



The Role of "Tri Hita Karana" Business Strategy Mediates Government Support and Environmental Orientation on Sustainable Business Performance

Ni Nyoman Kerti Yasa¹, Ni Wayan Ekawati², Putu Laksmi Dewi Rahmayanti³
I Gusti Ayu Tirtayani⁴

^{1,2,3,4} Faculty of Economics and Business, Udayana University, Bali
kertiayasa@unud.ac.id

Abstract. This study ran for to explain the role of business strategy, based on the Tri Hita Karana (THK) concept, in moderating the influence of government support and environmental orientation on the sustainable business performance of Traditional Ikat Weaving Small and Medium Enterprises (SMEs) in Bali. The sample size was decided by the utilisation of a purposive sampling approach, resulting in the selection of 130 managers from small and medium-sized enterprises (SMEs) involved in traditional weaving. The analytical approach being used here is Path Analysis using Structural Equation Modelling with Partial Least Squares (SEM-PLS). The findings indicate that both government assistance and a focus on the environment have a favourable and significant effect on the operational efficiency of sustainable enterprises. Furthermore, the business plan created by Tri Hita Karana saw a substantial and beneficial influence from both governmental support and a focus on environmental considerations. The adoption of Tri Hita Karana's business plan has a favourable and substantial impact on the company's long-term sustainability. The business model of Tri Hita Karana can serve as a mediator between government support, environmental focus, and the sustained economic success of traditional ikat weaving small and medium enterprises (SMEs) in Bali. Furthermore, to enhance their ability to achieve long-term success in business, it is crucial for these small and medium-sized firms (SMEs) to further enhance their focus on environmental concerns and adopt business strategies that align with the concept of Tri Hita Karana (THK).

Keywords: Government Support, Environmental Orientation, THK Business Strategy, Sustainable Business Performance.

1 Introduction

Small and Medium Enterprises (SMEs) are enterprises that have undergone evaluations to address various constraints imposed by the external environment and play a crucial strategic role. A traditional ikat weaving SME is an instance of a small and medium-sized firm (SME) in Bali. The Covid-19 epidemic has had an adverse

effect on business performance. Despite the expectation of recovery as the pandemic recedes and economic conditions recover, interviews with owners of small and medium-sized enterprises (SMEs) engaged in traditional ikat weaving indicate that their performance has been unsatisfactory. The success of business performance undeniably influences the long-term viability of traditional ikat weaving small and medium enterprises (SMEs) in Bali. Based on insights from business professionals, it appears that they believe there is room for improvement in government assistance. Furthermore, this business has endeavoured to implement THK-based business strategies in order to enhance its sustainable operations.

Prior studies have examined the sustainable business performance of SMEs, as evidenced by the works of Das et al. (2020), Hermawan et al. (2023), and Islam & Wahab (2021). The research undertaken by Bendell et al. (2011) demonstrates that government laws have a significant impact on the sustainable performance of businesses. Similarly, other researchers have also demonstrated the findings of such studies, indicating that government assistance can enhance business efficacy (Abhayawansa et al., 2021; Rao et al., 2023). Contrarily, other academics argue that government rules have a detrimental and substantial impact on corporate performance, as evidenced by Pramudana et al. (2023). This highlights the necessity for more investigation into the impact of governmental assistance on the sustainable performance of businesses.

Furthermore, the ecological mindset of business participants has a substantial influence on the long-term success of companies that prioritise sustainability, a factor that is reinforced by governmental assistance. Previous scholarly research has investigated the influence of environmental orientation on the sustainable performance of companies, as evidenced by the studies undertaken by Hari Adi & Adawiyah (2018), Ismail (2022), and Ismail (2023). Research suggests that an individual's emphasis on environmental issues has a positive and significant effect on the overall effectiveness of sustainable company operations (Khizar et al., 2023). However, there are other researchers whose findings differ from these results. The study done by Afum et al. in 2023 unveiled conflicting results. The study revealed that an environmental focus has a positive effect on the performance of sustainable companies. However, this effect was shown to be statistically insignificant (Afum et al., 2023). The presence of divergent study findings suggests a research void in comprehending the influence of environmental orientation on the sustainable performance of companies.

In light of the two current areas of research that lack sufficient information, it is imperative to identify a resolution by incorporating mediating variables. The additional mediating element incorporated is the variable pertaining to the green business strategy. When it comes to businesses in Bali, a green business strategy is particularly suitable for implementing a business strategy based on the Tri Hita Karana concept. This is because the essence of the Tri Hita Karana business strategy lies in adopting local wisdom values, including a strong focus on environmental concerns. The business plan of Tri Hita Karana was selected based on the following rationales. The assistance from local government undoubtedly motivates small and medium enterprises (SMEs) involved in traditional ikat weaving to adopt strategies

that prioritise the concept of a green economy. This aligns with one of the initiatives of the Regional Government of Bali Province. This approach is also anticipated to enhance the sustainable business performance. Furthermore, an environmental orientation demonstrates the company's conscientiousness towards the environment. This circumstance motivates the company to adopt the Tri Hita Karana business strategy, which entails consistently upholding the harmony of the company's interactions with three distinct environments: its relationship with the divine (parahyangan), its relationship with individuals (pawongan), and its relationship with the natural world (palemahan). Similarly, when a corporation has adopted a business plan that prioritises environmental concerns, the company's sustainable business performance will be enhanced. Similarly, after conducting interviews with multiple managers of traditional ikat weaving small and medium enterprises (SMEs) in Bali, it was found that these businesses consistently prioritise environmental concerns. They implement business strategies that are deeply rooted in Balinese local wisdom, specifically the Tri Hita Karana-based business strategies. The objective is to enhance the sustainable business performance of traditional ikat weaving SMEs in Bali.

This study investigates the impact of Tri Hita Karana business strategy on the sustainable business performance of traditional ikat weaving small and medium enterprises (SMEs) in Bali. It specifically focuses on how this strategy mediates the influence of government support and environmental orientation.

2 Literature Review

2.1 Research Conceptual Framework

The sustainable performance of a corporation can be impacted by both the external environment, such as government backing, and the internal environment, such as the company's environmental approach. To enhance sustainable business success, it is imperative for the organisation to carefully select and execute an optimal business strategy that aligns with both its external and internal circumstances, hence enabling the selection of an appropriate plan. If there is an increase in government backing and a strong focus on environmental concerns, the chosen business plan will be based on the Tri Hita Karana (THK) idea, which aims to enhance sustainable corporate performance. The link between all of these variables can be stated as depicted in Figure 1.

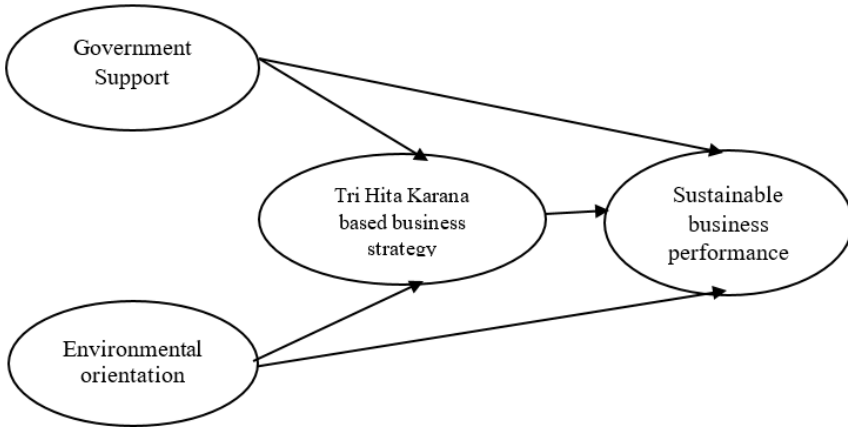


Fig. 1. Research Conceptual Framework

2.2 Research Hypothesis:

The following is an example of a research hypothesis that can be formulated based on the conceptual framework that already exists.

- H1 Government support has a positive and significant effect on sustainable business performance.
- H2 Environmental orientation has a positive and significant effect on sustainable business performance.
- H3 Government support has a positive and significant effect on THK-based strategy.
- H4 Environmental orientation has a positive and significant effect on THK-based business strategy.
- H5 Tri Hita Karana-based business strategy has a positive and significant effect on sustainable business performance.
- H6 Tri Hita Karana-based business strategy is able to mediate the effect of government support on sustainable business performance.
- H7 Tri Hita Karana-based business strategy is able to mediate the influence of environmental orientation on sustainable business performance.

3 RESEARCH METHODS

This study adopts a quantitative methodology to analyse the influence that government support and environmental focus have had on the business strategy and sustainable performance of Tri Hita Karana. The study was carried out on small and medium-sized enterprises (SMEs) situated in Bali that engage in the traditional art of

ikat weaving. The population of this research consists of all Small and Medium Enterprises (SMEs) in Bali that have effectively executed the Tri Hita Karana business strategy. The sample size estimation in this study was derived from 26 distinct factors. The estimate was calculated by multiplying the number of indicators (26) by a factor of 5, yielding a sample size of 130 respondents.

Traditional ikat weaving small and medium enterprise (SME) managers in Bali evaluate the factors of government assistance, environmental orientation, business strategy based on Tri Hita Karana, and sustainable company performance. The evaluation is carried out using a Likert scale with five levels, and the possibilities span from strongly disagreeing (1) to strongly agreeing (5). This study makes use of primary data, which is information obtained through the completion of questionnaires by respondents. These respondents, in this particular instance, are managers of traditional ikat weaving SMEs (small and medium businesses) in Bali. The managers in question are the recipients of questionnaires as part of the process of collecting data.

The tools that were used went through extensive testing to verify that they were valid and reliable. This allowed for accurate measurement of the variables that were intended to be measured, as well as assessment of the consistency of the respondents' responses. In order to evaluate the instrument's validity, we will use Pearson's Product Moment correlation approach, with a minimum criterion of $r = 0.3$ (Sugiyono, 2018: 150). The Cronbach's Alpha reliability coefficient, which must be above a minimum threshold of 0.6 in order to pass the reliability assessment of the instrument (Sekaran, 2018: 312) is determined in order to carry out the reliability assessment of the instrument. Due to the fact that the r count is greater than 0.3, the findings of the validity test show that all variable indicators are legitimate. Likewise, the results of the reliability test show that all of the variables are dependable, as evidenced by Cronbach Alpha values that are greater than 0.6. In addition, an inferential analysis was carried out with the purpose of evaluating the hypotheses. This analysis made use of the Structural Equation Modelling (SEM) technique in conjunction with the Partial Least Square (PLS) method, and it was carried out on the computer using the SPSS 24.0 software.

4 RESULT AND DISCUSSION

4.1 Characteristics of respondents

The data consists of participant profiles from a total of 130 different persons. Each profile provides a comprehensive summary of the individual's characteristics, such as gender, age, level of education, job position, number of employees, and amount of time since the beginning of the firm. The participants in this survey can be described in a number of different ways, some of which are listed below. The number of female respondents greatly outnumbers those of male respondents due to the fact that there were 85 female replies as opposed to 45 male respondents. The age range extends from 20 to 65 years old, and the demographic breakdown may be found below. 5 individuals belonged to the age bracket of 20-30 years, 15 individuals

belonged to the age bracket of >30-40 years, 45 individuals belonged to the age bracket of >40-50 years, 60 individuals belonged to the age bracket of >50-60 years, and 5 individuals belonged to the age bracket of >60 years. The participants' average years spent in school are broken down into the following categories below: There are a total of 85 people who have finished their education after completing high school, 10 people who have obtained a diploma, 30 people who have finished their education after completing their studies at the undergraduate level, and 5 people who have finished their education after completing their studies at the postgraduate level. The number of respondents coming from the various categories of small and medium-sized businesses (SMEs) is listed below: There are 55 small and medium-sized enterprises (SMEs) that have a workforce of between five and ten people, 20 SMEs that have a workforce of between eleven and twenty people, 40 SMEs that have a workforce of between twenty-one and forty people, and 15 SMEs that have a workforce of between forty-one and one hundred people. Furthermore, there are 15 small and medium-sized enterprises (SMEs) that have been operating for a duration of 2 to 5 years, 25 SMEs that have been operating for a duration of more than 5 to 10 years, and 90 SMEs that have been operating for more than 10 years.

4.2 PLS-SEM Analysis Results

The structural model puts an emphasis on the connection or pathway that is assumed to exist between the underlying variables. Figure 2 presents the findings that were obtained from analysing the internal model.

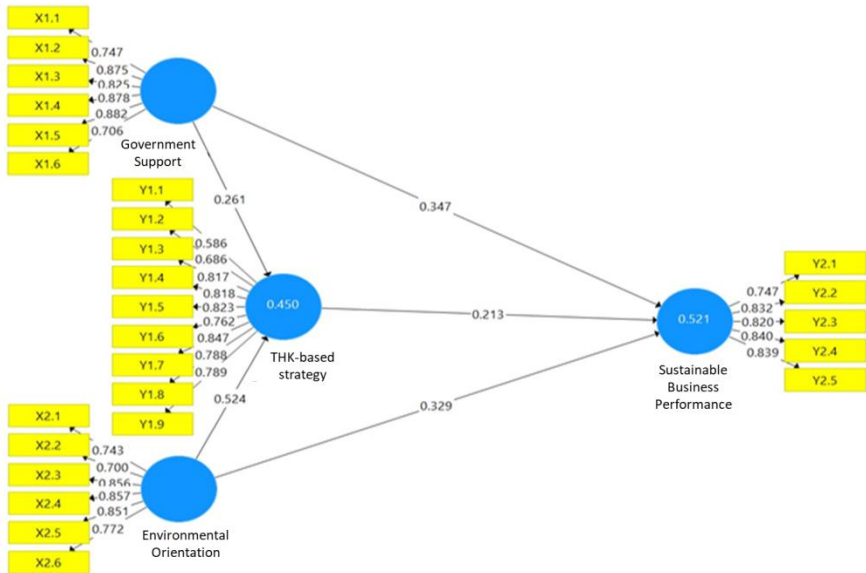


Fig. 2. Structural Model (inner model)

In order to evaluate the structural model, we first determined the value of the R-square statistic for the dependent construct, and then we used t-tests to establish whether or not the structural path parameter coefficients were significant.

4.3 Coefficient of Determination (R^2)

A bootstrap analysis will be carried out as part of this study in order to provide two metrics for the structural model. These metrics will be the t-test value and the R2 value. The analysis of these measurements will be carried out in a manner that is comparable to that of multiple regression analysis in general in terms of its overall methodology. The R2 value that is created from the bootstrap method can be used to evaluate the research model's potential for accurate prediction, and the results of this evaluation are shown in Table 1. The bootstrap method was utilised. It will be shown how to compute the R2 value for each exogenous variable that is included in the model. This will be done so that it can be understood.

Table 1. Coefficient of Determination

| Construct | R^2 |
|----------------------------------|-------|
| THK business strategy | 0,450 |
| Sustainable business performance | 0,521 |

Note: only endogenous (dependent) variables have R2 values

Source: Data processed, 2023

The sustainable business performance variable has an R2 value of 0.521, which indicates that the model's constructs can explain as much as 52.1% of the variance in business performance variables. These constructs include the presence of government support, an environmental orientation, and a Tri Hita Karana business strategy. The variable with the highest R2 value is the one that measures the performance of sustainable businesses. On the other side, the variable representing the Tri Hita Karana business strategy has the lowest value, coming in at 0.450. This suggests that the presence of government backing, environmental orientation, and the Tri Hita Karana business strategy do not have a substantial role in the success of the company.

4.4 Hypothesis Test

The relevance of the parameters that were predicted provides very valuable insight into the nature of the relationship that exists between the various factors that are the focus of the inquiry. The hypothesis is evaluated on the basis of the value that is found in the output of the path coefficients, which can be found in Table 2 and also in Figure 3. This value serves as the foundation for the evaluation of the hypothesis.

Table 2. Path Coefficient

| Hypothesis | Correlation between Variables | Coefficient Path | t-statistic | p-values | Description |
|------------|--|------------------|-------------|----------|-------------|
| H1 | Government support \square sustainable business performance | 0,347 | 4,138 | 0,000 | Significant |
| H2 | Environmental orientation \square sustainable business performance | 0,329 | 3,355 | 0,001 | Significant |
| H3 | Government support \square THK-based business strategy | 0,261 | 3,470 | 0,001 | significant |
| H4 | Environmental orientation \square THK-based business strategy | 0,524 | 6,937 | 0,000 | Significant |
| H5 | THK-based business strategy \square sustainable business performance | 0,213 | 2,633 | 0,009 | Significant |
| H6 | Government support \square THK-based business strategy \square sustainable business performance | 0,055 | 2,099 | 0,045 | Significant |
| H7 | Environmental orientation \square THK-based business strategies \square sustainable business performance | 0,112 | 2,366 | 0,018 | Significant |

Source: Data processed, 2023

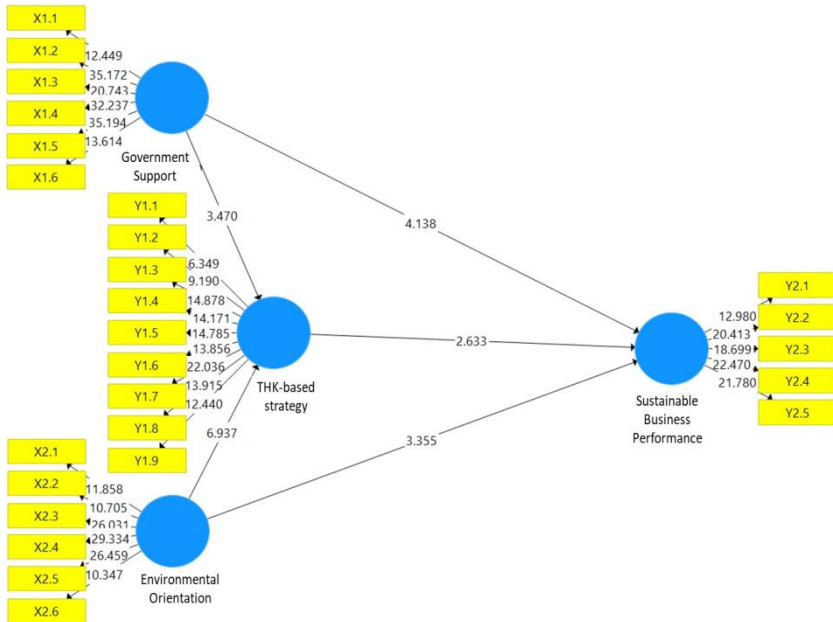


Fig. 3. Model Structural (inner model)

When testing a hypothesis, two ways that are utilised include looking at the p-value and making use of t-statistics. If the p-value is lower than 0.05, then it is reasonable to conclude that the hypothesis is correct. The t-statistic value for government help for sustainable company performance is 4.138, and the p-value spans from 0.000 to 0.05, which indicates that Hypothesis 1 may be believed. This information can be found in Table 5. This suggests that there is a clear correlation between the level of support supplied by the government and the level of sustainable firm performance. The environmental orientation on sustainable firm performance has a t-statistic value of 3.355, and the p-value spans from 0.001 to 0.05, which indicates that the hypothesis is accepted. In light of this, we can draw the conclusion that the degree to which an organisation is environmentally focused has a direct correlation to the degree to which it achieves sustainable business performance. The hypothesis that the government backs the Tri Hita Karana business plan is validated as a consequence of a t-statistic value of 3.470 and a p-value that is either less than or equal to 0.05. This suggests that the success of the implementation of the business strategy for Tri Hita Karana will increase in direct proportion to the level of support that will be offered by the government. The p-value ranges from 0.000 to 0.05, which indicates that the hypothesis can be accepted because the t-statistic for environmental orientation towards the Tri Hita Karana business strategy has a value of 6.937, and the range for the p-value is from 0.000 to 0.05. This suggests that the environmental orientation is directly proportionate to the level of success attained by the execution of the Tri Hita Karana business strategy. The hypothesis H5 can be accepted because the t-statistic value for the Tri Hita Karana business strategy on sustainable business performance is

2.633 and the p-value ranges from 0.009 to 0.05. This suggests that there is a direct association between the quality of the implementation of the business strategy for Tri Hita Karana and the level of sustained corporate performance.

The t-statistic value for hypothesis 6 (Government support for sustainable company performance through the implementation of the Tri Hita Karana business plan) is 2.009, and the p-value ranges from 0.045 to 0.05, which suggests that the hypothesis can be accepted. The hypothesis states that the government will support sustainable company performance through the adoption of the Tri Hita Karana business plan. This suggests that the impact of government assistance on the long-term viability of firms will increase in direct proportion to the degree to which the Tri Hita Karana business model is implemented in the marketplace. It is possible to prove that environmental orientation does have an effect on the success of a sustainable company by employing the Tri Hita Karana method, which has a t-statistic value of 2.366 and a p-value that ranges from 0.018 to 0.05. This would suggest that Hypothesis 7 is able to be supported.

5 Discussion

5.1 The Effect of Government Support on Sustainable Business Performance

The value of the beta coefficient is 0.347, and the significance level is 0.000 0.05; this indicates that H_0 should be rejected, and H_1 should be accepted. These findings are based on the findings of an investigation of the effect that government support has on the sustainable company performance. According to these findings, the variable of government support has an effect that is both favourably and significantly associated with the sustainable business performance of traditional ikat weaving SMEs in Bali. The higher the level of government support obtained by traditional ikat weaving SMEs, which is indicated by the variable indicators, namely the indicators: the government issues regulations on the importance of environmental preservation; the government issues regulations on the green economy; the government supports sustainable environmental development; the government provides training on the use of green raw materials; the government develops environmentally friendly products; the government issues regulations on the green economy; the government develops environmentally friendly products; the government issues regulations on the importance of environmental preservation; the government issues regulations on

In addition, the findings of this study lend credence to the findings of an earlier study that was carried out by Sulaksana in 2014 and found that government support has a vital role in boosting the performance of sustainable businesses (Sulaksana, 2014). Aslam and his colleagues achieved results that were quite similar to these in 2023, and they concluded that government help can increase the performance of sustainable businesses (Aslam and his colleagues, 2023). The present study's conclusions are corroborated by prior research, which shown that government assistance positively and significantly impacts sustainable firm performance

(Almatrooshi et al., 2018; Bauer, 2018). This discovery provides support for the conclusions of this research.

5.2 The Effect of Environmental Orientation on Sustainable Business Performance

The value of the beta coefficient is 0.329, and its significance level is 0.001 0.05, as stated by the conclusions of the study that investigated how environmental orientation affects the performance of sustainable firms. The significance level for this value was determined to be. This suggests that the alternative null hypothesis H2 can be supported, in contrast to the original null hypothesis Ho, which cannot be sustained. According to the conclusions drawn from these studies, a trait referred to as environmental orientation has an effect that is not only beneficial but also significant on the performance of sustainable businesses. Therefore, the higher the environmental orientation owned by traditional ikat weaving SMEs in Bali, as indicated by variable indicators such as communicating mission statements about the importance of protecting the environment, committing to participate in controlling environmental pollution, communicating to employees about the importance of protecting the natural environment; always evaluating the environmental impact of operational decisions taken; managed oriented to preserve the natural environment; and so on, the more likely it is that traditional ikat weaving SMEs in Bali will be able to preserve the natural environment. The conclusions of prior research carried out by Akomea and colleagues in the year 2022 are also supported by this study, which adds further weight to those findings. According to the conclusions of that research (Akomea and colleagues, 2022) environmental orientation characteristics have a favourable and significant effect on the performance of sustainable firms. As a result of the findings of previous studies which found that the outcomes of environmental orientation variables have a positive and significant effect on sustainable business performance (Danso et al., 2022; Souto, 2022) it is possible to draw the conclusion that a high environmental orientation has a positive and significant effect on sustainable business performance. These findings were based on the findings of environmental orientation variables.

5.3 The Effect of Government Support on Tri Hita Karana Business Strategy

According to the findings of the study that investigated how the involvement of the government affected Tri Hita Karana's business strategy, the beta coefficient value was found to be 0.261 with a significance level of 0.001 0.05. This indicates that Ho is correct and H3 should be disregarded as a viable alternative. According to these findings, the backing of the government has a favourable and considerable impact on the business approach that Tri Hita Karana employs. This means that government support is indicated by variable indicators of government-issued regulations on the green economy; the government supports sustainable environmental development; the government provides training on the use of green raw materials; the government develops environmentally friendly technology; the government-issued regulations on

occupational health and safety, can improve the implementation of Tri Hita Karana business strategy of traditional industries; the government develops environmentally friendly technology; and the government-issued regulations on occupational health and safety. The findings of this study are consistent with those found in earlier research carried out by Aslam and colleagues in 2023 regarding the ways in which the role of government might improve the execution of corporate goals (Aslam et al., 2023). These findings are also consistent with the findings of Wiryanata's research, which discovered that government support has a favourable and significant effect on business strategy (Wiryanata, 2022). These findings are also in line with the findings of Wiryanata's research. It is possible to draw the conclusion that the increased government support for traditional ikat weaving SMEs in Bali can stimulate the execution of the Tri Hita Karana business plan to be even higher than it now is.

5.4 The Effect of Environmental Orientation on Tri Hita Karana Business Strategy

According to the findings of the investigation into the influence of environmental orientation on the business strategy utilised by Tri Hita Karana, the beta coefficient value was found to be 0.524, and the significance level was found to be 0.000 0.05. Given these findings, H_0 was found to be incorrect, while H_4 was found to be correct. Given these findings, it can be deduced that environmental orientation has a constructive and significant impact on the business strategy employed by Tri Hita Karana. This means that the higher the environmental orientation shown by variable indicators such as communicating mission statements about the importance of protecting the environment, being committed to controlling environmental pollution, communicating to employees about the importance of protecting the natural environment, always evaluating the environmental impact of operational decisions taken, managed oriented to occupational health, and managed oriented to occupational safety, it is the more likely that it will communicate to employees about the importance of protecting the natural environment. The findings of this study lend credence to the findings of an earlier investigation carried out by Giantari and Sukaatmadja in the year 2021, which found that an environmental orientation is able to stimulate the implementation of a Tri Hita Karana business strategy (Giantari & Sukaatmadja, 2021). Furthermore, Frare and Beuren in 2022 conducted an investigation into the effect of environmental orientation on the Tri Hita Karana business strategy. They came to the same conclusions as the previous study, namely that the presence of a high environmental orientation has a positive and significant effect on the Tri Hita Karana business strategy (Frare & Beuren, 2022). In addition, there are still a number of studies who exhibit results that are comparable to one another, showing that environmental orientation effects the adoption of a green company strategy, which is a business plan that is analogous to the Tri Hita Karana business strategy (Zameer et al., 2022). This study was published in Zameer et al.'s 2022. It is possible to draw the conclusion that the presence of an environmental orientation has a positive and significant influence on the Tri Hita Karana business strategy. What this means is that traditional ikat weaving SMEs in Bali that have a

higher environmental orientation are able to improve the Tri Hita Karana business strategy, which is a business strategy that always maintains harmony with God, with fellow humans, and with the environment.

5.5 The Effect of Tri Hita Karana Business Strategy on Sustainable Business Performance

The results of the investigation into the relationship between Tri Hita Karana's business strategy and sustained business performance produced a beta coefficient value of 0.213, with a significance level of 0.009, which is lower than the threshold of 0.05. This indicates that the null hypothesis (H_0) is rejected and the alternative hypothesis (H_5) is accepted. The findings indicate that the Tri Hita Karana business strategy variable has a positive and significant impact on the sustained business performance. The more effectively the Tri Hita Karana business strategy is implemented, as evidenced by indicators such as allowing employees to engage in religious ceremonies, allocating profits for medana punia/donation, participating in temple ceremonies, employing local labour, providing adequate employee welfare, assisting the local community, using environmentally friendly raw materials, utilising recyclable shopping bags, and using non-polluting dyes, the greater the improvement in sustainable business performance. This study further reinforces the findings of prior research that emphasises the significance of green business practises in enhancing sustainable business performance (Riana Gede, 2010). Other researchers have also found similar results, indicating that the extensive adoption of green business strategy or THK business strategy can enhance sustainable business performance (Barbosa et al., 2021; Dewi & Biyantari, 2017; Raharja & Mahyuni, 2021).

5.6 The Effect of Government Support on Sustainable Business Performance Through Tri Hita Karana Business Strategy

The use of the Tri Hita Karana business strategy led to the calculation of a beta coefficient value of 0.055, which was the result of an investigation of the impact of government support on the sustainable performance of businesses. The level of significance was determined to be 0.045, which is lower than the criterion of 0.05, which was established before. This suggests that the alternative hypothesis, H_5 , is correct and that the null hypothesis, H_0 , is incorrect. According to these data, there is a favourable association between the level of support from the government and the achievement of long-term success in company through the implementation of the Tri Hita Karana business plan. The findings of this study further enhance the findings of earlier research, which state that governmental assistance plays a vital role in improving the execution of environmentally friendly corporate strategies, consequently impacting the longevity of company performance (Cao & Chen, 2019). The conclusions of this study were that governmental assistance plays a major role in promoting the execution of environmentally friendly corporate strategies. The

findings of this study further corroborated the conclusions of the previous study, which indicated that governmental help plays an important role in the enhancement of the execution of environmentally friendly company strategies.

5.7 The Effect of Environmental Orientation on Sustainable Business Performance Through Tri Hita Karana Business Strategy

Through the utilisation of the Tri Hita Karana business strategy, an investigation into the influence that environmental orientation has on the performance of sustainably run businesses produced a beta coefficient value of 0.112. Given that the significance level is 0.018 0.05, it may be concluded that the alternative hypothesis (H7) should be accepted and the null hypothesis (Ho) should be rejected. According to these data, the environmental orientation variable has a favourable influence on the sustainable business performance of traditional ikat weaving SMEs in Bali that follow the Tri Hita Karana business strategy. Furthermore, this impact is statistically significant. The implementation of the Tri Hita Karana business plan enables an organisation to increase its long-term viability by placing a greater emphasis on its impact on the natural world. The findings of this study offer even more confidence to the findings of earlier studies, which argued that having an environmental emphasis is vital for boosting green business techniques such as the Tri Hita Karana business strategies. The results of this study were able to do this because they demonstrated that having an environmental focus is essential for improving green business methods. The results of this investigation offer further backing for the conclusions of the previous research. Because of this, traditional ikat weaving small and medium-sized enterprises (SMEs) in Bali see a positive influence on their long-term financial performance (Frare & Beuren, 2022).

5.8 Limitations

This study possesses numerous limitations that future researchers can take into account in order to yield more robust research outcomes. The constraints are as outlined: 1) This study solely examined the mediation of Tri Hita Karana-based business strategies. However, there may be additional variables that are believed to mediate the impact of government roles and environmental orientation on sustainable business performance, such as business strategies rooted in other local wisdom principles. 2) This research exclusively concentrates on traditional ikat weaving small and medium enterprises (SMEs). It would be more advantageous to do research in other sectors, such as SMEs involved in Bali that make quality products, such as wood craft and silver craft SMEs.

6 Conclusion

In the preceding chapter, we discussed and interpreted the findings of many earlier investigations, as well as presented the debates from those studies. The following inferences and conclusions are logically possible in light of this.

1. The support that the government provides to traditional ikat weaving small and medium companies (SMEs) in Bali has a direct and significant influence on the sustainable business performance of those businesses. This suggests that a rise in the level of support provided by the government results in a proportional rise in the level of successful and sustainable business performance achieved by traditional ikat weaving SMEs in Bali.
2. The environmental orientation of traditional ikat weaving small and medium-sized enterprises (SMEs) in Bali has a direct and meaningful impact on the sustainable business performance of those enterprises. This suggests that whenever there is a rise in the degree of environmental orientation, there will also be an increase in the level of sustainable business performance exhibited by these SMEs.
3. The government's involvement has a favourable and substantial impact on the Tri Hita Karana business strategy of traditional ikat weaving small and medium enterprises (SMEs) in Bali. This implies that a greater level of government involvement leads to a more effective implementation of the Tri Hita Karana business strategy among traditional ikat weaving SMEs in Bali.
4. Environmental orientation positively and significantly impacts the Tri Hita Karana business strategy of traditional ikat weaving small and medium enterprises (SMEs) in Bali. This implies that a higher level of environmental orientation leads to better implementation of the Tri Hita Karana business strategy in traditional ikat weaving SMEs in Bali.
5. The Tri Hita Karana business strategy has a beneficial and substantial impact on the sustainable business performance of traditional ikat weaving small and medium enterprises (SMEs) in Bali. This implies that the more effectively the Tri Hita Karana business strategy is implemented, the greater the sustainability of the business performance of traditional ikat weaving SMEs in Bali.
6. Tri Hita Karana's business strategy can act as a mediator between government funding and sustainable corporate performance.
7. Tri Hita Karana's business strategy can act as a mediator between environmental approach and sustainable company success.

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