

Behavioral Aspects of Budgeting: A Perspective on Leadership Values in the Bhisma Parwa

I Putu Bagus Satria Wibawa
Universitas Surabaya, Indonesia
Email: bagussatria2600@gmail.com

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Abstract

Budgeting is not merely a technical and numerical process; it is deeply intertwined with human behavior, values, and leadership. However, dysfunctional behaviors such as budgetary slack often arise when budgets are imposed rigidly without considering ethical and cultural dimensions. The purpose of this article is to reflect the value of leadership in Bhisma Parwa in looking at the behavioral aspects of budgeting. This article used an interpretive review method with a qualitative approach and data obtained from literature studies. The value of leadership in Bhisma Parwa is used in assessing the budgeting process. The budgeting process is closely related to the leadership values in Bhisma Parwa. Leaders need value to direct employee behavior as the party that will realize the budget. Bhisma Parwa is used to pursue a fair budgeting process. The budgeting process requires values, leaders, and systems. The value of leadership in Bhisma Parwa can be a solution so that organizational leaders can develop a budgeting system that triggers positive employee performance. This article demonstrates the use of leadership values in Bhisma Parwa in looking at behavioral aspects of the budgeting process that have not been used before.

INTRODUCTION

The budgeting process is not a process made through individual accounting calculations. The budgeting process is closely related to the behavioral aspects of the manager that will affect how the budget will be implemented. The budgeting process will involve many parties so that it has the potential to trigger a problem (Adi & Lestari, 2022). Although budget is considered a managerial control method, in fact budget is often considered an obstacle to company progress. For example, in companies you will often hear sentences such as: "Sorry, this purchase application was rejected due to over budget"; "Your division failed to meet the budget that has been set!"; "What you planned was not in the budget, this project is unacceptable!". These sentences show that too tight a budget can cause stress and anxiety for employees and even dislike. Thus, if dislike has arisen in the budgeting process, employees will be encouraged to engage in deviant behavior in budgeting (Liessem *et al.* 2015; Ramlall dan Grobbelaar 2024; Bellora-Bienengraber *et al.* 2026). Thus, the use of the leadership values of Bhisma Parwa which is one of the chapters of the Mahabaratha epic can help leaders to make wise policies in the budgeting process. Bhisma Parwa, which is a story about Bhagawan Bhisma who is considered to be a person with patient, trustworthy, chivalrous, and brave characters, is quite related to interpreting how leaders should behave so that the budgeting process can run according to its intended purpose. This article seeks to explore the behavioral aspects of the budgeting process in order to be more humane so that the implementation of the budget can be

maximized (Weil dan Reddin 2017; Boudreaux 2025).

Every activity that the company wants to do will definitely be carried out if there is a budget (Antadin 2022). The process of preparing a budget is very important and needs to be done in detail so that what is the company's goals can be implemented (Agusti-Perez et al., 2020). Budget also functions as a guideline for controlling the activities that will be carried out by the company (Adi & Lestari, 2022). According to Toward a Theoretical Framework: The Role of Task Uncertainty, it is stated that budgeting requires specific and difficult goals so that it can produce better employee performance. If the budget goals are made too easy, moderate, and general, it will actually create poor performance for employees who implement the budget (Foster 2017). In contrast to this theory, contingency theory states that there is no system or method that can be implemented uniformly for all circumstances. Budgets should make equality happen by considering many unexpected aspects through the application of contingency theory so that there are no dysfunctional actions (Otley 2016). Because, if the budget is made with specific, difficult, and rigid goals, it will make managers depressed. A depressed manager will make his behavior tend to justify all means in order for the budget to be achieved, regardless of how he treats his subordinates (Zhang et al., 2021).

One of the factors in budget preparation is culture. Cultural development arises when one human being and another human regulates their activities in dealing with problems (Rosalina & Frima, 2021). One of the problems that occurs in making a budget is budgetary slack. Budgetary slack is a problem in budgeting that is closely related to human behavior. Budgetary slack occurs in the process of making budgets that tend to increase costs or lower sales targets so that information distortion occurs (Banding *et al.* 2021). Budgetary slack occurs when a manager abuses his rights to make it seem as if the target he makes can be achieved, but in fact it is the budget target that is lowered (Elmassri dan Harris 2011; Ashmeade *et al.* 2017). Budgetary slack is closely related to organizational slack which states that individuals tend to be satisfied with the achievements that have been set rather than creating maximum achievements.

This article tries to emphasize the novelty of research in the form of aligning values between organizations and individuals so that the goals of both can be achieved to the maximum. The leadership values in Bhisma Parwa are used as a reference, which include the value of leadership based on truth (*dharma*), the value of leadership based on love (*prema*), the value of leadership based on behavior of not hurting each other (*ahimsa*), and the value of leadership based on wise behavior (*vinayam*). Next, an analysis of behavioral aspects in budgeting will be carried out which are synergized with the relevant leadership values in Bhisma Parwa as shown in Table 1.

Table 1. Literature References and Their Relevance in Analysis

Literature Group	Literature Sources	Relevance in Analysis
Leadership values in Bhisma Parwa	Books and articles consisting of: - Hindu leadership values in Bhisma Parwa - Mahabaratha	Understand <i>the values</i> that can support the achievement of <i>maximum budget implementation.</i>
<i>Budgeting</i> and Behavioral Aspects in <i>Budgeting</i>	Books and articles consisting of: - <i>Behavioral Management Accounting</i>	Understand theories related to <i>budgeting</i> and behavioral aspects in <i>budgeting.</i>

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- *Behavioral Accounting*
 - *Management Accounting:
Information for Decision
Making and Strategy
Execution*
-

Source: Compiled by the author based on the reviewed literature

The leadership values in Bhisma Parwa have a very important role so that individual goals and organizational goals can run together based on wise behaviors. Cultural values and local wisdom are used in conducting alternative accounting studies because the scope of research is still wide so it is expected to create innovative knowledge (Efferin, 2015). Research related to cultural values, especially leadership values in Bhisma Parwa which is associated with budgeting, has never been done from previous studies.

The purpose of writing this article is to convey an interpretive study related to behavioral aspects in budgeting using the perspective of leadership values in Bhisma Parwa. It is hoped that the results of this research can contribute to the organization in achieving its goals through optimal budgeting so that Bhisma Parwa's leadership values are implemented. This article is expected to add novelty to the concept related to budgeting by linking it to cultural values or local wisdom.

RESEARCH METHOD

The methodology used in this paper is a qualitative method with literature analysis. Literature analysis is research conducted by collecting a number of literacies related to the objectives and objects of research. The purpose of the literature analysis is to explain various theories related to the topic being researched so as to provide guidelines to achieve research results.

The data used in this article was collected through books related to budgeting and published journals. The stages of data acquisition are shown from Table 1, starting from the collection of information related to Bhisma Parwa in the Mahabaratha epic and how the leadership values in the story are reflected. Next, the identification of leadership values in Bhisma Parwa that is in accordance with the topic in the article will be carried out. After the leadership values in Bhisma Parwa are obtained, it will be continued by looking for supporting data for each leadership value in Bhisma Parwa, such as how behavioral aspects in budgeting and how the budget can be implemented properly.

The reference values related to leadership obtained from Bhisma Parwa in the Mahabaratha epic not only talk about heroic values but also have values related to organizational management and management values so that they can be used to create budget implementation that is in accordance with organizational goals (Natalia, 2022).

RESULTS AND DISCUSSION

The role of budget in the organization

Budget has an important role in an organization. Budget shows a reflection represented in the form of numbers about the allocation of financial resources to various parts of the organization based on the activity plan and objectives of each section. Budget is a quantitative form of money flow, both cash in flow and cash out flow, which reflects whether the

organization's operational activities are in line with the vision or goals of the organization (Atkinson et al., 2012).

On the other hand, although budget is mentioned by Atkinson et al. (2012) as a reflection represented in the form of numbers, the budget is not entirely related to numbers. This is because the budget is also a tool to explain the organization's goals in the short term to its employees through the involvement of managers in each section. This means that the budget can see the ability of the section managers to understand the organization's vision so that all divisions in the organization can run in the right direction through the budget.

Behavioral aspects in budgeting

Budget has a relationship with behavior. An example is a sentence called budgetary slack. Budgetary slack is an act or behavior in budgeting that attempts to distort information. The phrase "budgetary slack" is often associated with negative behavior, which is an attempt by management to reduce the available information to commit fraud. For example, when a sales manager tries to reduce the sales target to make it easier to earn a commission.

One of the budgeting systems offered by Siegel & Ramanauskas-Marconi (1989) is participative budgeting. Participative Budgeting means that setting a budget must be done through a joint decision. It does not mean that all responsibility for making decisions on the budget is directly handed over to subordinates and management just to sign. However, initiation departs from the bottom/employee where employees are given the opportunity to use the information they get through work experience. The information from below will be used for negotiations related to the budget to be determined. Participative budgeting has an important role because humans will appreciate a world more when humans make conditions related to that world. Employees will feel more committed to the budget and appreciate it so that they have high motivation to achieve goals and implement the budget according to the set (Atkinson et al., 2012). In order for participative budgeting to be implemented optimally, leaders who have a low level of authoritarianism are needed. This is because leaders who have an open attitude can appreciate input and ideas from their subordinates more and get maximum benefits from the implementation of participatory budgeting.

The importance of *bhisma parwa* leadership values

Bhisma Parwa is a literary work that is created from a combination of cultures and has good values or teachings such as philosophy, science, religion, morals, behavior, history, and customs. Bhisma Parwa as one of the chapters of the Mahabharata is believed to be one of the popular literary works in Indonesia (I Nyoman Subagia & I Putu Agus Aryatnaya Giri, 2020). Because of its popularity, Bhisma Parwa tends to be easy to understand and its noble values are easy to apply by the Indonesian people.

Bhisma Parwa as a part of the Mahabaratha epic has the same perspective as the behavior of an open-minded leader. These epic positions a dharma or truth as something that is owned by many parties depending on their perspective. Therefore, a view is needed that in achieving the truth, a sense of empathy is needed to accept the opinions or perspectives of these parties (Buck, 2019). Bhisma Parwa contains strong leadership values such as how the figures of Bhisma and Yudhistira are expert and skilled in organizing their forces and Sri Krsna's instructions to Arjuna which the audience calls it the book of Bhagawad Gita.

The character of Bhisma is the son of King Sentanu who is the King of the Astinapura

Kingdom with his wife Dewi Gangga. Bhishma is a figure who is respected by both the Pandavas and the Korava. Bhishma actually had a privilege because he was entitled to the throne of the Kingdom of Astinapura. However, he was willing to sacrifice to avoid a split in the kingdom by not taking the opportunity to become the king. Bhishma is also known to have an oath called Brahmacharya. Brahmacharya was an oath not to marry for the rest of her life because Bhishma did not want a bloodbath in the Kingdom between her descendants and the descendants of her half-sister.

The story of Bhishma Parwa has important leadership values because it can be used to manage many activities in the company and can be used for individual self-leadership. The leadership values are summarized in 4 values, namely upholding *dharma* (truth), *prema* (love), *ahimsa* (not acting that hurts), *viyanam* (acting wisely) (Mardika, 2020). The first value analysis of the value of leadership in Bhishma Parwa is based on dharma (upholding the truth), leaders should not be hostile and listen to those who are opposite to him. In the story in Bhishma Parwa, it is shown by the attitude of Yudhistira as the leader of the Pandavas who asked for Kurawa's blessing. Even though *kurawa* is considered a bad party or adharma. The story can be interpreted that based on the value of truth (dharma) the leader must be able to view all parties as people who deserve to be respected and appreciated. The second value analysis of the leadership value in Bhishma Parwa is about *prema* (love), as can be seen from the snippet of the story about Yudhistira who still sees Bhishma as his own grandfather and still loves him, even though Bhishma is on the side of the *kurawa* who is an enemy of the Pandavas. Leaders should have love aimed at anyone, because humans who do not have love will only experience suffering. An example of love that a leader can apply is when subordinates have difficulties, then the leader can always help them. The third value analysis of the value of leadership in Bhishma Parwa is about *vinayam* (wisdom), this is shown from Yudhistira's attitude who is able to sort out good things and bad things for him. Meanwhile, the fourth value analysis of the leadership value in Bhishma Parwa is related to *ahimsa* (not hurting), this is shown in the footage of the story of the character Bhishma who orders the Pandavas and *Kurawa* not to hurt the troops who are exhausted, who have surrendered, who have been wounded, and who do not have weapons. Leaders must realize that hurting others who are weak and distressed is an act that also hurts themselves.

Optimize budgeting management

The process of preparing a budget is not a simple action. The budgeting process involves many aspects such as company goals, resource allocation, and is closely related to human performance and motivation. Although budget is a tool used for coordination and planning, in the end budget is closely related to how subordinate behavior is controlled and influenced. Often managers engage in budget manipulation by changing information and targets in order to achieve as many incentives as possible (Atkinson et al., 2012).

Participative budgeting has loopholes that managers can use to play with information because this method is known as budgeting which is done through joint decisions. Participative budgeting provides space for employees at various levels to influence their budgets where the influence is not in accordance with the company's interests, but only to fulfill their own desires. Therefore, in this section, leadership values based on Bhishma Parwa can be useful to overcome slack arising from deviant behaviors in the budget implementation process.

The first value, dharma-based leadership (truth) emphasizes each individual in the budget-making process to uphold honesty and integrity as well as openness to accept each party's opinion. Every individual in the company in preparing a budget should use actual information data and without making it up. This value needs to be instilled to avoid short-term fraudulent practices that only benefit a few parties. Because value cannot run without a leader, leaders must be able to ensure that they and their subordinates can have integrity and honesty in preparing budgets. If honesty and integrity have become a culture in the company, then based on the principle of dharma (truth), leaders must be able to facilitate ideas and input from subordinates and not engage in authoritarian actions. Because when leaders have an open attitude, the use of participatory budgeting will be more beneficial for the company's goals. The first value requires a goal congruence, which is the conformity between the employee's actions to achieve his personal goals to help achieve the company's goals. Goal congruence can be implemented during the planning process so that there is alignment between individual goals and organizational goals. If the goals of individuals and organizations can be aligned, it is hoped that honesty and integrity can occur so that there is no fraud in its implementation.

The second value, leadership based on *prema* (love) emphasizes the importance of the welfare of all parties, both subordinates, management, and the welfare of the company itself. If the management in making a budget considers the common welfare, then the budget made will be more sustainable and can be implemented optimally because the budget will be accepted by all stakeholders. A budget made with the principle of love will also create an emotional connection and bond between employees and their organization. This means that the value of leadership based on love is in accordance with what was conveyed by Riahi-Belkaoui (2001) who stated that a connection or emotional bond is needed between employees and their organization. If an emotional bond has been formed between employees and the organization, then employees will have a sense of close connection with the organization's goals and try to align their goals with the organization's goals as a whole. In the end, individuals who actively contribute to the preparation of participatory budgeting will feel that they have the right budget so that their commitment and performance will tend to increase.

The third value, leadership based on *vinayam* (wisdom) emphasizes that in the process of making budgets, especially participative budgeting, leaders must be able to set certain limits to distinguish between good and bad. In participative budgeting, the phenomenon of "pseudo-participation" is often found. Pseudo-participation reveals that employees at the field level who know how a work phenomenon occurs, are just silent and do not dare to reveal what they really feel. This happens because there are certain pressures from groups or superiors who are more dominant and powerful in the organization. Therefore, company leaders must be able to provide opportunities for freedom of opinion to all parties in the company and have certain limitations and dare to say "no" to groups that try to make budgets only for their own interests.

The fourth value, leadership based on the principle of *ahimsa* (do not hurt), emphasizes the importance of the value that leaders must carry out when making budgets, namely to behave fairly and not harm the company and its subordinates. Leaders should avoid behaviors that seek to pressure a particular division for their own benefit even though those interests appear to be good for the company. The principle of *ahimsa* (not hurting) is in accordance with what was conveyed by Luthans (1973) who stated that in the end the budget should make equality happen by considering many unexpected aspects.

CONCLUSION

The complexity of budgeting requires the need for values that must be carried out by leaders in order to create equality and justice between the goals of the company, management, and subordinates. By using the reflection of the four leadership values in Bhisma Parwa, namely leadership values based on *dharma* (truth), *prema* (love), *vinayam* (wisdom), and *ahimsa* (not hurting), budgeting will become more humane and equitable so that there will be no gap between each individual's personal goals and the company's goals. The value of leadership based on *dharma* (truth) is leadership that is consistent in upholding the values of integrity, honesty, and openness of opinion. The value of leadership based on *prema* (love) is leadership that is consistent in thinking about the common welfare and creating an emotional connection or bond between employees and the company. The value of leadership based on *vinayam* (wisdom) is leadership that is able to distinguish between good and bad and is able to say "no" to groups that try to make budgets for their own interests. Meanwhile, the value of leadership based on the principle of *ahimsa* (not hurting) is leadership that is able to behave fairly and bring equality to all stakeholders by considering many unexpected aspects in making a budget. In implementing budgeting, attention is needed in the behavioral aspect because budgeting is not only about numbers but also about the motivation of the human beings involved in it. Therefore, budgeting must be relevant to local wisdom and culture in an area so that it tends to be easier to understand and its noble values are easy to apply by community groups in Indonesia. In making decisions on a problem in the planning process and budgeting implementation, a wise attitude is needed by thinking reflectively instead of using a reactive way of thinking. Therefore, the behavioral aspect in budgeting by looking at reflection from the perspective of leadership values in *bhisma parwa* is very good for creating mutual benefits. Based on the above discussion and conclusion, the researcher conveyed several suggestions. To organizational leaders, it is recommended to integrate the leadership values of Bhisma Parwa, especially *dharma*, *prema*, *vinayam*, and *ahimsa*, into a participatory budgeting system to prevent budgetary slack and create a healthier work climate. To the next researcher, it is recommended to conduct empirical studies in companies or organizations in Indonesia to test the effectiveness of the application of these leadership values in the budgeting process, for example through case studies or quantitative surveys. In addition, further research can explore other local wisdom values from various cultures in Indonesia to enrich a more humanistic perspective on behavioral accounting and budgeting.

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