

Entrepreneurship and Accounting System Assistance for Business Sustainability of MSMEs in Bali Based on Tri Hita Karana Local Cultural Values

Ni Wayan Sitiari^{1*}, Ketut Sudarmini², Ni Nengah Seri Ekayani³, Ni Nyoman Rusmiati⁴

Universitas Warmadewa

Corresponding Author: Ni Wayan Sitiari niwayansitiari2@gmail.com

ARTICLE INFO

Keywords: Entrepreneurship, Accounting System, Sustainability, MSMEs, Tri Hita Karana

Received : 09, July

Revised : 11, August

Accepted: 13, September

©2025 Sitiari, Sudarmini, Ekayani, Rusmiati: This is an open-access article distributed under the terms of the [Creative Commons Atribusi 4.0 Internasional](https://creativecommons.org/licenses/by/4.0/).



ABSTRACT

This community engagement program provides training and assistance in management and entrepreneurship for micro, small, and medium enterprises (MSMEs), grounded in the local cultural values of Bali through Tri Hita Karana (THK) philosophy. The program includes education on entrepreneurial orientation, marketing, and financial management, emphasizing values aligned with business sustainability. Entrepreneurial orientation fosters a strong work ethic, perseverance, and resilience. The program involved two MSME groups and employed methods such as lectures, group discussions, and mentoring. Evaluation results indicate improved skills in basic bookkeeping, use of online platforms for promotion, and increased entrepreneurial intention. Integrating Tri Hita Karana values into entrepreneurship has been shown to support the long-term sustainability of MSMEs in Bali.

INTRODUCTION

The Province of Bali has great potential as a tourist destination due to its natural beauty and rich cultural heritage. The development of tourism requires strong support from micro, small, and medium enterprises (MSMEs). According to BPS data, there were 442,848 MSMEs in Bali in 2023, spanning industries such as manufacturing and food processing. A significant portion of MSMEs in the processing sector produce traditional snacks, cookies, and offerings used in religious ceremonies—an integral aspect of Balinese culture. Desa Sading, located in Mengwi District, Badung Regency, is one such village where many MSMEs focus on producing traditional cakes for religious rituals. It is situated approximately 13 kilometers from Warmadewa University. Sading is widely known for its unique and delicious traditional Balinese snacks, which are produced through home industries. Research shows that Sading has strong potential to enhance the role of MSMEs in local economic development, particularly in the traditional snack industry (Sari & Putri, 2021). However, despite growth in the number of enterprises, MSMEs in Sading have not shown significant development in business scale. Many remain at the micro or small enterprise level, sustaining their operations across generations without significant business expansion (Sitiari et al., 2024).

Interviews with local MSME actors reveal resistance to change in production and marketing practices, indicating a generally low level of entrepreneurial orientation. The key challenges faced by these MSMEs include:

1. **Production:** Traditional production methods are still used, and product packaging remains very basic.
2. **Marketing:** There is limited understanding of marketing strategies, particularly involving digital technologies.
3. **Finance:** Financial management practices are weak, with little knowledge of proper accounting systems, hindering their ability to plan profits effectively.

Partner Profile:

1. **Business Name:** Camilan Sari Utama.
2. **Product Type:** Snacks.
3. **Established:** 1998 (family-run, passed down through generations).
4. **Monthly Sales:** IDR 25–40 million.
5. **Number of Employees:** 8.



Figure 1. Production Process

Based on observations and interviews, the following conditions of the partner MSMEs can be summarized: In the field of marketing, internal challenges include a strong adherence to traditional mindsets, resistance to change, and a tendency to be content with existing outcomes. Partners show limited interest in utilizing online media to expand market reach. Product packaging remains basic and lacks essential information such as product name and expiration date. In terms of production, traditional methods are still widely used. Workspaces are disorganized and often overlook hygiene standards, which negatively impacts product quality and quantity. In the financial aspect, partners have not implemented proper bookkeeping systems in accordance with accounting principles, limiting their ability to effectively plan for profits. The objective of this program is to assist partners in addressing these challenges through training, technological adoption, and business management practices particularly the application of accounting systems for financial recording. The program also aims to enhance entrepreneurial orientation to support business sustainability based on the local cultural values of Bali embedded in Tri Hita Karana philosophy.

IMPLEMENTATION AND METHODS

The implementation of the Community Service Program (PKM) began with a site survey, observations, and informal interviews to gain an understanding of the business conditions and challenges faced by the partner. At the same time, the team presented an activity plan outlining proposed solutions to the identified business issues. In general, the methods for delivering each solution are as follows:

1. The partner will receive training materials prepared by the team in the form of an entrepreneurship practice module based on THK philosophy.
2. Challenges in the production process will be addressed by providing equipment aimed at increasing production capacity.
3. To overcome marketing-related issues, the program includes training on the use of technology for packaging design, as well as training on how to utilize online media for promotion and sales strategies.

4. In the area of financial management, the team will provide assistance in preparing simple bookkeeping. In addition, a cash book will be provided to help partners record their financial transactions.

Table 1. Stages and Types of Activities

Stages	Types of Activities
Socialization	Partners are provided with counseling on the importance of entrepreneurial orientation based on local cultural values (Tri Hita Karana), supported by strong human resource commitment.
Training	Partners receive training materials related to aspects of production, marketing, and financial management.
Technology Adoption	Application of technology in packaging design and selection of appropriate online media platforms according to the partner's capacity.
Assistance	Assistance is provided in using technology for packaging design, managing online media, and carrying out financial recording.
Program Sustainability	An evaluation is conducted by distributing questionnaires to assess the partner's capabilities after the implementation of the community engagement program.

RESULTS AND DISCUSSION

The objective of the PKM program was to enhance the management capabilities of human resources, marketing, finance, and entrepreneurial intention, all grounded in the local cultural values of Tri Hita Karana. During the activities, participants showed high levels of enthusiasm, as reflected in the active discussions, particularly regarding issues related to pig farming management. Based on the discussions, it can be concluded that the outcomes of the program aligned with its objectives, particularly in:

Enhancing Management Capabilities, Including Human Resource, Marketing, and Financial Management

Previous research shows that MSME actors in Bali specifically in Sading Village still rely on traditional business practices (Sitiari et al., 2023). These methods are considered less relevant for ensuring business sustainability. To address this, the community engagement activities aimed to raise partners' awareness of the importance of applying management principles for long-term business viability. The initiative began with a socialization session, intended to reshape the participants' mindset toward sustainable business practices by integrating Tri Hita Karana values. The participants responded positively, although some admitted that they were still unfamiliar with the meaning of Tri Hita Karana. The socialization activities are illustrated in the following image:



Figure 2. Socialization of Program Objectives

Promoting Entrepreneurial Orientation Based on the Values Embedded in Tri Hita Karana (THK) Concept

Entrepreneurial orientation has been shown to improve organizational performance (Sitiari et al., 2016). One specific form, known as green entrepreneurial orientation, emphasizes environmental preservation. This green orientation has a significant impact on both environmental and financial performance (Asad et al., 2023). In this community engagement activity, the entrepreneurial orientation introduced to the partners was grounded in the cultural values of THK. These values are highly relevant to the principles of business sustainability. Research has demonstrated that the values embedded within the THK concept can contribute to long-term business sustainability (Sitiari et al., 2023). Although the partners enthusiastically participated in the program, many were still unfamiliar with how to implement THK values in

business practices rooted in entrepreneurship. Based on discussions, it was found that while some elements of THK were already being practiced, the implementation was inconsistent. The training session is depicted in the following image:



Figure 3. Training on Human Resource, Marketing, Financial Management, and Entrepreneurial Orientation

Enhancing Partners' Ability to Use Technology in Business Practices

Technological advancement is inevitable in modern business practices. Technology is no longer limited to the production process – it now influences all aspects of business operations. However, its use can generate both positive and negative impacts. Therefore, it is essential for business actors to understand how to adopt technology that aligns with their human resource capacity and financial capabilities. Based on the discussion, it was found that MSME actors had not yet utilized technology optimally. During the training session, participants were advised to build communication networks – for example, by forming WhatsApp groups – to stay updated on business-related policies and opportunities. In the area of marketing, technology had not yet been used effectively. Most participants were unfamiliar with online marketing strategies. In terms of product presentation, packaging was still very basic. As part of the engagement activity, the team recommended redesigning product packaging to include key information such as production permits, expiration dates, and ingredient details. Many participants were not aware that product information plays a significant role in influencing consumer purchasing decisions.



Figure 4. Product Packaging

Financial Management and Support for Business Capital

Financial management refers to the activities of business owners and managers in acquiring capital at the lowest possible cost and utilizing it as effectively, efficiently, and productively as possible to generate profit (Mulyanti, 2017). In other words, financial management is not only about how capital is used, but also about how to obtain the most affordable funding sources and allocate them efficiently. Based on the discussions, MSME actors expressed that they were facing capital constraints. To address this, partners were informed about the procedures for obtaining loans from banks, cooperatives, and other institutions. It was emphasized that proper financial reports or bookkeeping are essential in applying for such loans. Training and assistance were provided to help partners prepare simple financial reports. Each partner also received a cash book to help them with daily financial recording. The participants engaged enthusiastically in these sessions, as illustrated in the following image:



Figure 5. Assistance in Bookkeeping

In addition to training, production equipment was also provided to enhance the partners' production capacity. This included stoves, trays, gas cylinders, and chairs.





Figure 6. Handover of Production Equipment

Evaluation

An evaluation was conducted to assess the impact of this community engagement program on the partner. The evaluation involved distributing questionnaires related to financial recordkeeping and production processes. Based on the results, partners have demonstrated the ability to maintain financial records, increased their production capacity, and organized their workspaces more effectively. They have also become more proactive in seeking business-related information through social media and have formed a WhatsApp group consisting of fellow MSME actors.

The descriptive analysis results are presented in a table showing the average scores for each indicator. The interval scale was calculated using the following statistical formula: $(5-1)/5 = 0.80$. Based on this calculation, the interpretation of score ranges is as follows:

1. 1.00–1.80 = Very Poor
2. 1.81–2.60 = Poor
3. 2.61–3.40 = Acceptable
4. 3.41–4.20 = Good
5. 4.21–5.00 = Very Good

The respondents' answers are summarized in the table below:

Table 2. Summary of Respondents Answer

Variable	Score	Criteria
Entrepreneurial Orientation Based on Tri Hita Karana		
Creativity in processes and products	3,39	Acceptable
Mutual support with others	4,10	Good
Willingness to take risks	4,14	Good
Environmental preservation	4,31	Very Good
Management Capability		
Ability to manage human resources effectively	4,09	Good
Use of online media	4,12	Good
Financial recordkeeping	4,35	Very Good

Source: Data processed in 2025

Based on the evaluation of respondents' answers, there was an improvement in their management and entrepreneurial skills following the training. They have been able to run their businesses by incorporating local cultural values embedded in THK concept. Previous studies have shown that the values embodied in THK concept contribute significantly to enhancing business sustainability (Sitiari et al., 2023; Parameswara, 2024; Parameswara & Wulandari, 2020).

CONCLUSIONS AND RECOMMENDATIONS

The PKM activities were carried out as planned. The participants (partners) showed strong enthusiasm throughout the process, from the initial socialization to the completion of the program. The counseling and mentoring sessions aimed to enhance their management skills, entrepreneurial intentions, ability to use online media for marketing strategies, and capacity to develop simple bookkeeping. Their high level of engagement reflects a strong desire to achieve a better quality of life, indicating the presence of entrepreneurial motivation. They also demonstrated an understanding of the importance of using online media in marketing and the necessity of maintaining financial records. Therefore, continuous counseling and mentoring activities are highly relevant to support efforts to improve community welfare. Based on the evaluation results of the PKM activities, the participants' creativity and product innovation skills were assessed as moderate. This indicates that MSME actors need to further enhance their creativity and innovation, particularly in areas such as product packaging and quality.

REFERENCES

- Asad, M., Majali, T., Aledeinat, M., Almajali, D.A., & Akhorshaideh, A.H.O. (2023). Green entrepreneurial orientation for enhancing SMEs financial and environmental performance: Synergetic moderation of green technology dynamism and knowledge transfer and integration. *Cogent Business & Management*, 10: 2278842. <https://doi.org/10.1080/23311975.2023.2278842>.
- Badan Pusat Statistik Provinsi Bali (2023). Bali Dalam Angka.
- Mulyanti, D. (2017). MANAJEMEN KEUANGAN PERUSAHAAN AKURAT. *Jurnal Ilmiah Akuntansi Volume 8, Nomor 2*, hlm 62-71 *Jurnal Akuntansi Fakultas Ekonomi UNIBBA* 62 <http://ejournal.unibba.ac.id/index.php>.
- Parameswara, A. & Wulandari, A. (2020). Sustaining Local Communities through Cultural Industries Based on Local Wisdom in Tigawasa Village, *Journal of Sustainable Development*; Vol. 13, No. 6. ISSN 1913-9063 E-ISSN 1913-9071.
- Parameswara, A. (2024). Evaluating Intangible Cultural Heritage Policy of Balinese Handwoven Textiles MUDRA. *Jurnal Seni Budaya Volume 39, No. 2*, p 244 - 253. <https://doi.org/10.31091/mudra.v39i2.2582>.
- Sari, I.A.L.N & Putri, D.A.P.A.G. (2021). Pengembangan UMKM jajan senait di desa sading melalui inovasi branding dan Packajing Innovation. *INTEGRITAS : Jurnal Pengabdian Vol 5 No 2*.

- Sitiari N.W., Suprapti,N.W.S., Sintaasih, D.K., & Sudibya, I.G.A. (2026). Exploration of Bali's Cultural Values and Entrepreneurial Orientation in Relation to Cooperative Managers In Bali European Journal of Business and Management www.iiste.org ISSN 2222-1905 (Paper) ISSN 2222-2839 (Online) Vol.8, No.14, 2016.
- Sitiari, N.W., Datrini, L.K., Sarmawa,W.G., & Setini, M. (2024). Sustainability at its Core: Embracing the Essence of Tri Hita Karana Philosophy to Empower Eco-Tourism-Focused MSMEs in Bali, *Journal of Finance and Business Digital*, Vol. 3, No.9 pp. 171-184.
- Sitiari, N.W., Datrini,L.K., & Sarmawa., I.W.G. (2023). Determinant Sustainability Business Perspective of The Tri Hita Karana (THK) Concept for MSMEs In Bali, *World Wide Journal of Multidisciplinary Research and Development*, www.wwjmr.com.