Mahadewi et al., 2022; Salwan et al., 2025; Sampaio & Sebastiao, 2024). These findings suggest that value-based management systems can provide important resources for organizations operating in complex and uncertain environments.

Within the context of Buddhist Management Principles (BMP), each dimension contributes to social entrepreneurship success through a distinct mechanism. Ethics (*Sila*) fosters trust and legitimacy, facilitating stakeholder relationships and access to resources. Wisdom (*Panna*) supports reflective decision-making and adaptive problem-solving. Servant Leadership (*Metta-Karuna*) strengthens employee commitment and community engagement. Ecological Sustainability (*Ahimsa*) promotes responsible practices that enhance legitimacy and reduce environmental risks. Equanimity

(*Upekkha*) enables entrepreneurs to maintain resilience and sound judgment under uncertainty (Samul, 2024; Piwovar-Sulej & Iqbal, 2024).

Collectively, these dimensions form an integrated managerial system that combines ethical conduct, wisdom, compassion, environmental responsibility, and emotional balance. When consistently implemented, BMP is expected to enhance both the social and economic performance of social enterprises. Therefore, the following hypothesis is proposed:

H1: Buddhist Management Principles positively and significantly affect the success of social entrepreneurship in Greater Jakarta.

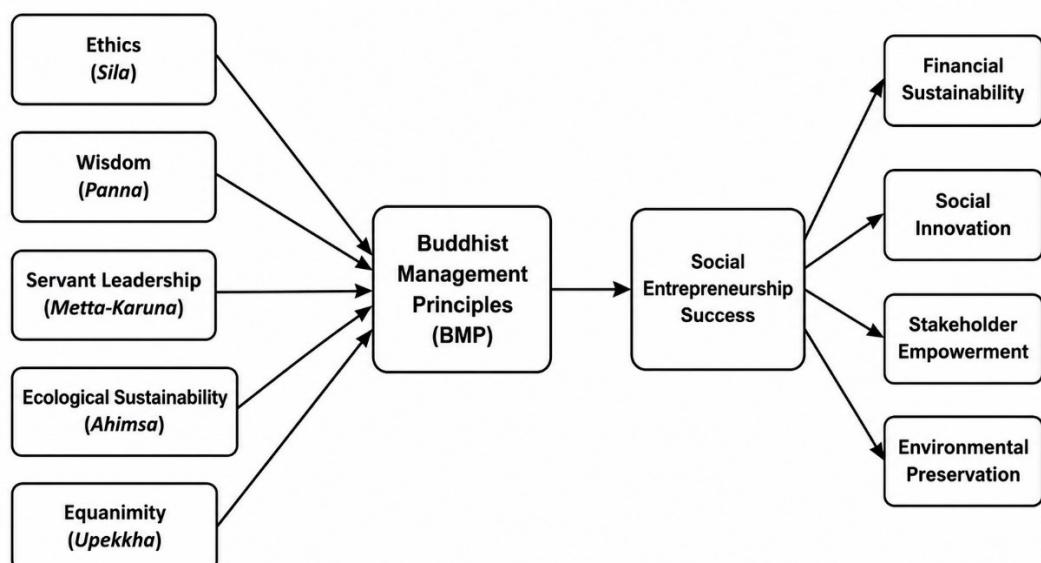
### Conceptual Framework

The conceptual framework is presented in Figure 1. The model conceptualizes Buddhist Management Principles (BMP) as a higher-order construct consisting of five dimensions: Ethics, Wisdom, Servant Leadership, Ecological Sustainability, and Equanimity. BMP is hypothesized to directly influence social entrepreneurship success, which is measured through four dimensions: financial sustainability, social innovation, stakeholder empowerment, and environmental preservation.

BMP is modeled as a higher-order construct because its dimensions represent an integrated value system that operates collectively rather than independently. Ethical conduct promotes trust and legitimacy, wisdom supports adaptive decision-making, servant leadership strengthens stakeholder engagement, ecological sustainability encourages responsible organizational practices, and equanimity enhances resilience under uncertainty. Together, these dimensions form a coherent managerial framework that supports both the social and economic objectives of social enterprises.

Treating BMP as a single higher-order construct is also methodologically appropriate because the dimensions are conceptually related and mutually reinforcing. This specification improves model parsimony and reduces the potential for multicollinearity among closely related dimensions, allowing a more comprehensive assessment of the overall influence of Buddhist Management Principles on social entrepreneurship success.

Figure 1. Research Framework



## **RESEARCH METHOD**

This study employs a quantitative approach with an explanatory research design and a questionnaire-based survey to test the causal relationship between the independent variable (BMP) and the dependent variable (social-entrepreneurship success). An explanatory design is appropriate when the aim is to confirm theoretically derived relationships and to estimate their magnitude rather than to explore a phenomenon inductively (Sarstedt et al., 2021). The target population comprises social enterprises grounded in Buddhist values in the Greater Jakarta area (Jakarta, Bogor, Depok, Tangerang, and Bekasi), with an initial mapping of 72 enterprises. The location was selected because it has the highest concentration of the Buddhist population in Indonesia and offers accessibility for field data collection.

Greater Jakarta was chosen deliberately. As the economic core of Indonesia and home to one of the country's largest and most economically active Buddhist communities, the region offers both a meaningful population of Buddhist-grounded social enterprises and the institutional density that allows such ventures to operate at scale. Studying BMP in this demanding, pluralistic environment provides a conservative test of its effects, since any observed influence must survive intense market competition and cultural heterogeneity.

Respondents were selected through purposive sampling using criteria that included being a legally registered entity (limited liability company, social enterprise, or cooperative), employing permanent staff, and having social-activity or impact reports for the preceding two years. Following the guideline of Hair et al. (2022), in which the sample size equals the number of indicators multiplied by six, the 25 indicators yielded a target sample of 150 respondents. Although the initial mapping identified 72 social enterprises, each enterprise was represented by one or more managerial respondents, including founders, directors, and senior managers who possessed sufficient knowledge regarding organizational practices and social impact activities. Consequently, a total of 150 valid responses were obtained and included in the analysis.

The purposive criteria were designed to ensure that respondents possessed both the managerial vantage point and the documented track record needed to report meaningfully on the constructs. Eligible participants were founders, directors, or senior managers who held decision-making authority and who could attest to their enterprise's social activities and outcomes. Enterprises without permanent staff or without verifiable social-impact reporting were excluded to reduce measurement error arising from informal or dormant ventures. From the initial mapping, enterprises meeting all criteria were approached until the target of 150 valid respondents was reached.

Each variable was measured using a Likert scale across 25 indicators that operationalize the five BMP dimensions (X) and the four criteria of social-entrepreneurship success (Y): financial sustainability, social innovation, stakeholder empowerment, and environmental preservation. Data were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM). The outer model was evaluated through convergent validity (loadings and Average Variance Extracted, AVE), discriminant validity, and reliability (Cronbach's alpha, rho<sub>A</sub>, and composite reliability). The inner model was assessed through the coefficient of determination (R-squared), predictive relevance (Q-squared), and effect size (f-squared). Hypothesis testing used a bootstrapping procedure, with a relationship considered significant when the t-statistic exceeded 1.96 and the p-value was below 0.05 (Hair et al., 2022).

Prior to full deployment, the instrument was reviewed for content validity and pilot-tested to ensure clarity and contextual relevance. Participation was voluntary, and responses were treated confidentially and used solely for academic purposes. The use of PLS-SEM, a variance-based technique well suited to predictive and theory-confirmation aims and to complex models that contain composite constructs, follows current methodological guidance (Hair et al., 2022; Sarstedt et al., 2021).

The operationalization followed directly from the conceptual definitions. Ethics was measured through indicators of honesty, transparency, and fair dealing; wisdom through reflective and evidence-informed decision-making; servant leadership through care, empowerment, and service to stakeholders; ecological sustainability through resource stewardship and harm avoidance; and equanimity through composure and stability under pressure. The success indicators captured financial self-sufficiency, the generation of novel social solutions, the empowerment of beneficiaries, and demonstrable environmental preservation. Each indicator was rated on a five-point Likert scale anchored from strong disagreement to strong agreement.

The analysis proceeded in two stages consistent with the PLS-SEM workflow. In the first stage, the measurement (outer) model was assessed to confirm that the indicators reliably and validly captured their latent constructs, examining indicator loadings, internal-consistency reliability, convergent validity through the AVE, and discriminant validity. In the second stage, the structural (inner) model was evaluated by inspecting the coefficient of determination, the effect size, and predictive relevance, and by testing the hypothesized path through bootstrapping with a large number of resamples to obtain stable estimates of significance (Hair et al., 2022; Sarstedt et al., 2021).

Buddhist Management Principles were specified as a higher order construct consisting of five first order dimensions, namely Ethics, Wisdom, Servant Leadership, Ecological Sustainability, and Equanimity. Following the recommendation of Hair et al. (2022), the higher order construct was modeled using the repeated indicator approach to capture the integrated nature of Buddhist Management Principles as a unified managerial framework.

## RESULTS

The measurement model demonstrated adequate reliability and convergent validity. All constructs achieved Cronbach's alpha and composite reliability values above 0.70 and AVE values above 0.50, indicating satisfactory internal consistency and construct validity. Discriminant validity was also established, confirming that the constructs were empirically distinct. The results are presented in Table 2.

**Table 2.** Reliability and Convergent Validity (N = 150)

Construct	Alpha	rho_A	CR	AVE
Buddhist Management Principles (X)	0.798	0.802	0.881	0.711
Social Entrepreneurship Success (Y)	0.821	0.841	0.882	0.654

Note. CR = composite reliability; AVE = average variance extracted. Source: Processed Data (2025).

According to Table 2, both constructs demonstrated satisfactory reliability and convergent validity. The Buddhist Management Principles (X) construct achieved a Cronbach's alpha of 0.798, rho\_A of 0.802, composite reliability (CR) of 0.881, and an Average Variance Extracted (AVE) of 0.711. Similarly, the Social Entrepreneurship Success (Y) construct recorded a Cronbach's alpha of 0.821, rho\_A of 0.841, composite

reliability (CR) of 0.882, and an AVE of 0.654. All reliability values exceeded the recommended threshold of 0.70, while all AVE values were above 0.50, indicating satisfactory internal consistency and convergent validity. Therefore, the measurement model was considered suitable for further structural model evaluation.

The structural model was subsequently assessed using the coefficient of determination ( $R^2$ ), adjusted  $R^2$ , and effect size ( $f^2$ ). The results are presented in [Table 3](#).

**Table 3.** Structural Model Evaluation

Indicator	Value	Category
R-squared (Social Entrepreneurship Success)	0.683	Strong
Adjusted R-squared	0.681	Strong
Effect size (f-squared)	2.152	Large

*Note.* Source: Processed Data (2025).

The structural model evaluation presented in [Table 3](#) indicates that Buddhist Management Principles (BMP) have substantial explanatory power in predicting Social Entrepreneurship Success. The  $R^2$  value of 0.683 shows that BMP explains 68.3% of the variance in Social Entrepreneurship Success, indicating a strong level of explanatory capability. Similarly, the adjusted  $R^2$  value of 0.681 confirms the stability and robustness of the model.

Furthermore, the effect size ( $f^2$ ) value of 2.152 exceeds the recommended threshold of 0.35, indicating a large effect. This result suggests that BMP plays a substantial role in explaining variations in Social Entrepreneurship Success and serves as the primary predictor within the model. Overall, the structural model demonstrates strong explanatory power and supports the proposed relationship between BMP and Social Entrepreneurship Success.

The hypothesis test was conducted using the bootstrapping procedure, and the results are presented in [Table 4](#). The path coefficient from BMP to Social Entrepreneurship Success was 0.826, with a t-statistic of 13.836 and a p-value of 0.000. Since the t-statistic exceeds 1.96 and the p-value is below 0.05, H1 is accepted. Therefore, Buddhist Management Principles have a positive and significant effect on Social Entrepreneurship Success.

**Table 4.** Hypothesis Test (Path Coefficient Estimation)

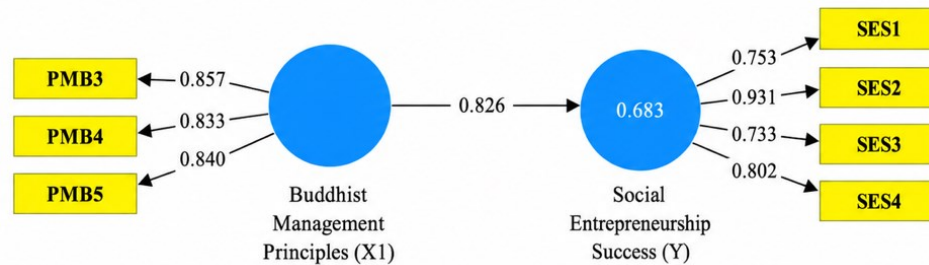
Path	O	STDEV	t	p
BMP (X) → Social Entrepreneurship Success (Y)	0.826	0.060	13.836	0.000

*Note.* O = original sample estimate; STDEV = standard deviation. \*\*p < .01. Source: Processed Data (2025).

The hypothesis testing results presented in [Table 4](#) support H1, indicating that Buddhist Management Principles (BMP) positively and significantly influence Social Entrepreneurship Success. The positive path coefficient suggests that greater implementation of BMP is associated with higher levels of social entrepreneurship success. The statistical significance of the relationship further confirms that BMP serves as an important predictor of organizational success within the sampled social enterprises.

These findings imply that the integration of ethics, wisdom, servant leadership, ecological sustainability, and equanimity strengthens the ability of social enterprises to achieve both economic and social objectives. [Figure 2](#) illustrates the estimated structural model.

**Figure 2.** Estimated Structural Model (PLS-SEM)



Source: Processed Data (2025)

## DISCUSSION

The purpose of this study was to examine and explain the influence of Buddhist Management Principles on the success of social entrepreneurship in Greater Jakarta. The findings confirm that BMP contributes determinatively to social-entrepreneurship success, reaffirming the study's central contribution: that spiritual values, when systematically operationalized, function as an effective managerial framework rather than a peripheral concern.

Three features of the findings merit emphasis. First, the relationship is not only statistically significant but substantively large, which is unusual in behavioral management research and underscores the explanatory potential of value-based constructs. Second, the effect holds for a composite of five conceptually distinct principles, suggesting that it is their integration rather than any single virtue that drives performance. Third, the result emerges in a competitive, religiously plural metropolitan setting, indicating that the value of BMP is not confined to homogeneous or rural Buddhist communities but extends to pluralistic urban economies.

It is also worth noting the robustness of the estimate. The strength and significance of the path were obtained only after confirming that the constructs were reliable, valid, and discriminant, which reduces the likelihood that the relationship reflects measurement overlap rather than a substantive association. While perception-based survey data cannot by themselves establish causality, the theoretical specification, the directionality implied by the model, and the magnitude of the effect together make a value-based explanation of social-entrepreneurship success highly plausible.

### The Influence of Buddhist Management Principles on Social Entrepreneurship Success

The path coefficient of 0.826 reflects the strength of the causal relationship between BMP and social-entrepreneurship success, and the acceptance of H1 confirms that more intensive and consistent integration of Buddhist principles into the managerial process is associated with higher attainment of social goals, greater operational efficiency, and stronger long-term sustainability. This result is consistent with spiritual-leadership and value-based management perspectives, which argue that the ethical quality and inner clarity of leaders are key determinants of organizational performance (Fry, 2003; Samul, 2024). It also corroborates recent evidence that spiritual leadership and workplace spirituality foster sustainable and pro-environmental performance (Piwowar-Sulej & Iqbal, 2024; Lahmar et al., 2023), and it extends to the Indonesian context findings on Buddhist-informed entrepreneurship and sustainability reported elsewhere (Mahadewi et al., 2022; Sharma et al., 2023).

The magnitude of the effect observed here is noteworthy when set against the broader social-entrepreneurship literature, which has tended to emphasize external enablers such as financing, institutional support, and market access (Adam et al., 2024; Sedeh et al., 2023; Daskalopoulou et al., 2023). The present findings suggest that internal, value-based capabilities can be at least as consequential as these external factors. By demonstrating that an integrated ethical-spiritual framework explains 68.3% of the variance in success, the study lends quantitative weight to the argument that culturally embedded and morally grounded management is a substantive driver of performance rather than a symbolic adornment (Klarin & Suseno, 2023; Hendar & Nuryakin, 2024).

These results also invite a reconsideration of the scalability-first paradigm that dominates much of the global social-enterprise discourse. Whereas that paradigm tends to privilege rapid growth, standardization, and quantitative impact metrics, the BMP framework foregrounds sufficiency, relational depth, and ethical restraint (Payutto, 1994; Schumacher, 1973). The strong performance of value-led enterprises in this study suggests that the two logics need not be opposed: ethically anchored, moderate growth may in fact prove more durable than aggressive expansion that outruns an organization's managerial and moral capacity.

### **The Complementary Roles of the Five Dimensions**

The five dimensions contribute differently yet complementarily. Ethics (*Sila*) builds public trust, integrity, and transparency as social capital (Hartnell et al., 2023); Wisdom (*Panna*) facilitates reflective decision-making and adaptive long-term strategy (Jiang et al., 2023); Servant Leadership (*Metta-Karuna*) strengthens team cohesion and the engagement of beneficiary communities; Ecological Sustainability (*Ahimsa*) supports moral legitimacy through environmentally responsible practices (Sharma et al., 2023); and Equanimity (*Upekkha*) acts as a psychological stabilizer that sustains leaders amid uncertainty (Syahir et al., 2025). In the plural and competitive urban context of Greater Jakarta, BMP thus provides ethical direction, a reflective approach to uncertainty, and empathic leadership relevant to complex social challenges.

Theoretically, these results extend spiritual-management theory by showing that Buddhist values can be operationalized into a measurable construct with strong predictive power, and they answer calls within the AIBPM scholarly community for context-sensitive, value-based models of enterprise performance in Southeast Asia (Azizah et al., 2023; Rifani et al., 2025; Sarjiyono & Prasetio, 2025). Practically, the complementary configuration of the five dimensions implies that social enterprises should cultivate them as a coherent system rather than in isolation: ethical governance without equanimity may falter under pressure, while compassionate leadership without wisdom may lack strategic direction. The findings are also consistent with studies linking values-driven identity to venture resilience and impact (Salwan et al., 2025; Sampaio & Sebastiao, 2024; Pasamar et al., 2023).

Theoretically, the study makes three contributions. It demonstrates that a spiritually grounded value system can be rendered into a psychometrically sound, higher-order construct, thereby answering long-standing concerns that spirituality resists rigorous measurement (Lahmar et al., 2023; Syahir et al., 2025). It provides rare quantitative evidence from an Indonesian setting, extending a literature that has been dominated by Western and conceptual work (Klarin & Suseno, 2023). And it positions Buddhist Management Principles as a distinctive contribution to the comparative study of indigenous and faith-based management models, complementing research on values-driven enterprise within the regional scholarly community (Azizah et al., 2023; Sarjiyono & Prasetio, 2025).

For practitioners, the findings imply a concrete agenda. Founders can institutionalize ethics through transparent governance and codes of conduct; cultivate wisdom through reflective practices and evidence-based decision routines; embody servant leadership by foregrounding the needs of employees and beneficiaries; embed ecological sustainability in sourcing, operations, and reporting; and develop equanimity through mindfulness and disciplined emotional regulation. Because the dimensions are complementary, investment in the weakest dimension is likely to yield the greatest marginal improvement in overall success.

For educators and policymakers, the results support the integration of value-based content into entrepreneurship curricula and the design of incubation and financing schemes that recognize ethical and ecological performance alongside financial returns. Embedding such criteria in public programs could help redirect the social-enterprise ecosystem toward the durable, mission-consistent growth that purely financial incentives have struggled to produce (Adam et al., 2024; Setiawan et al., 2023).

Read as a whole, the pattern of results portrays Buddhist Management Principles as a coherent managerial logic rather than a loose collection of virtues. Ethics and ecological responsibility supply legitimacy, wisdom and servant leadership supply capability and relationship, and equanimity supplies the psychological endurance to sustain both under adversity. It is the simultaneous presence of these elements, the analysis suggests, that distinguishes thriving value-led social enterprises from those that falter.

## **CONCLUSION**

This study concludes that Buddhist Management Principles significantly contribute to the success of social enterprises in Greater Jakarta. The findings indicate that the dimensions of Ethics, Wisdom, Servant Leadership, Ecological Sustainability, and Equanimity collectively form an effective managerial framework that supports organizational performance, resilience, and sustainability. The results suggest that spiritual values can be integrated into contemporary management practices and serve as important resources for achieving both social and economic objectives.

The study contributes to the growing literature on spirituality based management by demonstrating that Buddhist values can be operationalized and empirically examined within the context of social entrepreneurship. The findings imply that social entrepreneurs may benefit from incorporating compassion, wisdom, mindfulness, and right livelihood into managerial decision making and organizational practices. Educational institutions, social enterprise incubators, and policymakers may also utilize these insights to develop leadership programs and support initiatives that promote ethical behavior, sustainability, and collective welfare.

Future research is encouraged to examine Buddhist Management Principles in different geographical locations, organizational contexts, and cultural settings to improve the generalizability of the findings. Researchers may also consider employing longitudinal designs or additional variables to further explore the mechanisms through which spiritual values influence social enterprise success and sustainability.

## **LIMITATION**

This study is limited to the Greater Jakarta area, with a sample of 150 respondents and perception-based measurement, so generalization to other regions and contexts should be made with caution. The model also tests BMP as a single composite construct; future

research could examine the influence of each dimension separately, broaden the geographic scope, and introduce mediating or moderating variables to deepen the understanding of the underlying mechanisms.

Future research could pursue several directions. A disaggregated model could estimate the distinct contribution of each of the five dimensions, clarifying which principles matter most for which facets of success. Longitudinal designs could establish temporal precedence and trace how value-based management shapes performance as ventures mature. Comparative studies across regions, religious traditions, and enterprise types would test the boundaries of the framework, while mixed-methods work could illuminate the mechanisms through which Buddhist principles are enacted in daily managerial practice. Introducing mediators such as organizational trust or moderators such as enterprise age and sector would further deepen understanding of the underlying causal structure.

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#### DECLARATION OF CONFLICTING INTERESTS

The authors have declared no potential conflicts of interest concerning the study, authorship, and/or publication of this article.

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