

Sustainability in Borneo's Tailed Paradise: ESG Integration Toward the Business Feasibility Practices of Tourism Village

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ABSTRACT

This study aimed to explore the integration of ESG practices to create business feasibility in the Temajuk tourism village. The research method used was exploratory research with a mixed approach. The qualitative approach was conducted through phenomenological studies, while the quantitative approach used operating ratio analysis. Primary data were obtained from in-depth interviews with seven informants who were stakeholders in the tourism village. To support the primary data, researchers augmented the data sources with data originating from observations and documentation. This study found that ESG practices in the Temajuk tourism village were reflected in ongoing interactions among stakeholders: the local community, entrepreneurs, managers (POKDARWIS), and the village government. This interaction pattern was formed to realize environmental, social, and governance benefits for all parties. The ESG practices in place shaped the business feasibility of the accommodation and cafeteria operations, as evidenced by the low cost-to-revenue ratio. The costs incurred to produce food and beverages and labor were lower when compared to the income earned from room rentals. It was reflected operational efficiency and profit maximization in the Temajuk tourism village. This study contributed theoretically to the description of ESG practices in the tourism village and practically as a basis for evaluating the tourism village's financial management.

1. INTRODUCTION

A tourism village is a rural area with unique characteristics and attractions. The government continues to develop potential tourist attractions with economic value in several regions in Indonesia. It is intended to enable local natural, cultural, and traditional potential to become a source of village economic growth, thereby stimulating the welfare of rural communities. As stipulated in the Sustainable Development Agenda, one of the 2030 targets is to achieve decent work and economic growth through the development and implementation of policies to promote sustainable tourism that creates jobs and promotes local culture and products.

The tourism sector plays a strategic role in national economic growth. In the third quarter of 2025, the Indonesian economy grew by 5.04%, with the tourism sector contributing 3.96% to the national Gross Domestic Product (GDP). The tourism sector has emerged as a leading sector for achieving economic growth in most countries (Hamdan & Low, 2014; Mastika, Harsono, Khristianto, Oktawirani, & Hutama, 2023; Rocca & Zielinski, 2022). This fact aligns with Sun & Waqas (2024) statement that, in recent years, global tourism has experienced significant growth, as reflected in an increase in global GDP. Tourism not only increases national income but also provides significant benefits, including job creation, reducing economic disparities, promoting income equality, strengthening trade in goods and services, and generating state revenue through taxes (Canh & Thanh, 2020). These criteria serve as key indicators of a country's sustainable economic growth (Habibulloev, Han, Bakhtiyorov, M.A, & Nuhzor, 2024; Nitivattananon & Srinonil, 2019; Yin Zhang, Hu, Zhang, Du, & Brockington, 2023).

A feasibility analysis of tourism villages is necessary to evaluate a village's readiness for tourism comprehensively. A feasibility analysis is considered crucial for mapping impacts, ensuring sustainability (social/economic), and determining whether a project is feasible to develop to increase community income. The government, private investors, credit institutions, the wider community, and other stakeholders use

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feasibility information as a basis for decision-making, both for funding needs through investment, tourism information media, and financing through term loans. Feasibility analysis of tourism villages generally includes aspects of attractions, amenities, accessibility, institutions, and human and community resources (Gkoumas, 2019; Hu, Chen, & Huang, 2026; Rudiyanto & Januar, 2021; Sesotyaningtyas & Manaf, 2015).

ESG indicators encompass three main components: environmental, social, and governance practices (Bae, 2022; Khosravi, Cassano, & Gennari, 2025; Yu Zhang, Huam, & Zhang, 2025). Since 2008 the Global Sustainability Tourism Council (GSTC) has launched criteria for hotels and operators followed by the launch of tourism destination criteria in 2013. These criteria were updated in 2019 to align with the Sustainable Development Goals. This further emphasizes the importance of implementing ESG in sustainable tourism. Although there are several standards for measuring ESG practices within an entity including the ESG score (Jafarova, Farmanov, Kadirova, Makhmudova, & Khodjaeva, 2026; Yu Zhang et al., 2025), Key Performance Indicators (Garefalakis, Stratidaki, Angelaki, Antonaki, & Papademetriou, 2026), K-ESG evaluation index (Bae, 2022) and Gobar Resource Indicators (Adibi, Lafhaj, Yehya, & Payet, 2017; Slacik & Greiling, 2020; Smith, Ascuí, O'Grady, & Pinkard, 2024). GSTC criteria serve as indicators for measuring the performance of tourist destinations in realizing sustainable tourism, encompassing four major themes: sustainable management, socio-economic impact, cultural impact, and environmental impact (Day & Romanchek, 2020; *GSTC Destination Criteria with Performance Indicators and SDGs*, 2019). This study aims to explore ESG practices and their integration to create business viability in a tourism village. This study does not use specific ESG measurement indicators to ensure that the findings accurately reflect the actual situation based on experience. The aim is to identify patterns or models that naturally occur in the research site.

The development of financial feasibility analyses for tourism villages is conducted through a series of studies. The goal is to complement tourism village feasibility studies by providing comprehensive feasibility information both from a non-financial and a financial perspective. These studies include those focused on the financial impact of tourism village management (Hu et al., 2026), financial analysis of accommodation (Takaendengan, Avenzora, Darusman, & Kusmana, 2022), financial sustainability (Daulay & Rahdriawan, 2024), and investment feasibility (Noviriani & Zurmansyah, 2025). Many studies use financial ratio calculations such as Net Present Value (NPV), Internal Rate of Return (IRR), Net Benefit/Cost (Net B/C), Payback Period (PP), Profitability Index (PI), Average Rate of Return (ARR), Break-Even Point (EP), and Sensitivity Analysis. Meanwhile, several studies have analyzed entity performance using operating ratios in information services companies (Lee, 2023) and restaurants (Mun & Jang, 2018). However, the performance analyses in both studies were conducted using statistical regression. This motivated researchers to fill the research gap in assessing tourism village performance using operating ratio calculations. Operating ratios are useful for assessing productivity, profitability, and cost efficiency by comparing total operating costs with total net income (Lee, 2023; Mun & Jang, 2018). To date not many study has examined the operational feasibility of tourism villages using operating ratios. This research is motivated by the fact that food and beverage businesses should ideally prioritize cost control in a competitive environment to increase profitability without compromising customer satisfaction (Çakır & Özgür Göde, 2025; Kefe & Çetin, 2024). Cost control is also carried out by analyzing the feasibility of labor costs. In conditions where the food and beverage business is closely related to lodging, business owners also need to consider the feasibility of income from room rentals. Overall cost control is carried out by calculating the percentage of food and beverage costs, labor costs, and the number of rooms rented to determine whether the costs incurred by the owner are proportional to sales (Dittmer & III, 2006).

This study explores ESG practices that occur in the Temajuk tourist village, Sambas Regency, West Kalimantan Province, Indonesia. Temajuk is an exotic tourist destination located in the tail of Kalimantan, specifically in Paloh District, and is worthy of development in Sambas Regency. As a tourism village, Temajuk has significant tourism potential, particularly in natural attractions. Various facilities are provided for tourists, including a parking area, meeting hall, cafeteria, jungle trekking area, prayer room, outbound area, and photo spots. For accommodation, guests must pay per night, while food orders in the cafeteria are catered based on the length of their stay. Other amenities are fully available to guests at no additional cost. Based on this, the business feasibility calculation using operating ratios in this study focuses on operational activities derived from the accommodations and cafeteria's revenue and operating costs. Temajuk tourism village is a tourism area with high business potential due to the presence of accommodation and cafeterias (Djafar, Kurnianto, & Alimuddin, 2024; Evita & Rosalina, 2020). Further exploration of this business potential based on financial data to determine the real conditions is one of the objectives of this study.

One of the unique aspects of tourism village activities is the interaction among social, environmental, and business governance. These three aspects support tourism sustainability (Gkoumas, 2019; Hu et al., 2026; Sesotyaningtyas & Manaf, 2015). The interaction among these various aspects is

demonstrated by the involvement of local communities in tourism village activities, acting as service providers and capital providers, as well as end consumers of products (Sutawa, 2012; Rosalina et al., 2023). The novelty of this study lies in exploring ESG practices through the interaction of sustainability-supporting aspects reflected in the tourism village's operational activities with a qualitative phenomenological approach and quantitative measurements. Operational activities are measured using an operating ratio consisting of three calculations: food and beverage cost analysis, labor cost percentage, and room rental analysis. This study combines qualitative measurement concepts to describe ESG practices with quantitative measurements through business figures to determine the business feasibility of the Temajuk tourism village.

As stated by Zhang et al., (2025), researchers must find new perspectives on ESG implementation in tourism activities. He found a significant influence of ESG practices on the operational efficiency of tourism companies. Unlike Zhang et al., (2025) who conducted research using a quantitative approach, this study explores ESG in the tourism sector using a combination of quantitative approaches and quantitative measurements. Based on this, the research problem formulation in this study is "How do ESG practices integrated toward business feasibility in the Temajuk tourism village?" Based on these, this study aims to examine ESG practices integrating to business feasibility in the Temajuk tourism village.

2. METHODS

This exploratory study uses a mixed method approach to explore ESG practices and the business feasibility of the Temajuk tourism village. ESG practices are obtained using a qualitative phenomenological approach meanwhile business feasibility is measured using operating ratios. Operational feasibility in this study focuses specifically on the operational activities of the accommodation and cafeteria. Exploratory research is a step taken by researchers to explore ESG practices and business feasibility in the Temajuk tourist village, a situation that has not been widely studied before. Researchers used a qualitative approach with a phenomenological framework focusing on individual awareness and their personal (subjective) perspectives on their experiences. Through this research, researchers can gain an understanding of why and how individuals perceive their experiences, thus generating findings about ESG practices that occur. Business feasibility findings are derived from systematic quantitative data calculations using operating ratios. This research yields findings about ESG practices that create business feasibility in the Temajuk tourist village (Figure 1).

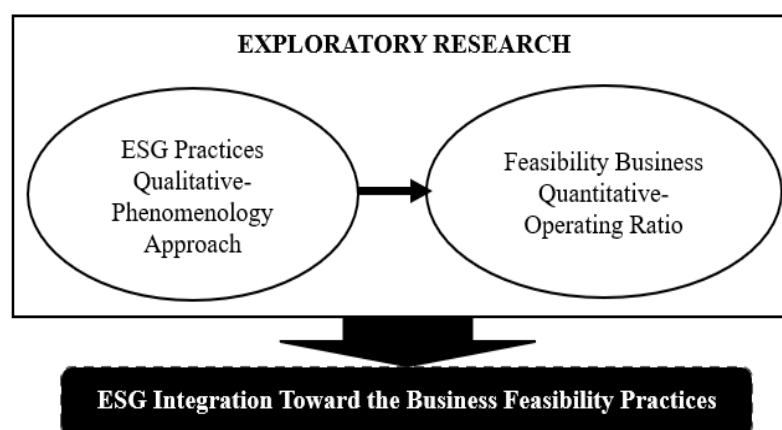


Figure 1. Research Design

The researcher adopted Husserl's transcendental phenomenology approach to conduct an in-depth analysis of the ESG practices in the tourism village. The phenomenological approach classified as qualitative research was chosen to ensure that all data and information used in this study came from informants who were individuals experiencing the reality and situated within that context (Creswell & Creswell, 2018). Through this phenomenological approach, the researcher not only obtained numerical data but also uncovered the meaning and symbolism of the ESG practices and operational feasibility of the Temajuk tourism village business, based on the awareness of the individuals involved (Fitriana & Noviriani, 2024; Noviriani, 2021; Noviriani & Zurmansyah, 2025). A distinctive feature of phenomenological research is that it uncovers reality through the lived experiences of informants thereby avoiding the use of specific indicators that could limit the research findings. Unlike quantitative, qualitative research does not aim to test theories or indicators predetermined at the outset.

Based on interactions with informants, the researcher interpreted the ESG practices that create business feasibility of the Temajuk tourism village business as meaningful and containing important data and information. Therefore, systematic data analysis is required to obtain comprehensive, meaningful data and information. The steps of transcendental phenomenological research refer to the data analysis stages outlined by several researchers, namely Kaam (1966) research and Colaizzis (1978), modified by Moustakas (1994), namely epoche, phenomenological reduction, imaginative variation, and synthesis between meaning and essence. Researchers begin by identifying a phenomenon for research, conducting an epoche (bracketing) of a person's experience which means researchers must bracket their knowledge to explore information based on the actor's experience without researcher intervention, and then collect data from several informants who have experienced the phenomenon. Researchers then analyze the data by reducing the information to significant statements or quotations and combining these findings into themes. Data collection was conducted in the tourism village of Temajuk, Sambas Regency, West Kalimantan, Indonesia, to determine the ESG practices. The main sources of research data, in the form of statements and body language, were obtained through direct observation and in-depth interviews. In-depth interviews were conducted with the main focus on providing the informants with the opportunity to share their life experiences related to the ESG phenomenon in the Temajuk tourist village. Interviews were conducted with 7 (seven) informants. Informant selection was based on each informant's role. Brief descriptions of the informants are presented in [Table 1](#).

Table 1. Informant Description

No	Name of Informant	Role
1	PD	Head of Temajuk village
2	BM	Vice of POKDARWIS
3	SL	Accommodation and cafeteria owner
4	FH	Accommodation and cafeteria manager
5	FL	Local community
6	CN	Local community
7	SK	Local community

The informants in this study consisted of village officials, members of the Tourism Awareness Group (POKDARWIS), accommodation & cafeteria owners and local community. It was based on the consideration that informants are directly involved in the ESG practices and operational activities of the tourism village in order to they can provide information to answer the research questions. To ensure the confidentiality of informants' identities the researcher used pseudonyms so that informants could freely share their experiences without worrying that their responses would affect their current positions ([Heaton, 2022](#)). To support the primary data, researchers augment the data sources with data originating from observations and documentation.

The procedure continued with data analysis using the operating ratios listed on www.pantauwisata.com to determine the operational feasibility of accommodation and cafeteria activities. The Pantau Wisata website exists as a solution for digitalizing tourism in Indonesia. Through this website users can find information about tourism villages in Sambas Regency. The website also offers investment and operational calculators to calculate the financial and operational feasibility of tourism villages digitally. This study aims to analyze the operational feasibility of the Temajuk tourism village's accommodation and cafeteria businesses consists of three mathematical calculations ([Dittmer & III, 2006](#); [Kefe & Çetin, 2024](#)):

1. Food and Beverage Cost Analysis

A food and beverage cost analysis is crucial for identifying ways to minimize cafeteria expenses. Food and beverage costs include all expenses incurred to develop menus in accordance with established recipe standards. Determining food and beverage costs requires consideration of raw materials, labor, overhead, and general and administrative costs. All of these costs contribute to preparing food and beverages until they are ready for sale. Food and beverage cost analysis can be obtained by comparing total food costs with total food sales, or by comparing beverage revenue with beverage sales.

$$\text{Food cost percentage} = \frac{\text{Total food cost of sale}}{\text{Total food sale}} \quad (1)$$

$$\text{Beverage cost percentage} = \frac{\text{Total beverage revenue}}{\text{Total beverage sale}} \quad (2)$$

2. Labor Cost Percentage

The labor cost percentage is used to assess an accommodation company's operational efficiency and profitability. The calculation compares labor costs per department/section to the department's

revenue. The lower the labor cost percentage, the more operational efficiency and profitability an accommodation company can achieve.

$$\text{Labor cost percentage} = \frac{\text{Labor cost per departemens}}{\text{Department revenue}} \quad (3)$$

3. Room Rental Analysis

Room rental analysis helps managers determine the operational efficiency point for a hotel and the Break Event Point (BEP), the point at which operating costs equal room rental revenue. Room rental is calculated by comparing room revenue to the number of rooms rented. Meanwhile revenue per available room is calculated by dividing room revenue by the number of available rooms.

$$\text{Average daily rate} = \frac{\text{Rooms revenue}}{\text{Number of room sold}} \quad (4)$$

$$\text{Revenue per available room} = \frac{\text{Rooms revenue}}{\text{Available rooms}} \quad (5)$$

The researchers developed a textural description of the informants' experiences (what they experienced), including costs incurred, revenue generated, operational activities at the accommodation and cafeteria, and other issues related to the research. A structural description, also known as the imaginative variation of the informants' experiences (how they experienced them in terms of conditions, situations, or contexts), related to how the accommodation and cafeteria operational experiences occurred and were experienced. The combination of textural and structural descriptions revealed the overall essence of the experience. The research results were interpreted narratively and argumentatively supported by relevant theories. The researchers proposed the operational feasibility of an accommodation and cafeteria business in the Temajuk tourism village. Furthermore, conclusions were drawn and future research directions were outlined.

3. RESULTS AND DISCUSSIONS

Results

ESG Practices in Temajuk Tourism Village

Business activities in the Temajuk tourism village are dominated by accommodation and tourist cafeterias. The main attraction of Temajuk is its tourist attractions, so the availability of basic infrastructure, especially for tourists, is a priority. Monitoring by the Community Empowerment and Development (POKDARWIS) is carried out continuously, especially during the peak tourist season, as explained by BM:

"Temajuk tourism village has a special program implemented to collect economic data related to tourism. This program runs during the peak tourist season. The process involves POKDARWIS visiting business owners and inquiring about their income and expenses."

The activity aims to provide a detailed understanding of economic growth in the Temajuk tourism village. Through data collection, POKDARWIS can observe economic growth trends, indicated by fluctuations in business income and expenses, allowing for further action:

"From our data collection, we can see the highest peak tourist visits in a year. For example, year after year, the highest number of tourists occurs between October and December, or towards the end of the year. This is because tourists want to spend the New Year's holiday, which coincides with the season when jellyfish come to the coast. Meanwhile, the lowest number of visits occurs at the accommodation of the year due to the influence of quite high rainfall." (BM)

Monitoring of business operations in the Temajuk tourism village is conducted through direct interaction with business owners. POKDARWIS prefers to visit accommodation and cafeteria businesses to gather data and information to assess development trends rather than relying solely on paper reports. As a supporting measure, monitoring of business activities in the Temajuk tourism village is also conducted based on an annual report. This report is a summary that shows the economic contribution of business activities in the Temajuk tourism village to the region:

"The annual report contains the amount of income and expenditure, as well as contributions generated by the Temajuk tourism village, for example in terms of taxes. This annual report typically runs 5-6 pages and is submitted to the province." (PD)

"The data included in the annual report includes visitation data, estimated tourist origins, business income, expenditures, activities undertaken, and an estimate of the relationship between the number of visits and purchasing power." (BM)

To foster sound business management, the Temajuk tourism village management, through the Community Empowerment and Development Group (POKDARWIS), facilitates various knowledge development activities, training, and mentoring for business owners. Furthermore, POKDARWIS often provides advice and financial assistance for business development:

"Temajuk tourism village provides advice, financial assistance, and other forms of support to MSMEs regarding sound business management. One suggestion is that MSMEs regularly participate in training programs, which are usually provided both internally and externally." (PD)

Temajuk Village's full support for business actors is also evident in its promotional efforts to ensure products and services are recognized not only by residents but also by tourists. The PD stated:

"Temajuk Tourism Village runs a program that helps SMEs in Temajuk access the market, expanding their promotional opportunities and increasing their exposure to the wider community."

Furthermore, according to the PD, business owners in the Temajuk tourism village are also expected to purchase supplies from residents:

"The Temajuk tourism village management has taken steps to encourage tourism businesses to purchase goods and services from local suppliers. The POKDARWIS (Community Development Group) prioritizes local products to meet the needs of customers and tourists."

Residents' involvement in activities in the Temajuk tourist village extends beyond being end consumers of products to providing services, labor, and capital:

"We, as residents, are involved. Besides working in Accommodations, cafeterias, or tourist attractions, we can also sell drinks and snacks." (FL)

"We are considered a priority. If the management needs labor, they will definitely offer us villagers. This is also because we are part of the same village, so the management is certainly familiar with us." (CN)

"Almost all of the land around this tourist village is owned by the residents. This makes it difficult to attract outside investors." (SK)

Provision of business needs in the form of raw materials, labor, and tourist access. Businesses in the Temajuk tourism village maximize the potential of local resources by purchasing raw materials for food and beverages and recruiting residents as laborers. Given that residents still hold most of the land ownership, some tourist accesses require permits from the owners, making licensing a crucial issue in the Temajuk tourism village. It demonstrates the role of the local community in the tourism village.

Temajuk tourist village has implemented the principles of good governance through financial transparency as stated by the owner and manager of the accommodation:

"We employ 10 people with a monthly wage of Rp 2,000,000. During peak periods like religious holidays and New Year, the accommodation will double the number of employees. This will impact revenue. On normal days, the rate is around Rp 3,000,000 per day, and during peak season, it reaches Rp 5,000,000 per day." (SL)

"All meals and drinks are included in the accommodation package, but we also provide food and drinks that can be ordered separately, such as instant noodles and other snacks. Visitors are also free to cook on the beach, as long as they don't do it in their rooms. The cost ranges from Rp 2,000,000 per day, with total sales of Rp 5,000,000." (FH)

"The accommodation has 40 rooms of various types. As visitor numbers increase, the rooms are fully booked. However, on normal days, around 10-15 rooms are occupied. Total monthly revenue on normal days is around Rp. 55,000,000, while on busy days it is Rp. 120,000,000. (SL)

Governance particularly in the business sector is evident in the transparency of information both through financial reporting by managers and access to financial data provided by inn and cafeteria owners to both managers and other interested parties. Although the data provided is largely in the form of simple records, this open access is one of the unique characteristics of the tourist village. This is inextricably linked to the strong family ties that remain ensuring that profits are measured not only in financial terms but also in the benefits to all parties.

Business Feasibility of Temajuk Tourism Village

Based on information obtained from the owner and manager, the total employee wages for one month are Rp. 20,000,000. This amount will double during the holidays and New Year because the business owner adds the number of workers, so that the total wages become Rp. 40,000,000. Accommodation income also increased from Rp. 3,000,000 per day or Rp. 90,000,000 per month to Rp. 6,000,000 per day or Rp. 180,000,000 per month. Food and beverage production costs amount to Rp. 2,000,000, with total sales

amount to Rp. 5,000,000 per day. There are 40 accommodation rooms, including various types. On weekdays, as many as 10-15 rooms are rented, while during holidays and the New Year, all rooms are fully booked. Income from room rentals obtained by the accommodation owner is Rp. 55,000,000 and increases to Rp. 120,000,000 during the holiday season. Business feasibility of Temajuk tourism village based on operating ratio is divided into several mathematical formulas, accessible on the website www.pantauwisata.com:

Food and beverage sales calculations

Analisis Biaya Makanan & Minuman

Total Biaya Makanan:

2000000

Total Penjualan Makanan:

5000000

Hitung

Persentase Biaya Makanan:

40.00%

Figure 2. Food and Beverage Sales Calculations

The analysis of food and beverage costs shows a 40% share (Figure 2). This indicates that to generate total food sales of the above amount, the owner must allocate 40% of the costs. This means the owner earns a 60% profit on the costs incurred in a single day.

Labor cost percentage calculations

Input Data Labor Cost Percentage

Biaya Tenaga Kerja per Departemen:

666667

Pendapatan Departemen:

3000000

Hitung

Total Biaya Tenaga Kerja: Rp 666.667,00

Total Pendapatan Departemen: Rp 3.000.000,00

Labor Cost Percentage: 22.22 %

Figure 3. Labor Cost Percentage Calculations

If calculated daily (Figure 3), the total wages the owner must pay to employees are Rp. 666,667, while the income is Rp. 3,000,000. The results of the labor cost percentage analysis show a value of 22.22%. This indicates that to generate a total income of Rp. 3,000,000, the owner must allocate 22.22% of the costs. This means the owner earns 77.78% of the labor costs incurred in one day.

Room rental calculations

Figure 4. Room Rental Calculations

If calculated daily (**Figure 4**), the total number of occupied rooms on weekdays is 15 out of 40 available rooms. The room rate per night is assumed to be the average of all room types, namely Rp. 400,000. Based on the calculation above, the room occupancy rate is 37.5% with an income per available room of Rp. 150,000. This means that on weekdays the number of occupied rooms is less than 50%, while during holidays and New Year's the rooms can be occupied up to 100%.

Discussion

The sustainability of the Temajuk tourism village is achieved through the contributions of various parties. Businesses consistently report on business developments to the village management. It is supported by follow-up actions taken by the village and management to enhance business growth in the Temajuk tourism village, including training, guidance, and promotional assistance. Furthermore, residents also play a role in this relationship. The village and the management (POKDARWIS) manage tourism as best they can as part of their accountability for obtaining permits for the tourism village area owned by residents.

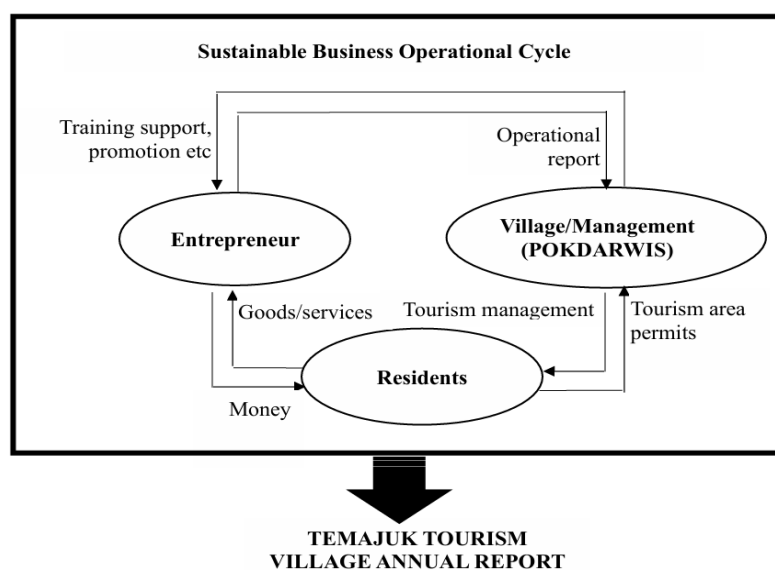


Figure 5. Relationship Between the Village/Tourism Management (POKDARWIS)-Business Actors-Residents/Local Communities

The reciprocal relationship between business actors and residents is a transactional economic one. Residents provide goods or services for use in business operations, which generate monetary rewards. This established relationship pattern results in dynamic, multi-party, and sustainable business operations, reflected in annual reports containing financial and non-financial information as ESG practices. The synergistic relationship cycle between the village/tourism management (POKDARWIS), business actors, and residents is shown in [Figure 5](#).

Local community involvement in regional tourism development is key to sustainability ([Ibrahim et al., 2021](#); [Rosalina et al., 2022](#); [Sutawa, 2012](#)), direct community involvement is necessary to manage infrastructure and maintain local ownership. [Sutawa \(2012\)](#) emphasizes the role of village communities as regulators and implementers of development, ensuring inclusive village tourism development. This participatory role is best achieved through less formal, inclusive mechanisms, rather than through meetings that tend to be rigid or conservative.

Stakeholder theory is closely related to tourism village management, which involves various stakeholders, including local communities, managers (POKDARWIS), village governments, and local entrepreneurs ([Larson, Sarmiento Barletti, & Heise Vigil, 2022](#)). Based on this theory, the success of a tourism village is not only determined by the number of tourist visits or income, but also by how the tourism village's management provides benefits to all stakeholders. In this case, local communities can obtain returns from services, or capital provided as attraction providers, accommodation managers, and cultural guardians, in the form of increased welfare and the preservation of local wisdom ([Rosalina et al., 2023](#); [Sutawa, 2012](#)). The role of the government in this relationship pattern is as a regulator, policy maker, rule maker, infrastructure provider, and legal entity. Tourism village operations are expected to comply with applicable provisions and regulations. As managers, POKDARWIS requires assurance that operations are easy to carry out, including tourist access, attractions, legality, and material support. On the other hand, visitors certainly expect a pleasant and satisfying experience when visiting a tourism village. This interconnected relationship requires harmony to avoid the risk of conflict or failure if not run smoothly.

A feasibility analysis of the Temajuk tourist village business focusing on accommodation and cafeteria aspects using an operating ratio shows that food and beverage costs account for 40% of total sales. Based on these results, the business owner still earns a profit of more than 50%. The current selling price is sufficient to cover production costs and provide a profit margin of up to 60%. Although the analysis shows positive results, business owners need a series of strategic steps to ensure pricing is based on cost control and profit considerations, as is appropriate for any business. This aims to enable businesses in the Temajuk tourist village to grow into large-scale enterprises with sustainable operations.

From a labor perspective, value of 22.22% figure is considered not burdensome for the owner, as it accounts for almost 80% of revenue. The owner only needs to allocate 22.22% of that income. As stated by [Dittmer & III \(2006\)](#), 15 to 45% of sales are allocated to labor costs. However, the appropriateness of wages based on employee workload and hours can be a consideration for business owners for the sustainability of their business. The value of 37.5% occupancy rate is also considered high, as visitor numbers tend to be low on weekdays. Another reason is that road access to the Temajuk tourist village is still poor, especially during the rainy season. Located at the tip of Kalimantan, the Temajuk tourist village is approximately 5 (five) hours by road, so most visitors visit during holidays with extended periods. Business owners can consider coordinating with tourism village managers, the government, and the community to improve the quality and quantity of supporting infrastructure to facilitate access to the Temajuk tourism village and increase tourist visits. However, overall, the accommodation and cafeteria business in the Temajuk tourist village is considered feasible, especially from an operational analysis.

The sustainability of the Temajuk tourist village is inseparable from the ESG practices implemented. The pattern of mutually supportive relationships between stakeholders, namely managers (POKDARWIS), local communities, entrepreneurs and the government, is the biggest factor in the operational success of tourist villages. The implementation of ESG practices in tourism villages focuses not only on financial gain but also on broad economic growth, environmental sustainability, and well-established social relationships ([Andriyansah et al., 2025](#); [Bae, 2022](#); [Das et al., 2025](#); [Lee, 2023](#)). Environmental aspects include waste and garbage management to prevent pollution; restricting visitor access to cultural heritage or protected areas to prevent damage from human activities; and providing sanitation for local operations. From a social perspective, Temajuk tourism villages can provide positive benefits to local communities without altering cultural ecosystems or customs. Through tourism villages, the local economy can be improved by providing priority opportunities for residents as workers and business actors ([Sutawa, 2012](#)). Governance aspects focus on transparency and professional management to ensure the sustainability of Temajuk tourism village activities, including the formation of management (POKDARWIS), financial transparency, and compliance with applicable rules and regulations.

4. CONCLUSION

This research yielded findings on ESG practices in the Temajuk tourism village. These practices are reflected in the interactions and relationship patterns among stakeholders who support one another. As managers, POKDARWIS is responsible for managing the tourist village with permission from the local community and village government. To support entrepreneurs, managers assist in the form of funding, training, and promotion. The relationship between the local community and entrepreneurs lies in the reciprocity of goods and services in a producer-consumer relationship. Local communities provide services/labor, and capital for management, and receive wages in return. ESG practices impact the business feasibility of the Temajuk tourism village. The costs incurred to produce food and beverages and labor are lower when compared to the income earned from room rentals. This indicates cost management conduce an operational efficiency and profit maximization in the management of the Temajuk tourist village.

This research provides an overview of ESG practices in the Temajuk tourist village, thereby achieving business viability, particularly for accommodation and cafeterias. Stakeholders can use this research as an example of good practices in implementing ESG in tourism village. This research is expected to serve as a reference for further promoting sustainable village management. The trend of exploring ESG practices and the feasibility of tourism village businesses presents several challenges, one of which is access to primary and secondary data sources related to this topic. This research has limitations, namely that it only explores ESG practices and business feasibility within the operational ratio of one tourist village. Further research can expand the exploration of ESG practices in several tourist villages by using more comprehensive calculations. Future researchers could also include studies on calculations using cost control methods used by businesses in tourism villages. This research could be supported by a systematic review of articles from reputable national and international journals to map research on ESG practices and the feasibility of tourism village businesses.

In summary, this research provides an overview of the integration of ESG practices to create business feasibility in tourism villages, as determined by operating ratio calculations. This research underscores the importance of harmonious interactions between stakeholders, environmental awareness, and financial reporting governance in creating a mutually supportive and sustainable business environment. These findings have important implications for tourism villages striving to continuously improve their business performance to achieve community independence and well-being.

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