

## Implementation of Tri Hita Karana Philosophy in Building Trust and Loyalty among Multicultural Consumers: A Case Study of CV Liss Jaya Construction in Bali

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### Abstract

**Purpose** - This study aims to analyze the implementation of Tri Hita Karana, a traditional Balinese philosophy, in fostering trust and loyalty among multicultural consumers at CV Liss Jaya Construction in Bali. It explores how indigenous values can be integrated into business management within a diverse socio-cultural context.

**Design/methodology/approach** - A qualitative research design with a narrative approach was employed to capture the depth of construction service management practices in Bali. Data were gathered through in-depth interviews, field observations, and source triangulation involving key informants (business owners), family members, employees, and multicultural consumers. The data were then analyzed using inductive thematic analysis.

**Findings** - The results demonstrate that the Tri Hita Karana values are deeply internalized within the company's business operations. The Parahyangan (harmony with God) dimension is manifested through spiritual practices and moral accountability. The Pawongan (harmony among people) dimension is realized through family-oriented leadership and transparent communication. Finally, the Palemahan (harmony with nature) dimension is reflected in environmental stewardship. The integration of these three pillars plays a vital role in building cross-cultural consumer trust, which subsequently evolves into relational loyalty and ensures the long-term sustainability of the construction business in Bali's competitive market.

**Originality/value** - This research provides unique insights into "Indigenous Management," demonstrating how local wisdom can effectively bridge cultural gaps and serve as a strategic tool for relationship marketing in a globalized business environment.

**Keywords:** Consumer Trust, Multicultural Consumers, Consumer Loyalty, Tri Hita Karana, Indigenous Management, Bali.

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### INTRODUCTION

Bali has long been recognized as a region with unique economic and social dynamics within the Indonesian archipelago. As a global tourism destination, Bali faces the dual challenge of harmonizing rapid economic growth with the preservation of its profound cultural heritage. This condition underscores the critical importance of

integrating local values into business strategies, particularly to foster consumer trust and loyalty (Dananjaya & Pamungkas, 2025). Over the past two decades, modernization and globalization have permeated almost every economic sector, including the construction industry. This sector serves not only as a pillar of regional economic growth but also plays a vital role in shaping the spatial identity of modern Bali. However, business practices in this sector cannot be isolated from the socio-cultural context that frames community behavior and local value systems (Satriawan, 2022).

In this landscape, business management in Bali transcends mere economic efficiency and profit-seeking; it strives for social legitimacy and environmental harmony. Businesses, especially small and medium enterprises, are required to balance economic and cultural dimensions as a foundation for sustainability. This concept gains further relevance in an era of open competition and multicultural markets, where consumer trust is a decisive factor in building long-term loyalty (Kotler & Keller, 2015). In the construction service industry, which involves intensive interaction between providers and consumers from diverse cultural backgrounds, reputation and integrity play a strategic role in determining business viability. These values form the bedrock of Tri Hita Karana (THK) – the three causes of well-being – as a moral and ethical compass in Balinese business practices (Peters, 2013).

The conceptual framework of this study is anchored in Relationship Marketing theory, which posits that long-term relationships are maintained only when trust and commitment are present (Morgan & Hunt, 1994). Trust is defined as the belief that an exchange partner will act with integrity and reliability. In Bali, trust is built not only through technical performance but also through moral integrity and social responsibility internalized in business conduct. Principles such as honesty (*satya*), sincerity, and harmony are fundamental values deeply embedded in the Balinese social system (Peters, 2013). Although these values are often not explicitly codified in modern management systems, they are inseparable from the mindset of local business actors.

The philosophy of Tri Hita Karana emphasizes a balanced relationship between humans and God (*Parahyangan*), humans and fellow humans (*Pawongan*), and humans and nature (*Palemahan*). In a managerial context, *Parahyangan* translates into ethical responsibility in decision-making, *Pawongan* emphasizes harmonious social relations between leaders, employees, and consumers, while *Palemahan* reflects environmental stewardship (Wiana, 2017). This aligns with the "Triple Bottom Line" of sustainable management – profit, people, and planet (Elkington, 1998). However, the neglect of these values, particularly *Palemahan*, has led to environmental issues in Bali, such as illegal construction on riverbanks causing frequent floods in areas like Badung and Denpasar. This phenomenon highlights the urgent need for ethical, culture-based development foundations.

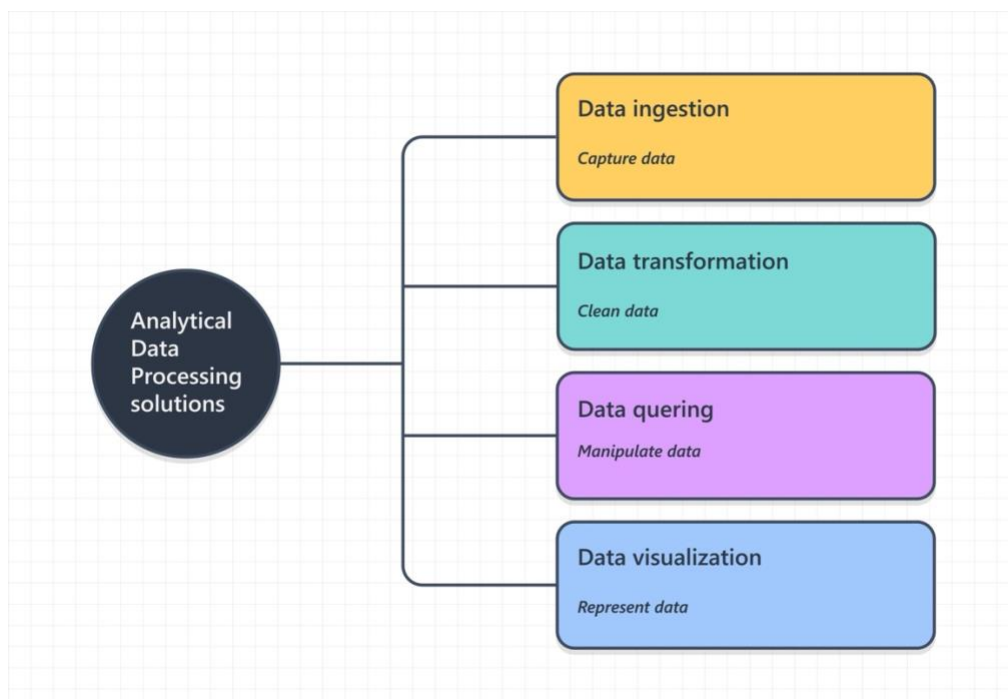
Despite its importance, most research on cultural values and business management in Bali remains focused on the tourism and creative economy sectors. The construction

sector remains under-researched, despite its high managerial complexity involving large capital, high risks, and multicultural interactions. This study aims to fill this gap by examining the managerial practices of CV Liss Jaya Construction, led by Mr. Ir. Nyoman Widana. As both a businessman and a traditional community leader (Bendesa Adat), his approach integrates professional service with cultural rituals, such as determining auspicious days (*dewasa ayu*) and performing site ceremonies. This practice reflects values-based management, where ethics serve as the foundation for resource management and decision-making (Atmadja, 2018; Paine, 1994).

By employing a qualitative narrative approach with thematic analysis (Braun & Clarke, 2006; Riessman, 2008), this research explores how Tri Hita Karana is operationalized to build trust and loyalty among multicultural consumers. This study contributes to the development of a "value-integrated management" model, bridging indigenous wisdom with modern management theories to foster inclusive and sustainable business growth in a multicultural society.

## METHODOLOGY

This study employs a qualitative narrative approach to explore the lived experiences and social phenomena surrounding the integration of Balinese indigenous values into business management. Narrative inquiry was specifically selected to capture the profound life stories and entrepreneurial journey of Mr. Ir. Nyoman Widana in operationalizing the *Tri Hita Karana* philosophy (Creswell, 2014; Riessman, 2008). Data were collected over a three-month period (November 2025 – January 2026) at CV Liss Jaya Construction in Badung, Bali. Using purposive sampling, the primary data were gathered through in-depth interviews with the key informant, supplemented by participant observations and documentation, while secondary data were retrieved from relevant academic literature and official records.



The data analysis follows the six-step inductive thematic analysis framework developed by Braun and Clarke (2006), involving data transcription, initial coding, and the systematic generation and refinement of themes related to *Parahyangan*, *Pawongan*, and *Palemahan*. To ensure the trustworthiness of the findings, the study adheres to the criteria of credibility, transferability, dependability, and confirmability (Lincoln & Guba, 1985). This was achieved through source and technique triangulation comparing narratives from the business owner, employees, and multicultural consumers as well as member checking and prolonged field engagement to ensure an authentic interpretation of how local wisdom fosters cross-cultural trust and loyalty.

## RESULTS AND DISCUSSION

### Qualitative Data Visualization

To enhance the transparency and rigor of the thematic analysis, this study utilized data visualizations generated using NVivo software. These visualizations represent the structural relationships, meaning intensity, and thematic interconnections that emerged from the inductive coding process.

#### *Word Cloud* : Visual Representation of Thematic Dominance

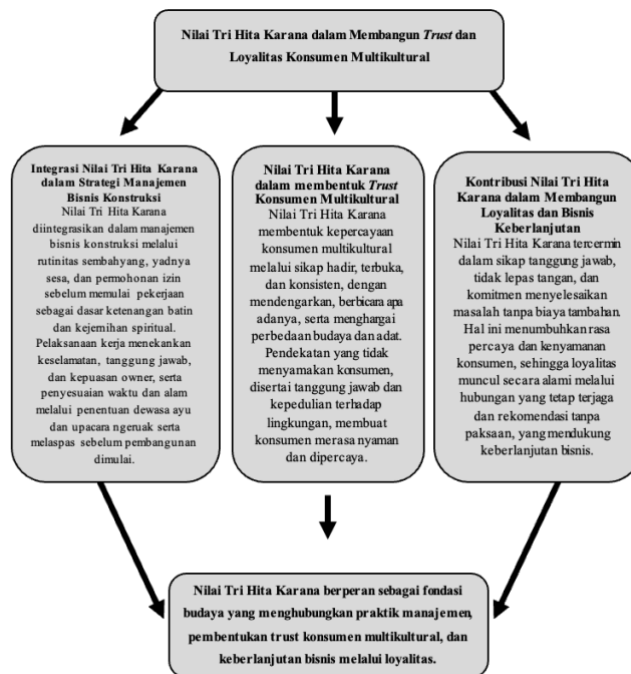
**Figure 4.4** presents a *word cloud* visualizing the frequency of keyword occurrences in the interview transcripts. Based on this visualization, the word **"Project"** emerges as the most dominant element. This indicates that in the context of CV Liss Jaya Construction, projects are not simply understood as technical activities, but rather as the primary "social interaction space" where the *Tri Hita Karana* values are internalized. Furthermore, the dominance of the words **"Relationship"**, **"Owner"**, and **"Employee"** confirms that the relational dimension occupies a central position compared to the transactional dimension. The emergence of the words **"Environment"**, **"Protect"**, and **"Place"** reflects a strong ecological awareness (*Palemahan*), where the project location is seen as an entity whose sustainability must be respected. The significant emergence of the words **"Trust"** and **"Value"** confirms that ethics and morality are the main currencies in this business interaction.

#### *Project Map* : Thematic Relations and Source Triangulation

**Figure 1** displays a *Project Map* that illustrates the interconnectedness of key themes with data sources (key informants, employees, families, and consumers). This visualization serves as evidence of **source triangulation**, demonstrating the validity of the qualitative data.

It's clear that crucial themes like **"Honesty as the Foundation of Relationships"** and **"Family Leadership"** don't stand alone, but are directly connected to the narratives of all informant categories. This consistency across sources confirms that the implementation of *Tri Hita Karana values* isn't a one-sided claim by business owners, but rather an organizational reality collectively recognized by employees and felt by multicultural consumers.

### Hierarchy Chart : Frequency Distribution and Code Dominance



**Figure 1** visualizes a Hierarchy Chart showing the proportion of intensity of each thematic code. To provide a more systematic overview of these findings, the distribution of codes and their meanings is summarized in **Table 1**.

| No | Main Thematic Code                         | THK Dimensions     | Managerial Implications   |
|----|--|--------------------|---|
| 1  | Spirituality as Self-Control               | <i>Parahyangan</i> | Spirituality functions as an emotional and moral control mechanism in dealing with project pressure.  |
| 2  | Respect for Nature                         | <i>Palemahan</i>   | Implementation of sustainable construction principles that respect local ecosystems.                  |
| 3  | Loyalty & Positive Experience              | <i>Outcome</i>     | Loyalty is formed not from contracts, but from the accumulation of positive post-project experiences. |
| 4  | Family Leadership                          | <i>Pawongan</i>    | A humanistic leadership style that creates psychological safety for employees.                        |
| 5  | Cultural Difference Management             | <i>Pawongan</i>    | Communication adaptation skills ( <i>cultural intelligence</i> ) towards multicultural clients.       |
| 6  | Consistency of Attitudes & Values          | <i>Integrity</i>   | Alignment between words and actions as the foundation of <i>trust</i> .                               |
| 7  | Moral Responsibility-Based Decisions       | <i>Ethics</i>      | Prioritize honesty and ethics over short-term profits.  |
| 8  | Honesty in Client Relations                | <i>Ethics</i>      | Radical transparency about project conditions to build trust.   |
| 9  | Traditional Rituals as Professional Ethics | <i>Culture</i>     | Ritual as a symbol of professionalism and seriousness in work.  |

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|    |                               |         |   |
|----|-------------------------------|---------|---|
| 10 | Post-Project Responsibilities | Service | After sales service as proof of long term commitment. |
|----|-------------------------------|---------|---|

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### Qualitative Findings: NVivo-Based Data Visualization

To enhance analytical rigor and transparency, this study employs NVivo-assisted qualitative data visualization. These visual outputs illustrate thematic dominance, structural relationships, and cross-source validation derived from inductive coding procedures.

### Word Cloud Analysis: Thematic Salience

Figure 1 presents a Word Cloud visualizing the frequency of key terms across interview transcripts. The term "project" emerges as the most dominant, indicating that projects at CV Liss Jaya Construction are not perceived merely as technical deliverables, but as **primary social arenas** where Tri Hita Karana values are enacted. The prominence of terms such as "relationship," "owner," and "employees" highlights the primacy of relational dimensions over transactional logic. Meanwhile, the appearance of "environment," "preservation," and "place" reflects a strong ecological consciousness (Pabelasan), positioning construction sites as entities requiring ethical stewardship. The frequent occurrence of "trust" and "values" confirms that moral capital functions as a central currency in business interactions.

### Project Map: Thematic Relationships and Source Triangulation

Illustrates a Project Map demonstrating the interconnections between major themes and data sources (owners, employees, family members, and customers). This visualization provides evidence of **source triangulation**, strengthening qualitative validity. Key themes—such as "honesty as the foundation of relationships" and "familial leadership"—are consistently articulated across all informant groups. This cross-source convergence confirms that the implementation of Tri Hita Karana is not a unilateral managerial narrative, but an organizational reality collectively recognized by internal stakeholders and tangibly experienced by multicultural clients.

### Hierarchy Chart: Code Distribution and Thematic Dominance

Hierarchy Chart illustrating the proportional intensity of thematic codes. To enhance interpretability, Table 1 summarizes key codes and their managerial implications.

### Tri Hita Karana as an Ethical Framework for Business Decision-Making

This study supports Peters' (2013) concept of **values-based decision-making**, demonstrating that Tri Hita Karana operates as a functional ethical framework rather than a symbolic belief system.

### Spirituality as a Self-Regulation Mechanism

The Parahyangan dimension is operationalized through routine prayers and rituals. Consistent with McCullough and Willoughby (2009), these practices function as self-regulatory mechanisms, enabling emotional stability and morally grounded decision-making under high-pressure business conditions.

### **Moral Responsibility in Decision-Making**

Within the Pawongan dimension, managerial decisions are guided by moral accountability (Rest, 2008). Transparent communication with clients regarding delays or technical constraints is prioritized over profit considerations, reflecting Paine's (1994) values-based management, where ethical leadership replaces bureaucratic control as the primary behavioral regulator.

### **Traditional Rituals as Symbols of Professionalism**

Rituals such as *Adult Ayu* and *Ngeraak* function as professional ethics rather than mystical practices. In line with Schein (2010), these rituals represent organizational culture emphasizing prudence and responsibility. For clients, they generate **symbolic trust** (Zucker, 2016), signaling seriousness and respect for local norms.

## **CONCLUSION**

This study examined the implementation of Tri Hita Karana values in building trust and loyalty among multicultural consumers at CV Liss Jaya Construction in Bali. Based on the findings and discussion, several key conclusions can be drawn.

First, the integration of Tri Hita Karana values into the business management practices of CV Liss Jaya Construction is not merely symbolic, but substantively embedded in daily managerial operations. The Parahyangan dimension is manifested through routine spiritual practices, morally grounded decision-making, and the performance of traditional rituals before and after project execution. The Pawongan dimension is reflected in a familial leadership style, open and transparent communication, and the recognition of employees and customers as relational partners rather than transactional actors. Meanwhile, the Palemahan dimension is operationalized through environmental awareness, construction practices that respect ecological balance, and ethical responsibility toward the surrounding natural environment.

Second, the implementation of Tri Hita Karana plays a critical role in fostering trust among multicultural consumers. Trust is not constructed through aggressive promotion or exaggerated promises, but through consistent behavior, honesty in communication, and the business owner's willingness to take responsibility for project-related issues, including post-project concerns. The relational approach that respects cultural and religious diversity enables consumers from different backgrounds to feel secure, respected, and comfortable in establishing long-term cooperation. This finding highlights trust as a relational and value-driven process rather than a purely contractual outcome.

Third, the integration of Tri Hita Karana values contributes directly to the formation of consumer loyalty and long-term business sustainability. Consumer loyalty at CV Liss Jaya Construction does not emerge solely from contractual obligations, but from accumulated positive experiences, emotional attachment, and sustained trust. This loyalty is evidenced through long-term relationships, voluntary word-of-mouth recommendations, and a strong business reputation maintained without reliance on aggressive promotional strategies. Consequently, Tri Hita Karana functions as a

cultural foundation that effectively links managerial practices, trust formation, and sustainable business performance in the construction service sector.

Overall, this study demonstrates that local cultural values, when authentically integrated into business practices, can serve as a strategic asset for building trust, strengthening consumer loyalty, and ensuring long-term business sustainability in multicultural market contexts..

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