

# Construction of Welfare Mediation Model Based on Tri Hita Karana on The Economic Effect of Tourism Sector Toward Happiness To Improve Life Satisfaction of Local Community

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## Abstract

This research aims to measure effects of tourism economy on Tri Hita Karana well-being including physical health and well being, psychological, relationship, and spiritual well being, to realize the well-being so that it can create the life of satisfaction. It is quantitative research using existing measurement scale. Results of this research indicate that there is no significant effect of tourism economic benefit on happiness and public life of satisfaction. The economic benefit will provide effects on local public happiness and then it can create a life of satisfaction if the public obtains the sense of Tri Hita Karana-based well-being. Another finding proves that Tri Hita Karana well beings are proven significantly as a mediated effect of economic benefit on public happiness. The practical implication of the researchers is that economic measurement is not adequate to be used to predict the success of sustainable tourism. It is necessary for other indicators such as well-being, happiness and public life of satisfaction. This research originality and value are to fulfill the research gap to involve Tri Hita Karana cultural aspect as local wisdom trusted to have universal value in determining well-being in the field of tourism economic performance.

## Keywords

Well being; Economic; Tourism; Happiness; The life of satisfaction; spirituality; Bali; Tri Hita Karana

Received: 15 July 2019; Accepted: 1 August 2019 Published Online: 30 August 2019

DOI: 10.21776/ub.apmba.2019.008.01.5

## Introduction

### *Research background*

Life of satisfaction serves as an important indicator to measure development success (Burger and Samuel, 2017) including economic development success. The higher level of the public life of satisfaction will

indicate a higher level of a country development success. There are various efforts to encourage a country economic development productivity, one of which is by promoting potential sectors such as agriculture, trade and other sectors such as the tourism sector.

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Tourism plays an important role as an instrument to produce national income, create work opportunity and encourage economic growth; so it is considered to be established throughout the world and tourism is acknowledged as the biggest service sector in terms of income and foreign exchange (Mishra, 2017). Though there is empirical evidence illustrating that economic conditions such as crisis can influence on tourism destination performance (Perles-Ribes et al., 2016), however there are also different evidences showing that tourism can influence a regional economic and non-economic performance, such as growth of foreign currency inflow volume, introduction of new management and education experiences so that it can influence on many economic sectors and contribute positively on overall social and economic development (Dicevska and Simonceska, 2012). Such conditions can be found in Bali economic development as one of the provinces in Indonesia that greatly depends on the economic sector of tourism sector activity.

Though presents positive benefits on the field of economic (Eusébio et al., 2016), without any control sensitivity, tourism economic benefits will not thoroughly present good effects on local public social and cultural life. Tourism is a cross-sectional activity giving effects on many sectors, both direct and indirect (Murilio et al., 2013). Changes in the tourism economy can create problems, such as local public intergeneration social gap (Kalavar, 2014), natural preservation problems (Dicevska and Simonceska, 2012).

Sustainable tourism economy has an important target to be achieved namely to give positive effects on local public as the main stakeholder in the form of economic sustainability such *economic benefits* (Wardana et al., 2017), further to give effect on public well-being (Siahpus et al., 2007;

Kim et al., 2013; Wardana et al., 2017, Darmayasa et al., 2018), and public *happiness* (Ozturk et al., 2015) as well as improve life of satisfaction (Wardana et al., 2017).

### *Fenomena gap*

Though various empirical previous studies indicate a positive correlation of tourism economic benefits and prosperity, happiness and life of satisfaction, there is no consistency in field phenomena conditions. Tourism economic benefits do not thoroughly indicate positive effect characteristics on public happiness and life of satisfaction. There is an increased number of social problems; also there are increased stress and mental disorder levels in Bali.

Basic Health Research Data (Riskesdas) in 2013 showed that Bali was in the third rank as the region of severe mental disorder category in Indonesia. The number of people with mental disorders in Indonesia reaches 1.7 per mile. The largest numbers could be found in Yogyakarta and Aceh, by 2.7 per mile, then South Sulawesi reached 2.6 per mile. Bali and Java reached 2.3 per mile, East Java and Bangka Belitung were in 2.2 per mile, and West Nusa Tenggara was 2.1 per mile.

Riskesdas data in Bali Province in 2007 and 2013 showed an increase in the average number of mental disorders per mill in Bali from 2.31 in 2007 to 2.87 in 2013. This figure showed a greater number than the data from Basic Health Research which only showed 2, 3 per mile. Based on the Riskesdas data of Bali Province, it showed that Bali has the first rank as a region with severe mental disorders in Indonesia.

The average Bed Occupation Rate (BOR) of Bali Province Mental Hospital (RSJ) in 2014

was 85.3% with the number of outpatients by 19,942 people, the number of inpatients was 5,073 people with Turn Over Interval (TOI) of 15 days. The average length of stay (LOS) in 2014 was 50 days (Budiawan et al, 2015). The condition of BOR and LOS in Bali was still relatively high if measured by the 2011 Ministry of Health Technical Guidelines, the ideal BOR of Mental Hospital is between 60 to 80% and ideal LOS is 14-21 days (Budiawan et al, 2015).

In 2016, the occupancy rate of bed or bed occupation rate (BOR) of Bali RSJP was 80.5% and for the use of filled class-3-beds was 308 or 95% of the total 322 (Bali Berkarya, December 17, 2016). There was the increasing number of mental disorder trend because of increasing higher level of difficulty in life such as reduced employment, increasing population and life expectancy, where there is the number of elderly people (Tribune Bali, November 2016).

It is not only about an increased average of mental disorder, but there is also an increased social and criminal problems that can be seen from an increased number of prisoners. Data of prison and detention center dwellers in Bali province in September 2018 reported by Directorate General of Correctional Service (Ditjen PAS) Ministry of Law & Human Rights showed an increase from 2012 until 2018 and increasingly limited carrying capacity led to overcapacity increase. The number of prisoners in Bali in 2018 showed excessive detention center over carrying capacity condition by 112 %. The capacity was 1,454 people, while the number of prisoners was 3,076 people. The value was more due to the number of prisoners in Kerobokan Prison in Badung Regency by 1,545 people, while the capacity was 323 people, there was an excess capacity of 378%.

Based on data on the number of prison dwellers, there is an increasing number on the level of crime, narcotics, and occupants of mental hospitals; it is very difficult to imagine such conditions of public increased prosperity, happiness and life of satisfaction. The characteristics of a prosperous society both spiritually and non-spiritually are decreasing the level of social problems in the form of crime rates, emotional stress or psychological disorders (Rowold, 2011; Ramirez et al., 2007), stress (Rowold, 2011) and family conflicts and conflicts between citizens. On the other hand, there are increasing religious and spiritual activities because welfare can be caused by increased active involvement in the community of faith (Ramirez, et al., 2007) in this context, it is used spiritual terms.

### *Research gap*

Though it can prove all set of effects of tourism economic benefits on prosperity, happiness and life of satisfaction based on empirical previous research such as; Wardana, et al. (2017) proving positive effects of tourism economic benefits on well-being and life of satisfaction, and Darmayasa et al. (2018) proving relatedness of tourism economic benefits on well being, but there is a ) gap in the form of inconsistent effects of tourism economic growth to public life of satisfaction in Bali. Wardana et al. (2017) found out positive and significant effects while Darmayasa et al. (2018) found significantly no effects.

There is also another gap in the form of contradicting field phenomena. Tourism economic benefits do not thoroughly present effects on public happiness and life of satisfaction. There is an increased number of social problems, stress level and public mental disorder in Bali.

Increased negative emotion can lead to disorder on happiness and satisfaction. Competition demand for economic activity can lead to increased negative emotion and health disorder. Empirically, it has proven that there is a stroke to social-economic condition effects (Baumann et al., 2012). Emotion correlates to a life of satisfaction (Tamir et al., 2017).

Ideally, when there is a growth on well-being and public happiness as a result of economic benefit growth, then it should be able to reduce many social problems, but in fact, there are many social problems in Bali by increasing growth of tourism economy. Such a condition creates an assumption that growing and developing economic benefits can yet influence on well-being, happiness and then the public can feel the life of satisfaction thoroughly.

Based on the assumption described above, it is necessary to conduct verification by conducting a study empirically on the relationship of tourism economic benefit growth on well-being and happiness to improve public life of satisfaction. However, there are still very limited studies examining the effects of people happiness related to the tourism sector (Ozturk et al., 2015). Thus, the main constraint of this research is the limited measurement model of well-being and happiness based on the Balinese public culture in previous studies.

Existing well-being measurement model has West cultural characteristics with low contact orientation, less ability to accommodate Bali cultural characteristics based on *Tri Hita Karana*. The *well-being* measurement model by Kinderman et al. (2011) has been many used in the world that is developed by well-being dimensions of World Health Organization (1998) namely; (a) physical health and well being, (b) psychological well

being, and (c) social relationship well-being (relationships).

Results of the study to identify indicators of each World Health Organization (WHO) (1998) dimension only represent two dimensions of *Tri Hita Karana* cultural category namely; involvement on physical health well-being, including in *palemahan* dimension. Any involved indicators in psychological well being and social relation well-being (relationships) includes in *pawongan* category. The three WHO welfare dimensions still yet represent *Tri Hita Karana* harmony cultural philosophy. This study offers to add (d) *spiritual well being* according to the advice of Darmayasa et al. (2018). These four dimensions of prosperity represent the three dimensions of *Tri Hita Karana*, which are then termed as *Tri Hita Karana Well-Being*.

### *Formulation of the research problem*

All formulation problems reflect several categories of necessary problems to be investigated as the formulation research problems. Whether the benefits of *Tri Hita Karana* well-being plays a role to mediate the effects of tourism economic benefits to influence happiness and then be able to provide a lifetime of satisfaction to the local community.

## **Literature Review**

### *Life of satisfaction*

Life of satisfaction means as a level in which a person finds out a life that he is considered to have full meanings, and in general it has high life quality (Ryan and Deci, 2001). Life of satisfaction refers to the individual evaluation of its life related to positive and negative experiences in various life domains (Sirgy, 2012).

Life satisfaction is a representation of whole people evaluation on their lives, and it can be measured by asking questions (for example, how satisfied are you with your life, overall?), and by using a seven-point scale which "1" means not satisfied and "7". The most well-known life satisfaction measurement scale is the Satisfaction with Life Scale (SWLS) developed by Diener et al. (1985); it has been widely used in the world of research (Sancho et al., 2014) and has proven to be a valid and reliable instrument for assessing life of satisfaction in various population groups (Lopez-Ortega et al., 2016; Sancho et al., 2014). In this study, it uses the seven-point Likert scale but by questioning the level of respondents' agreement with the statement adopted from the scale of Diener et al. (1985).

Life satisfaction is often considered to be the same as happiness but experts who have long been involved in the life of satisfaction research distinguish terms of happiness, subjective well-being and life of satisfaction, so it is advisable to use these two terms differently (Posel and Casale, 2011). Similarly, happiness and well-being are often considered to be the same. Happiness is conceptually, metaphysically, and empirically different from welfare (Raibley, 2012). Based on these various references, the

life of satisfaction, happiness, well-being are used as independent variables.

### **Tourism Economic Benefits**

There is a positive effect of tourism development on economic growth. Important findings in India show that tourism is the engine of long-term economic growth (Mishra, 2017). In Africa, it is found that 60% of Sub-Saharan Africa (SSA) countries depend on tourism income to encourage their economic growth (Nene and Taivan, 2017). In Indonesia, it showed, in 2012, that there was increased employment in the tourism sector in the national workforce (Supriyadi and Kausar, 2017).

Other studies have shown that public want economic benefits from developing tourism sector (Ritchie, 1988), increasing employment opportunities or reducing unemployment (Tosun, 2002; Mishra, 2017; Eusébio et al., 2016), improving living standards (Belisle and Holy, 1980), reducing poverty (Mishra, 2017), increasing investment (Liu et al., 1987; Simundic et al., 2016), increasing business activity (Prentice, 1993; Eusébio et al., 2016), government revenue (Eusébio et al., 2016; Nene and Taivan, 2017), and increasing household income (Eusébio et al., 2016; Adiyia et al., 2014). Table 1 shows the forms of tourism economic benefits adopted from the findings of previous empirical studies.

**Table 1. Results of Empirical Studies on Economic Benefits as a Result of Tourism Sector Development**

No	Economic Benefits	References
1	Increasing employment opportunities	Tyrrell and Sheldon (1984); Tosun (2002); Eusébio et al. (2016)
2	Improving living standard	Belisle & Holy (1980)
3	Increasing investment	Liu et al. (1987); Simundic et al, (2016)
4	Increasing business activities	Prentice (1993); Eusébio et al. (2016)
5	Government revenues	Eusébio et al. (2016); Nene & Taivan (2017)
6	Increasing household income.	Eusébio et al. (2016); Adiyia et al. (2014)

Source: Adopted from various sources

### ***Tri Hita Karana* is a well-being Base**

#### **Definition of *Tri Hita Karana***

*Tri Hita Karana* can have universal meaning or the local one. Understanding locally from the perspective of Balinese cultural concepts, *Tri Hita Karana* comes from the word of *Tri* (three), *Hita* means well-being and happiness and *Karana* comes from the word of *Sang Hyang Jagat Karana*, as another name of God as the source of the causes (*Karana* = Balinese language); life on earth's surface can work (Sutedja, 2012: 10).

Description of *Tri Hita Karana* in most of the various studies can be seen in the scope of two forms, namely microcosm (*buwana alit* = Balinese language) and macrocosm (*buwana ageng* = Balinese language). This description implies, *Tri Hita Karana* is not only a form of harmony that can be found in the nature of macrocosm, namely: humans with outside environment, such as human harmony and fellow human beings are termed as *pawongan* (Balinese), human beings with nature are termed as *palemahan* (Balinese), and human harmony with God is termed as *parahyangan*, also harmony in human beings or microcosm as internal harmony or *Tri Hita Karana* within human beings, namely: the of physical body leading to physical health is known as *palemahan*.

Harmony in psychological conditions or psychological balance or healthy mental is known as *pawongan* in self, and harmony with belief in God or religious health and spiritual is known as *parahyangan*, one of which is human faith.

There will be well-being, happiness, and life of satisfaction based on Balinese culture consisting of *Tri Hita Karana* philosophy if all elements of *pawongan*, *palemahan*, and *parahyangan* show the existence of harmony or balance, in more firm languages is explained as sustainability towards prosperity, happiness and life of satisfaction in the context of Balinese culture is influenced by *Tri Hita Karana* principles including, the need for a harmonious relationship between God, humans, and nature (Yencken, Fien and Skykes, 2000: 224 ) There must be a balance among the three elements of *pawongan*, *palemahan*, and *parahyangan*. Imbalance in one of these three will cause interference to other people. Humans are elements between God and nature, so that it has a role as mediators, balancing the other two (Sedana, 2000).

#### ***Tri Hita Karana-based Well-being***

*World Health Organization* or WHO defines mental health as a prosperous condition. "Well-being refers to an individual who

acknowledges his abilities, can solve normal life stress, can work productively and obtain a sense of self-benefits, as well as can contribute to their community" (World Health Organization, 1998). There are three important significant parts of the definitions, namely psychological well-being, well-being based on material or physical perspectives, including physical health, and then well-being that is seen from the perspective of relation with others. Three WHO well-being dimensions (1998) are then adopted by Kindermin et al. (2011) as a basis of measurement scale development of well-being namely; (a) physical health and well being (b) Psychological well being and (c) relationships.

If these three well-being dimensions according to WHO (1998) and well-being dimension model by Kindermin et al. (2011) are adapted to be used to measure public well-being in Bali, then conceptually, the models can yet represent well-being characteristics of Balinese cultural perspective. The three well-being measurements (Kindermin *et al.*, 2011) yet represent Balinese life dimensions adopted from *Tri Hita Karana* philosophy.

Balinese people with its culture based on *Tri Hita Karana* philosophy adopt three harmonious dimensions as a basis of their view on life well-being. Life can reach well-being if there is no imbalance of each dimension. *Tri Hita Karana* also applies to one or body that is often called as *buana alit* micro-nature, which extremely requires balance in the form of well-being. Three-well-being-dimension model by Kindermin et al. (2011) only represents two-dimension characteristics of *Tri Hita Karana* namely; (a) physical health and well being as a physical nature in human beings or body health, in *Tri Hita Karana* language, it is called as *palemahan*, (b) Psychological well being and (c) relationships, representing *pawongan*.

Well-being from the perspective of Balinese culture is not only seen from two categories

(*pawongan* and *palemahan*). It is still necessary for *spiritual well-being* as a realization of *parahyangan*. These three elements represent cultural characteristics of *Tri Hita Karana*. This study adopts the spiritual well-being concept by Peterman et al. (2002). This selection is caused by spiritual relation to well-being in religiosity since spirituality is stronger well-being predictor than religiosity (Joshnanloo, 2011).

One feels spiritual well-being if there is a spiritual health condition. Spiritual health shows acceptance of one's sense pleasure, positive emotion, ethics and positive common reciprocal relations to God strength and superiority from dynamic and harmonious cognitive, emotional and functional processes (Abbasi et al., 2012; Jelodar et al., 2016). Spiritual well-being scale has been developed by Peterman et al. (2002) which then adopted in this research; it is adapted to respondents' environment context in Bali. This scale is used to measure patients' spiritual well-being, thus it is adopted to measure public spiritual well-being so that there are changes in item 12 word of "patient" and item 11 word of "disease" replaced by the word "life problems".

### **Happiness**

*Happiness* currently has been a topic of various empirical researches and it is increasingly being a public policy focus (Wren-Lewis, 2014). There is also an increasing interest to happiness study such as in Singapore, Taiwan, including in Indonesia for example, on the effects of decentralization reformation on people happiness in the context of developing country (Sujarwoto, 2015). In Malaysia, specifically, it has been researched to measure Malay people happiness level (Swami, 2008). Happiness studies in Indonesia have studies the effects of husbands' opinions on their wife's happiness

(Sohn, 2016). The same study was also conducted by Ott (2011) in 130 countries in the world.

Happiness is defined as a form of "more permanent, complete, and justified satisfaction in life as a whole" (Tatarkiewicz, 1976:16). Lu (2001) gives the concept of happiness consisting of five conditions; (1) Satisfied and Contentment mental state (Happiness as a Mental State of Satisfaction and Contentment), (2) Happiness as Positive Feelings / Emotions, (3) Happiness is a Harmonious Homeostasis; (4) Happiness as Achievement and Hope; (5) Happiness as Freedom from Well-Being.

According to Kraut (1979:170), happiness includes as "a belief that one can obtain his desired important things, as well as pleasure, which can influence on any things related to his trusted belief". Happiness is also defined as "positive effect dominating different negative effect with the affective evaluation of one's life state" (Diener, 1984:545). In line with this view, Andrews, and Withey (1978) firstly postulated three-component possibilities leading to happiness: (a) positive emotion, (b) life of satisfaction, and (c) the absence of negative emotion or psychological stress. Conceptual of happiness is supported increasingly by researchers.

Other experts state that happiness is also conceptualized as a positive spiritual experiences, the highest level of goodness and as the main motivator for all human behaviors (Argyle, 1987; Lu et al., 2001) and a condition "in which an individual assesses overall quality of himself, or his good life thoroughly" (Veenhoven, 1984:22). This view greatly expresses that happiness can be formed by a sense of well-being condition as a result of one's spirituality.

According to Hills and Argyle (2001), happiness is a construct of multidimensional nature consisting of two elements, namely emotional and cognitive. Both elements can be formed in some components. It has also

identified three main components of happiness, namely: positive effects or frequent joys, average high levels of satisfaction for one period, and the absence of negative feelings such as depression and anxiety (Argyle and Crossland, 1987). Simply stated, happiness is the sum of many pleasures obtained in life (Diener, 1984). Therefore, the most common picture of happiness is the internal experience of a positive state of mind, which can be induced in various ways (Luo and Jian, 1997).

There is more subjective definition of happiness from the perspective of psychologists and sociologists today, because in general it is very much greatly determined by self-disclosure, therefore psychologists and sociologists who believe in a subjective approach are considered more appropriate, given the view that happiness must be defined from the perspective of the person who creates the final decision about what can make him happy (Myers and Diener, 1995)

### **Hypotheses**

#### **Effects of Tourism economic benefits on well-being**

Positive effects of tourism economic benefits on welfare have been extensively empirically proven with different forms of disclosure. Financial problems are significantly related to lower welfare (Lee and Yoon, 2011). Economic benefits due to tourism sector development have positive effects on well-being (Wardana et al., 2017). Darmayasa, et al., (2018), has proven that welfare reflected by the three dimensions of physical health and psychological and relationship is positively influenced by economic benefits due to tourism development. Other empirical evidence also shows that income can influence on psychological well being (Ramirez et al., 2007). Social support (relationship well being) is a significant factor for reducing anxiety, depression, and increasing higher



positive well-being, higher self-control, and higher vitality (Lee and Yoon, 2011).

Based on empirical studies of economic benefit effects and well-being that have been conducted before, we can compile the following hypothesis formulations:

- H1: Tourism economic benefits influence positively on physical health and well being.
- H2: Tourism economic benefits influence positively on public psychological well being.
- H3: Tourism economic benefits influence positively on public social relation well-being (*relationship*)
- H4: Tourism economic benefits influence positively on spiritual Well-Being.

#### **Effects of tourism economic benefits on happiness**

In general, tourism economic benefits pleasures the people. Almost all Yogyakarta people are delighted to economic benefits that they bring to their community (Hendijani et al., 2016). The previous study has proven the positive effects of economic benefits on happiness. It is proven by an empirical study in Turkey stating that income will influence on happiness (Selim, 2008). In general, income influences on happiness (Amm, 2013). Studies in Singapore found that increasing household income can increase children's happiness (Ong et al., 2013). Studies in Singapore also prove that finance is the strongest predictor of life satisfaction and happiness (Ng, 2015). Study of happiness in Indonesia finds out a positive relationship between the husband's income and his wife's happiness (Sohn, 2016). Finally, it can be affirmed that income as a form of economic benefit contributes to happiness (Caporale et al., 2009) Based on empirical findings of economic benefit effects on happiness, the hypothesis can be formulated as follows:

H5: Tourism economic benefits influence positively on public happiness

#### **Effects of tourism economic benefits on life of satisfaction**

When various countries face a big recession, there is a decreased life of satisfaction (Easterline, 2008). Several studies conducted in East Germany, Russia and Hungary show that the life of satisfaction increases with income (Frijters et al., 2004; Frijters et al., 2006; Lelkes, 2006). This is proven by World Database of Happiness Data for the period of 1995-2005 (Veenhoven, 2009) and data from the first World Values Surveys in the period of 1999-2004, people in Eastern European countries who have lower economic conditions have lower level of life of satisfaction than those in Western European countries who have better economic conditions (Brdar, 2009).

More specific research ultimately proves that the life of satisfaction can be influenced by various factors related to economic factors such as income, unemployment, and inflation (Frey, and Stutzer, 2002; Clark, and Oswald, 1994; Tella et al., 2001). Nawijn and Mitas (2012) found that perceived tourism effects influence on the life of satisfaction. Based on empirical findings of economic benefit effects on the public life of satisfaction, the hypothesis can be formulated as follows:

H6: Tourism economic benefits influence positively on public life satisfaction

#### **Effects of well-being on happiness**

It is very hard to understand happiness and well-being and its measurement is a matter of controversy. Happiness is not the same as welfare (Railey, 2012). There is a view that states happiness is the accumulation of well-being (Wren-Lewis, 2014). Happiness is a personal attribute can function as a "proxy" for well-being, namely, the level of deep or

strong happiness that a person feels is considered to be close to the level of well-being (Raibley, 2012). But more studies prove that well-being positively influences on happiness levels (Will, 2009; Wren-Lewis, 2014).

Well-being according to Kinderman et al. (2011) can be formed by three elements, namely; physical health and well being, psychological well being, relationship well being. Other specific studies about well being found that physical health influences on happiness (Selim, 2008). Also, it is found out that Psychological Well Being influences on happiness (Ryff and Keyes, 1995). Some hypotheses can be formulated as follows.

H7: Physical Health and Well Being influences positively on happiness

H8: Psychological Well Being influence positively on happiness

There is a significant correlation between interacting on social media and well-being (Booker, 2018). People with less participation in social relations show lower levels of well-being (Sarracino, 2014). Relationship stability in a family environment, outside the family such as friends, partners, and the community can cause welfare (Diener and Oishi, 2005; Diener and Seligman, 2002). Various presented findings and concepts show that relationship cannot be doubted as a part of well being, and well-being has been found empirically as a variable that influences happiness. Based on the presentation of findings and concepts, the hypothesis formulation of the Relationship Well Being effects on happiness can be specifically formulated as follows:

H9: Relationship Well Being influences positively on happiness

New studies are showing that well-being is not only formed by three dimensions (Physical Health and Well Being, Psychological Well Being, and Relationship

Well Being) as shown by findings of Kinderman et al. (2011). Other studies show that spirituality can lead to spiritual well-being and can contribute to the happiness (Holder et al., 2016; Rowold, 2011; Wills, 2009). There is a positive relationship between spiritual health and happiness (Jalilian et al., 2017). In Dordrecht Netherlands, children's spirituality (but beyond activities of religious rituals) was found to be very related to happiness. More spiritual children lead to happier children (Holder et al., 2010). Ip (2013) developed the meaning of happiness from the concept introduced by Lu (2001), namely; a happy individual is an individual in a state of harmonious existence that has characteristics; satisfied or satisfying, being an agent of his own happiness, more spiritual enrichment than material satisfaction, and having a defence against positive views, then interestingly the notion that happiness is no longer just a matter of living conditions, happiness is a psychological or spiritual world of living individuals. Happiness is a not superficial sensual pleasure, happiness is an eternal and meaningful world of the reason (p.411). This concept means that spiritual can be an element of happiness. Based on the concept and empirical study of spiritual well being effects on happiness, the hypothesis can be formulated as follows:

H10: Spiritual Well Being influences positively on happiness

### **Effects of happiness on the life of satisfaction**

There are various studies distinguishing happiness and life of satisfaction (Selimet al., 2008). It also has started to develop a study on the effects of happiness. Happiness can lead to increased life of satisfaction (Ong et al., 2013). Happiness and life of satisfaction correlate empirically but conceptually both have the different measurement. As a form of emotional states, happiness is very sensitive to sudden mode

changes, meanwhile, satisfaction is considered as a cognitive state (Tsou and Liu, 2001).

Other findings also prove that even happy people are more satisfied with their lives not only because they feel better but because they develop resources to live in a better way (Cohn et al., 2009).

Results of the interview show that happiness is to increase life satisfaction therefore, greater happiness is considered to cause a greater life of satisfaction (Bojanowska, and Zalewska (2016). Based on various empirical findings on the effects of happiness on satisfaction, it can be hypothesized as follows:

H11: Happiness influences positively on the public life of satisfaction

## Research Methodology

This study uses a quantitative method research design to test the models and instruments that have been developed by previous researchers through inferential statistics, namely by using Structural Equation Modeling (SEM), with Partial Least Square (PLS) approach.

### *Variables and measures*

There are seven latent variables involved for this study model, namely; Tourism Economic Benefits (X), the indicators are developed from various sources; Tosun, (2002); Eusébio et al. (2016); Belisle and Holy,

(1980); Liu et al. (1987); Simundic et al. (2016); Prentice, (1993); Eusébio et al. (2016); Nene and Taivan (2017) (see Table 2), well-being includes physical health and well being (Y1), psychological well being (Y2) and relationship (Y3) the indicators are adopted from Kinderman et al. (2011), spiritual well-being (Y4) indicators are adopted from Peterman et al. (2002), happiness (Y5) is adopted from Chan, (2011) and Life of Satisfaction (Y3) indicators are adapted from Diener et al. (1985). The indicators of each latent construct (see Table 2) have been empirically tested and have been used in previous empirical studies shown in Table 2. All items as research instruments use seven (7) Likert scale points ranging from "strongly disagree (1)" until "strongly agree (7)."

### *Construct validity and reliability*

Validity and reliability tests are conducted by involving 30 respondents. This test is conducted by finding significant correlation and Cronbach Alpha for each dimension and construct. Constructions are declared to be reliable if they have Cronbach Alpha value > 0.70 (Malhotra, 2007). The indicator has a valid condition if each indicator score presents a positive and significant bivariate correlation with the total indicator score. Table 2 explains the value of Cronbach Alpha for each construct and the dimensions show values above 0.7, and significant correlations per indicator show positive values.

**Table 2. Variables and Indicators**

Type Constructs	Constructs	Indicator	Reference	Significant Correlation	Cronbach Alpha
Exogenous (X)	<i>Tourism Economic Benefit</i> (X)	(X1) Increasing employment opportunity	Tyrrell and Sheldon, (1984); Tosun, (2002); Eusébio et al. (2016)	0.722**	0.827
		(X2) improving living standard	Belisle & Holy, (1980)	0.871**	
		(X3) increasing investment	Liu et al. (1987); Simundic et al. (2016)	0.793**	
		(X4) increasing business activities	Prentice, (1993); Eusébio et al. (2016)	0.721**	
		(X5) acceptance of government income	Eusébio et al. (2016); Nene and Taivan, (2017)	0.570**	
		X6 increasing household income	Eusébio et al., (2016); Adiyia et al. (2014)	0.749**	
Intervening	<i>Physical Health and Well Being</i> (Y1)	Y1.1 Physical health	Kinderman et al. (2011)	0.749**	0.850
		Y1.2 break quality		0.753**	
		Y1.3 Ability to do daily activities		0.743**	
		Y1.4 Ability to finish activities		0.812**	
		Y1.5 Adequacy of food and clothes		0.707**	
		Y1.6 free time for sports and recreation		0.720**	
		Y1.7 health insurance		0.616**	
Intervening	<i>Psychological Well Being</i> (Y2)	Y2.1 Free from a sense of stress and anxiety	Kinderman et al. (2011)	0.774**	0.938
		Y2.2 Enjoying life		0.737**	
		Y2.3 Having life purposes		0.702**	
		Y2.4 having good controllable life		0.738**	
		Y2.5 Being optimistic about the future		0.771**	
		Y2.6 Being oneself		0.723**	

		Y2.7 having self-pride		0.752**	
		Y2.8 desire fulfillment		0.783**	
		Y2.9 self-confident to self-concept		0.832**	
		Y2.10 Free to be creative		0.775**	
		Y2.11 Self-development		0.821**	
		Y2.12 obtaining achievement		0.824**	
Intervening	<i>Relationship</i> (Y3)	Y3.1 Personal relationship with family		0.886**	0.885
		Y3.2 Personal relationship with the social environment		0.866**	
		Y3.3 Life comfort with others		0.756**	
		Y3.4 Biological relationship		0.802**	
		Y3.5 Mutual help and assistances		0.841**	
Intervening	<i>Spiritual Well-Being</i> (Y4)	Y4.1 Being peace	Peterman et al. (2002)	0.799**	0.951
		Y4.2 Having reasons for life		0.844**	
		Y4.3 Feeling productive life		0.773**	
		Y4.4 Facing no difficulties to be calm		0.711**	
		Y4.5 Feeling the purpose to life with me		0.808**	
		Y4.6 Finding out self-comforts		0.781**	
		Y4.7 Feeling self-harmony		0.868**	
		Y4.8 My life has meanings and purposes		0.821**	
		Y4.9 Finding comforts in faith or spiritual belief		0.826**	

		Y4.10 Finding strength in faith or spiritual belief		0.806**	
		Y4.11 problems faced have strengthened faith or spiritual belief		0.813**	
		Y4.12 Belief at anything happens in life problems, all of which will be fine		0.890**	
Intervening	<i>Happiness</i> (Y5)	Y5.1 Feeling happy at most of the life parts	Chan (2011)	0.843**	0.885
		Y5.2 rarely feeling bored at most of the life parts		0.820**	
		Y5.3 rarely feeling upset at most of the live parts.*		0.810**	
		Y5.4 getting of any stress in most of the life parts		0.838**	
		Y5.5 overall, feeling good life		0.851**	
Endogen	<i>Life of Satisfaction</i> (Y6)	Y6.1 ideal life view	Diener et al. (1985)	0.821**	0.890
		Y6.2 life quality conditions		0.885**	
		Y6.3 Life of satisfaction		0.893**	
		Y6.4 fulfillment of desires		0.863**	
		Y6.5 Achievement of life purposes		0.737**	

Source: adapted from various sources

### Sampling

This research is a development of previous research conducted by Darmayasa et al. (2018) so that it uses the same population and type and sample size, namely; residents of Kutuh Village, Badung Regency, Bali-Indonesia Province, namely there are 2,153 people, their occupation are; (a) there are 678 local residents working related directly to

tourism sector, (b) there are 1,399 local residents working indirectly related to tourism sector, and (c) there are 76 local residents with professions having no relation at all to tourism sector.

The technique of determining sample size based on Slovin's formula and sampling is stratified proportional random sampling based on the characteristics of occupation relationships with the tourism sector; (a) there

are 30 respondents as the resident group working related directly to tourism sector, (b) there are 62 respondents as the residents working related indirectly to tourism sector, and (c) there are 4 respondents as the residents

working not related to tourism sector. The total number of respondents as the sample size is 96. Table 3 is the respondents' characteristics.

**Table 3. Respondents' Characteristics**

Characteristics	Total	
<b>Gender</b>		
• Male	67	70%
• Female	29	30%
Total	96	100%
<b>Age</b>		
• 25 years old until 30 years old	12	12%
• 30 years old until 40 years old	32	32%
• 40 years old until 50 years old	37	38%
• 50 years old until 60 years old	15	17%
• > 60 years old	1	1%
Total	96	100%
<b>Final education</b>		
• Junior High School	17	18%
• Senior High School	61	64%
• DIPLOMA	8	8%
• Bachelor Degree - S1	9	9%
• Master Degree - S2	1	1%
Total	96	100%
<b>Types of occupation related to tourism</b>		
• Directly related	30	31%
• Indirectly related	62	65%
• Having no relation at all to the tourism sector	4	4%
Total	96	100%

*Source: Darmayasa et al. (2018)*

### Data Analysis

The ideal loading factor value is at least 0.7 (Hair et al., 2010: 709). But the value of 0.60 can also be categorized as an ideal value (Hair et al., 2006). This study uses the minimum loading factor value of 0.60. The output of loading factors analysis this study shows

that one item has a loading factor value of <0.60, with  $p > 0.05$  or T-Statistics above 1.96. These items are X5 indicators of economic benefits. This item is subsequently eliminated because it does not meet the convergent validity requirement, then the second treatment is conducted.

Table 4 shows, the value of Average Variance Extracted (AVE) > 0.50 that meets

the discriminant validity requirements (Fornell and Larcker, 1981). Composite reliability is said to be good if it has a value above 0.70. The value of Composite

reliability obtained in this study is above 0.70 so that it matches the criteria of Nunnally (1978).

**Table 4. AVE Composite Reliability and R Square**

Variables	AVE	$\sqrt{\text{AVE}}$	Composite Reliability (> 0.60)	Results of R-Square	
				R-Square	Criteria*
Happiness (Y5)	0.694	0.833	0.919	0.806	Strong
Life of Satisfaction (Y6)	0.711	0.843	0.924	0.544	Moderate
Physical Health and Well Being (Y1)	0.534	0.731	0.888	0.441	Weak
Psychological Well Being (Y2)	0.594	0.771	0.946	0.351	Weak
Relationship (Y3)	0.692	0.831	0.918	0.327	Weak
Spiritual Well Being (Y4)	0.661	0.813	0.959	0.430	Weak
Tourism Economic Benefits (X)	0.632	0.795	0.895	-	-

Notes: \*= Criteria Chin, (1998), Hair *et al.* (2011), Henseler *et al.* (2009);

Source: Processed primary data 2018

The coefficient of determination analysis ( $R^2$ ) is a measure of accuracy for model predictions. These effect values range from 0 to 1. Value 1 represents full predictive accuracy (Hair *et al.*, 2014).  $R^2$  values of 0.75, 0.50 and 0.20 describe strong, moderate and weak (Hair *et al.*, 2011; Henseler *et al.*, 2009). The results of  $R^2$  in this study indicate that the four constructs have weak accuracy, namely; well-being (Y1) Psychological Well Being (Y2), Relationship (Y3) and Spiritual Well Being (Y4), Happiness (Y5) having strong accuracy and Life of Satisfaction (Y6) having moderate accuracy.

Result of the inner model evaluation based on Q-Square predictive relevance is 0.873 or 87.34%. This value can be interpreted that the information presented in the data is 87.34%. it can be explained by the model, while the remaining of 12.66 %% is explained by errors and other variables not presented in this study. The predictive relevance Q-

Square value criterion is categorized as having a relevant predictive if the Q-Square value is > 0, whereas if the Q-Square value < 0 indicates the model lacks relevant predictive value of Q-Square.

## Results

### Hypotheses Test

Table 5 and Figure 1 show the results of SEM analysis and the significance of the direct effect of each construct on other related constructs. The following is an explanation of the hypothesis test results. There are three not-supported hypotheses. Tourism Economic Benefits are proven to have no significant effect on happiness ( $p > 0.05$ ;  $\beta = 0.599$ ) so that H5 is not supported. The next hypothesis is H6; Tourism Economic Benefits (X) has no significant effect on Life of Satisfaction (Y6) ( $p > 0.05$ ;  $\beta = 0.392$ ) so that H6 is not supported. Psychological Well Being (Y2) is proven to have no significant



effect on Happiness (Y5) so that H8 is rejected.

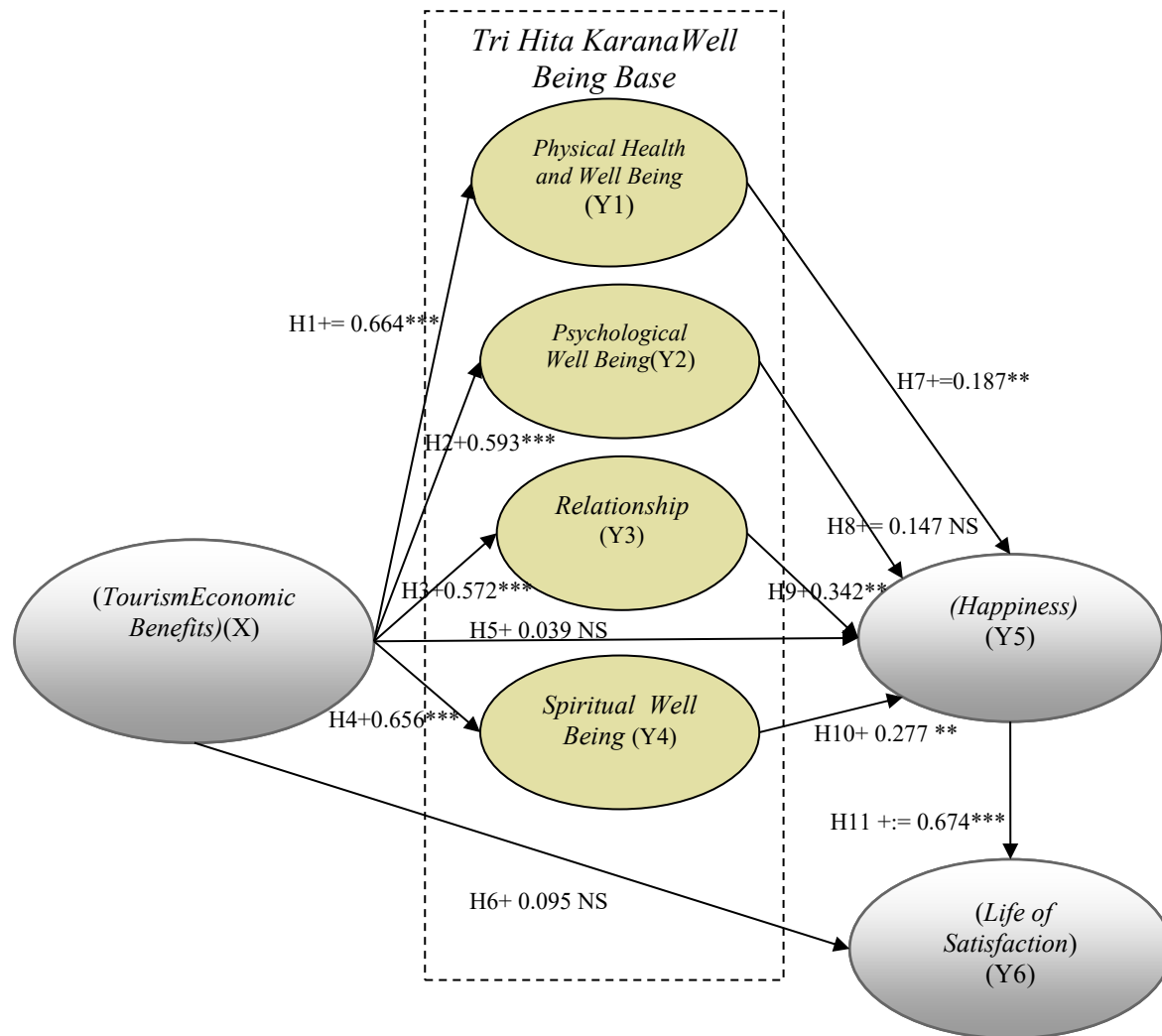
The hypothesis test results show support for H1 ( $p < 0.000$ ;  $\beta = 0.664$ ), informing that the Tourism Economic Benefits have a positive and significant effect on physical health and well being. Testing of H2 ( $p < 0.000$ ;  $\beta = 0.593$ ) successfully proves economic benefits

as a result of the development of the tourism sector (tourism economic benefits) having a positive and significant effect on the Psychological Well Being. Likewise for H3, H4, H7, H8, H9, H10, and H11, all of which are supported. A more complete explanation can be seen in Table 5 and Figure 1.

**Table 5. Path Values and Hypotheses Test**

Path	Original Sample	P Values	Hypotheses	Notes
Happiness (Y5) -> Life of Satisfaction (Y6)	0.674	0.000	H11	Supported
Physical Health and Well Being (Y1) -> Happiness (Y5)	0.187	0.041	H7	Supported
Psychological Well Being (Y2) -> Happiness (Y5)	0.147	0.128	H8	Rejected
Relationship (Y3) -> Happiness (Y5)	0.342	0.001	H9	Supported
Spiritual Well Being (Y4) -> Happiness (Y5)	0.277	0.014	H10	Supported
Tourism Economic Benefits (X) -> Happiness (Y5)	0.039	0.599	H5	Rejected
Tourism Economic Benefits (X) -> Life of Satisfaction (Y6)	0.095	0.392	H6	Rejected
Tourism Economic Benefits (X) -> Physical Health and Well Being (Y1)	0.664	0.000	H1	Supported
Tourism Economic Benefits (X) -> Psychological Well Being (Y2)	0.593	0.000	H2	Supported
Tourism Economic Benefits (X) -> Relationship (Y3)	0.572	0.000	H3	Supported
Tourism Economic Benefits (X) -> Spiritual Well Being (Y4)	0.656	0.000	H4	Supported

*Source: findings by researchers, 2018*



**Figure 1. Path Relation of Tourism Economic Benefits on Public Happiness to Improve Life of Satisfaction**

Notes: \*\*Significance level 0.05; \*\*\* Significance level 0.000; NS = Not Significant

Source : findings by researchers, 2018

### Mediation Role

Baron and Kenny (1986) mention, there are three types of mediating effects. There will be partial mediation when the exogenous variable (X) is significantly related to the mediating variable (M), and the mediating variable (M) is also significantly related to the endogenous variable (Y), but the magnitude of the direct effect relates to the

relationship of X to Y being reduced by adding M. The second type of mediating effect is full mediation. There will be this effect when the direct relationship between X and Y variables is insignificant when M variable is entered into the model, while the X to M relationship and M to Y are both significant. Then, there will be the last type of mediation when the presence of M variable does not change the significance and

magnitude of the relationship effects between X and Y variables (Awang, 2012; Meyers et al., 2013).

Four variables mediate the effects of Tourism Economic Benefits (X) on happiness (Y5) to create the life of satisfaction (Y6), namely; Physical Health and Well Being (Y1),

Psychological Well Being (Y2), Relationship (Y3), and Spiritual Well Being (Y4). Analysis of the mediation role will be emphasized in the four mentioned mediating variables. The results obtained from the mediating role test of all constructs of *Tri Hita Karana* well-being are shown in Table 6 below.

**Table 6. Recapitulation of Testing Results of *Well Being* Mediation Variable**

Well Being Variable Mediation on:	Model				
	A (X-Y) Without Mediation (M)	B (X-M-Y) Using Mediation (M)	C (X-M)	D (M-Y)	Notes
<i>Tourism Economic Benefits (X) → Physical Health and Well Being (M) → Happiness (Y5)</i>	0.634 (Sig.)	0.191 (No Sig.)	0.666 (Sig.)	0.661 (Sig.)	<i>Full Mediation</i>
<i>Tourism Economic Benefits (X) → Psychological Well Being (M) → Happiness (Y5)</i>	0.634 (Sig.)	0.234 (Sig.)	0.597 (Sig.)	0.665 (Sig.)	<i>Partial Mediation</i>
<i>Tourism Economic Benefits (X) → Relationship (M) → Happiness (Y5)</i>	0.634 (Sig.)	0.216 (Sig.)	0.573 (Sig.)	0.721 (Sig.)	<i>Partial Mediation</i>
<i>Tourism Economic Benefits (X) → Spiritual Well Being (M) → Happiness (Y5)</i>	0.634 (Sig.)	0.159 (No Sig.)	0.656 (Sig.)	0.715 (Sig.)	<i>Full Mediation</i>

Notes: Sig=significant; NoSig=insignificant; X=exogenous variables; Y=endogenous variable; M= mediated variable

## Discussion

These research results indicate insignificant effects of *tourism economic* benefits on the public life of satisfaction so that it is consistent with the findings by Darmayasa et al. (2018). These findings mean that happiness and life of satisfaction by a community with the high level of cultural contact cannot merely be obtained by increased materials as a result of economic income by tourism sector development, however, the tourism sector development must contribute to the realization of Well

Being and happiness. There are four well-being variables used as the mediation namely Physical Health and Well Being, Relationship, and Spiritual Well Being showing significant effects on happiness and then influence indirectly through happiness to create a life of satisfaction. There is only one variable, namely Psychological Well Being showing the insignificant effect on happiness. Such condition is supported by test results of mediation role stating that spiritual well being and Physical Health and Well Being has full function while

Psychological Well Being and well-being are caused by Relationship with partial function. These findings support the findings by Rowold (2011), Jalilian et al. (2017); Holder et al. (2010); Cohen (2002) Francis et al. (2000) stating positive effects of spiritual well being on happiness. These findings also confirm previous findings stating that spirituality has a positive effect on happiness (Johnson et al., 2017). People considering to have spirituality will face less depression than ones with less spirituality (Pearce et al., 2003). These findings also support Martinez and Scott (2014) showing that spirituality is a strong psychological predictor on happiness when there is involvement of meaningful spirituality in daily life which then influence on happiness.

Not all economic benefits will contribute to happiness to create a public life of satisfaction. Economic plays an important role but it is not the only element of happiness. Increasing volume of economic activities caused by increased investments including tourism investment will then lead to decreased public life comfort. There will be good economic activities if it is not disturbed well-being. Currently, many people face stressful conditions as a result of competition on economic performance measurement, so that it can influence decreased mental health and public physic. In such conditions, spirituality serves as a useful resource (Faribors et al., 2010). Public with higher spirituality health will have better happiness (Mozafarinia et al., 2014). This finding supports a statement that spirituality health condition is greatly required, namely in increasingly dynamic condition and development for public improvement. (Dehdari et al., 2013).

## Conclusion

### *Managerial and research implications*

There are several important conclusions as well as inputs for decision-makers as stakeholders in sustainable tourism development, namely; it is necessary for carefulness in tourism development planning in a region or area. Performance measurement should not only be seen from the achievement of economic measures but it is very important to consider measures of happiness and life satisfaction of local people. There will be no development of sustainable culture-based tourism without the benefits of happiness and increased the satisfaction of the local community.

### *Limitations and future lines of research*

Several limitations that can be shown in this study are; (a) this study uses limited samples on a village as a developing tourist destination. Further research is suggested to involve larger samples such as provinces that have tourism economic sector. (b) This research is conducted on samples with a cultural background in *Tri Hita Karana* in Bali. Further research is very important to involve other countries to test whether universality of the *Tri Hita Karana* value can be proven in different across country samples. *Tri Hita Karana* is believed to also exist in other countries in different dimensions and terms.

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## Appendix:

### Appendix A: Figure of PLS Process Results

