

Entrepreneurship and Financial Literacy for Sustainable Business Based on the Local Cultural Values of Tri Hita Karana among Informal Sector Businesses in Bali

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ABSTRACT

The purpose of this community service program was to provide training and assistance in management and entrepreneurship for informal sector entrepreneurs. In addition to management training, the participants also received financial literacy education to strengthen their ability to manage their businesses. An entrepreneurial orientation is important for developing a strong work ethic, perseverance, and the determination to overcome challenges. The program involved 10 groups of entrepreneurs. The activities were conducted through lectures, discussions, and assistance. The evaluation results showed that the program improved participants' ability to prepare simple financial records, use online media for promotion, and strengthen their entrepreneurial intention. Overall, an entrepreneurial orientation grounded in the local cultural values of Tri Hita Karana is relevant for supporting the sustainability of informal sector businesses in Bali.

INTRODUCTION

The informal sector plays a strategic role in supporting regional economic development, particularly in Bali Province. It provides a source of livelihood for people with limited access to the formal sector while also creating employment opportunities, especially for women and people with relatively low levels of education. Through various economic activities, such as *canang* vendor, street vending, informal transportation services, and home-based microenterprises, the informal sector contributes to increasing household income and serves as a buffer for economic stability, particularly during economic slowdowns, crises, and pandemics. However, this important role has not been fully supported by adequate business capacity and management practices to ensure long-term business sustainability. As part of Indonesia's economic structure, the informal sector has characteristics that distinguish it from the formal sector. Many businesses remain relatively unorganized, lack formal business licenses, rely on simple technologies, and operate with limited capital and business scale. They are also often managed based on practical experience without sufficient formal education or training. These conditions limit business productivity and development, while government programs aimed at strengthening economically vulnerable groups have not yet been fully effective in reaching informal sector entrepreneurs (Effendi, 1998).

One area in Bali with considerable potential for developing informal sector businesses is Sading Village, Mengwi District, Badung Regency. The local community has developed various home-based businesses, including the production of traditional cakes for religious ceremonies, snacks, *canang* vendor, and other traditional businesses that have been passed down through generations. Located approximately 13 kilometers from Warmadewa University, Sading Village is also a strategic location for community service activities. Previous research has shown that Sading Village has the potential to support the development of micro, small, and medium enterprises (MSMEs), including through the development of *sengait*, a traditional snack that represents a local specialty (Sari & Putri, 2021). This potential indicates that the informal sector in Sading Village has opportunities for continued growth when supported by better business management and the ability of entrepreneurs to adapt to changes in the business environment.

Despite their considerable potential, MSMEs in Sading Village still face various challenges in achieving business sustainability. The growing number of entrepreneurs has not been accompanied by improvements in business capacity and scale, meaning that most businesses remain micro-enterprises with limited competitiveness (Sitiari et al., 2024). This situation is partly influenced by traditional business management practices, which have limited the implementation of modern management approaches. In addition, MSMEs in Sading Village have not yet integrated the values of Tri Hita Karana (THK) in a balanced and consistent manner into their business activities (Sitiari et al., 2023). Previous studies have shown that the application of THK values can contribute to business sustainability by promoting a balance between economic, social, cultural, and environmental aspects (Parameswara, 2024; Parameswara &

Wulandari, 2020). Therefore, strengthening the capacity of entrepreneurs should focus not only on improving managerial competencies but also on integrating local cultural values as a foundation for sustainable business development.

Based on field observations and interviews with informal sector entrepreneurs in Sading Village, several challenges were identified that may hinder business sustainability. These challenges are not only related to limited economic resources but also include managerial capacity, entrepreneurial orientation, and understanding of how Tri Hita Karana (THK) values can be implemented in business practices. Most entrepreneurs still manage their businesses based on experience passed down through generations without adequate business planning. As a result, business management tends to remain conventional and less adaptive to technological developments and increasing competition. In addition, entrepreneurs have limited understanding of how THK values can serve as a foundation for developing sustainable businesses, even though these values can strengthen business ethics, build consumer trust, foster relationships among entrepreneurs, and maintain a balance between economic activities and environmental sustainability.

Challenges were also identified in the operational aspects of the businesses. In production, partners still rely on traditional production methods and have not implemented effective workplace layouts, which may reduce productivity. In marketing, the use of digital technology for promotion and market expansion remains limited. Meanwhile, in financial management, most partners do not maintain systematic financial records or even simple cash books, making it difficult for them to manage and evaluate their business finances. Based on observations of the partners' conditions (Figure 1), it can be concluded that the implementation of THK values in business management is still inconsistent. Therefore, a mentoring program is needed to strengthen not only the managerial capacity of entrepreneurs but also the integration of local cultural values as a foundation for sustainable business development.

The challenges faced by informal sector entrepreneurs in Sading Village indicate that business sustainability cannot be achieved simply by providing equipment or additional capital. Strengthening the capacity of entrepreneurs needs to be carried out comprehensively through improvements in entrepreneurial competence, managerial skills, technology adoption, and financial literacy, while integrating local cultural values. This approach is particularly important because most entrepreneurs still rely on practical experience in running their businesses rather than applying systematic management principles. Therefore, this community service program was designed as a mentoring program that addresses not only technical business challenges but also develops an entrepreneurial mindset grounded in Tri Hita Karana (THK) values. Through this approach, the partners are expected to develop more adaptive businesses, improve business management practices, and achieve greater business sustainability while maintaining harmony with God (Parahyangan), other people (Pawongan), and the environment (Palemahan).



Figure 1. Canang Vendor

In line with the identified challenges, the proposed solutions include training on THK-based entrepreneurial orientation, assistance in managing production processes and organizing business layouts, training on digital marketing strategies, and guidance in preparing simple financial records. These activities are expected to improve the managerial skills, operational efficiency, marketing capacity, and financial management of entrepreneurs, thereby supporting long-term business sustainability. Based on these conditions, this community service program aims to help the partners address their business challenges through training, socialization, and assistance in accordance with the expertise of the community service team. The program focuses on strengthening THK-based entrepreneurial orientation, improving business management, utilizing technology to support production and marketing, and implementing simple financial record-keeping. Through these activities, entrepreneurs are expected not only to improve their ability to manage their businesses but also to internalize local cultural values as a foundation for responsible and sustainable business practices.

In addition to benefiting the partners, this program also contributes to the achievement of the Sustainable Development Goals (SDGs), particularly SDG 8 (Decent Work and Economic Growth) and SDG 9 (Industry, Innovation and Infrastructure). The contribution to SDG 8 is reflected in the strengthening of entrepreneurial orientation, business management capacity, financial literacy, and sustainable business practices among informal sector entrepreneurs. Meanwhile, SDG 9 is supported through the use of digital technology for marketing and improvements in production processes and business management. By integrating these efforts with the local cultural values of Tri Hita Karana, the program seeks to strengthen the capacity of informal sector entrepreneurs to develop more adaptive, productive, and sustainable businesses. In addition to benefiting the partners, this program also supports the implementation of the Three Pillars of Higher Education (Tridharma Perguruan Tinggi) through collaboration among lecturers, students, and the community in developing culturally grounded MSMEs.

IMPLEMENTATION AND METHODS

The community service program was conducted in Sading Village, Mengwi District, Badung Regency, Bali. The location was selected because of its strong potential for developing informal sector businesses, particularly home-based enterprises engaged in producing traditional cakes for religious ceremonies, snacks, *canang* vendor, and other micro-business activities. The program involved ten groups of informal sector entrepreneurs selected based on an initial assessment, which identified challenges related to entrepreneurship, production, marketing, and financial management. The program began with observations and interviews to identify the business conditions, potential, and challenges faced by the participants. The findings showed that most entrepreneurs still relied on traditional production processes, had not organized their business layouts effectively, had not fully utilized digital media for marketing, and had not implemented simple and systematic financial record-keeping. These findings served as the basis for developing the training materials and mentoring activities. The program was implemented through a combination of training, discussions, simulations, and assistance. The training focused on strengthening entrepreneurial orientation based on THK values, covering topics such as business innovation, business ethics, cooperation, and environmental awareness. Discussions were conducted to identify the challenges faced by the participants while encouraging their active involvement in finding solutions that suited the conditions of their respective businesses.

Assistance was provided in three main areas: production, marketing, and financial management. In the production area, the activities focused on organizing the business layout, improving product quality, and managing the work environment. In marketing, the participants received assistance in using digital media to promote their products and expand their market reach. In financial management, training was provided on preparing simple financial records using a cash book, enabling participants to record transactions in an orderly and systematic manner. All assistance activities involved practical exercises and simulations, allowing participants to directly apply the knowledge gained to their business activities. The success of the program was evaluated through observations during the assistance process, discussions with participants, and questionnaires administered before and after the activities. The evaluation focused on changes in THK-based entrepreneurial orientation, business management skills, the use of digital media for marketing, and the ability to maintain simple financial records. The data were analyzed descriptively to assess the effectiveness of the program in strengthening the capacity of informal sector entrepreneurs.

RESULTS AND DISCUSSION

The community service program was implemented according to the planned stages through training, discussions, simulations, and assistance for ten groups of informal sector entrepreneurs in Sading Village, Mengwi District, Badung Regency. The activities focused on strengthening the participants' capacity in entrepreneurship, production, marketing, and financial management by integrating the local cultural values of Tri Hita Karana (THK) as a foundation for developing sustainable businesses. Throughout the program, the participants showed strong enthusiasm through active participation in discussions, sharing the challenges they faced in running their businesses, and engaging directly in each assistance session. This enthusiasm indicates that the entrepreneurs need to strengthen their business capacity not only in technical aspects but also in managerial and entrepreneurial skills.

The program consisted of four main activities: entrepreneurship training based on THK values, assistance in production, training on digital marketing strategies, and assistance in preparing simple financial records. In addition, the participants received production equipment to support the implementation of the knowledge and skills gained during the assistance activities. The effectiveness of the program was then evaluated through observations and questionnaires to assess changes in the participants' capabilities after completing the program.

Strengthening Entrepreneurial Orientation Based on Tri Hita Karana

The activity began with training on the importance of entrepreneurial orientation based on THK values in supporting business sustainability. The training emphasized that business success is not determined solely by the ability to generate profits, but also by the application of honesty, cooperation, risk-taking, and environmental awareness. Participants were also introduced to the importance of maintaining harmonious relationships with God (Parahyangan), other people (Pawongan), and the environment (Palemahan) as part of sustainable business practices. The entrepreneurship training activity is presented in Picture 2. The results of the training showed that participants began to understand how THK values can be applied in their day-to-day business activities. This understanding was reflected in their increased awareness of the importance of building good relationships with customers and fellow entrepreneurs, as well as maintaining a healthy business environment as part of efforts to sustain their businesses. These findings are consistent with previous studies showing that the implementation of THK values contributes to the sustainability of MSMEs in Bali (Sitiari et al., 2023; Parameswara, 2024; Parameswara & Wulandari, 2020).

Improving Production Capacity

Assistance in the production area focused on improving production efficiency through better business layout, production equipment management, and product quality improvement. Before the program, most participants used simple production layouts, resulting in less efficient workflows. Through the assistance activities, participants gained a better understanding of the importance of organizing the production area to support a smoother workflow, maintain a clean working environment, and improve product quality. The production assistance activities are presented in Picture 3. The results showed that participants began to organize their business premises more effectively and recognized the importance of maintaining product quality to improve customer satisfaction. In addition to improving production efficiency, these changes also contributed to creating a cleaner and more comfortable working environment. This is consistent with the Palembang value of THK, which emphasizes harmony between people and the environment.



Figure 2. Entrepreneurship Socialization



Figure 3. Assistance in Arranging the Business Layout

Strengthening Marketing Strategies

The marketing training focused on strengthening the participants' ability to use digital media for promotion and market expansion. Before the program, most participants still relied on conventional marketing methods, such as serving existing customers and using word-of-mouth promotion. This limited their marketing reach and opportunities to attract new customers. Therefore, participants received training on using social media as an accessible promotional tool that suits the characteristics of informal sector businesses. The marketing training activity is presented in Picture 4. After the training, the participants began to recognize the importance of using digital media to support their marketing activities. The use of social media is expected to help expand promotional reach, introduce products to a wider audience, and strengthen relationships with customers. Participants were also encouraged to maintain local cultural values when promoting their products so that their business identity remains distinctive amid the rapid development of information technology. Thus, digital marketing strategies have the potential not only to improve business competitiveness but also to support the sustainability of informal sector businesses.

Improving Financial Literacy

Financial literacy assistance focused on strengthening the participants' ability to record business transactions through simple bookkeeping. Before the program, most participants did not systematically record their business income and expenses, making it difficult for them to understand their financial condition. Through the assistance activities, participants received training on using a simple cash book to record business transactions. The assistance was delivered through hands-on practice, allowing participants to learn how to record each transaction in a simple and systematic manner according to their business needs. The bookkeeping assistance activity is presented in Picture 5. The results showed that participants began to understand the importance of bookkeeping as a basis for managing their business finances. Through more organized financial records, participants are expected to better understand their financial condition, separate personal and business finances, and use financial information to support decision-making. These skills are important for supporting the sustainability of informal sector businesses, as sound financial management enables entrepreneurs to evaluate their business performance and plan future activities more effectively.

As a form of support for implementing the knowledge and skills gained through the assistance activities, the community service team provided the participants with a product packaging press machine, trays, and cash books. These items were expected to support product quality improvement while facilitating the implementation of simple bookkeeping introduced during the program. The distribution of the equipment to the participants is presented in Figure 6.



Figure 4. Socialization on Marketing Strategy



Figure 5. Assistance with basic Bookkeeping



Figure 6. Distribution of Production Tools to the Partner

The effectiveness of the program was evaluated by comparing the participants' conditions before and after the activities using questionnaires. The pre-program evaluation results (Table 1) showed that THK-based entrepreneurial orientation was in the fairly good category, business management skills were in the good category; while bookkeeping skills were in the poor category. After the completion of all program activities, the evaluation results (Table 2) showed improvements across all assessed aspects. The most significant improvement was observed in bookkeeping skills, which increased to the very good category, followed by improvements in entrepreneurial orientation and business management skills. These findings indicate that the training and assistance provided successfully improved the participants' knowledge and skills in managing their businesses more effectively and sustainably.

Table 1. Descriptive Responses of Participants Before the Community Service Program

Variable	Score	Criteria
THK-based entrepreneurial orientation		
Creativity in processes and products	3,39	Acceptable
Helping each other	4,10	Good
Willingness to take risks	4, 14	Good
Environmental awareness	4,31	Very Good
Average	3,99	Acceptable
Management skills		
Managing human resources effectively	4,09	Good
Using online media	4,12	Good
Maintaining financial records	2,30	Poor
Average	3,50	Good

Source: Processed Data, 2026

Table 2. Descriptive Responses of Participants After the Community Service Program

Variable	Score	Criteria
THK-based entrepreneurial orientation		
Creativity in processes and products	3,70	Acceptable
Helping each other	4,30	Good
Willingness to take risks	4, 30	Good
Environmental awareness	4,31	Very Good
Average	4,32	Very Good
Management skills		

Managing human resources effectively	4,09	Good
Using online media	4,12	Good
Maintaining financial records	4, 50	Very Good
Average	4,2	Very Good

Source: Processed Data, 2026

CONCLUSIONS AND RECOMMENDATIONS

The community service program conducted for informal sector entrepreneurs in Sading Village, Mengwi District, Badung Regency, was successfully implemented in accordance with its objectives. Through a series of training and assistance activities, the participants improved their understanding of THK-based entrepreneurial orientation, more effective production management, the use of digital media for marketing, and simple bookkeeping for managing business finances. An approach that integrates entrepreneurship, business management, and financial literacy with local cultural values provided meaningful support for participants in managing their businesses in a more structured and sustainable manner. The pre- and post-program evaluation results showed improvements across all assessed aspects, particularly in simple bookkeeping skills, which had previously been relatively low. In addition to improving participants' knowledge and skills, the program also encouraged greater awareness that business sustainability is not determined solely by economic performance but also by the application of local cultural values in daily business activities. Thus, this community service program contributed to strengthening the capacity of informal sector entrepreneurs through the development of THK-based entrepreneurship.

The sustainability of the community service program needs to be supported through regular assistance so that the implementation of the knowledge and skills gained from the training can be continuously evaluated and further developed according to the participants' needs. In addition, strengthening the capacity of entrepreneurs in the use of digital technology, product innovation, and simple financial reporting is needed to improve business competitiveness. Collaboration among universities, local governments, and other stakeholders should also be strengthened to expand empowerment programs for informal sector entrepreneurs based on local cultural values, thereby supporting long-term business sustainability.

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