Financial Decisions: A Phenomenological Study on Small-Scale Buddhist Entrepreneurs

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ABSTRACT

Religious values are contexts in social science used to explain the irrational behaviour of psychological factors in financial decision-making. The aim of the study is to explore how religious values drive financial decisions through an interpretive paradigm with in-depth interviews with Buddhist entrepreneurs to capture the role of the cognitive dimension of religion and its values. The setting of this study was conducted in Bekasi, West Java. This study reveals that Buddhist entrepreneurs are individuals who intrinsically build a cultural system, one of which is religion and its values, which play a role in shaping entrepreneurial behaviour and entrepreneurial financial decisions. This study reveals that the entrepreneurial activities carried out by Buddhist entrepreneurs play a role in the dynamics of the structure of the social life of Buddhist entrepreneurs, which focuses on creating alignment of entrepreneurial goals and financial decisions with the fulfillment of socio-religious factors.

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INTRODUCTION

A person’s financial decisions are often motivated and influenced by factors such as psychology, where there is an assumption that there is an inherent bias in individual choices and decisions (Kahneman and Tversky, 1979; Kahneman and Tversky, 2013). One of the psychological phenomena that underlies financial behaviour is cultural psychology in the cognitive dimension of culture that underlies financial decision-making behaviour or as in cultural finance (Levinson and Peng, 2007; Antony and Joseph, 2017; Goodell et
Culture plays an essential role for financial decision-makers where perceptions taken in financial decisions are coloured by individual values, beliefs and preferences (Baxamusa and Jalal, 2014; Weerasekara and Bhanugopan, 2023).

Buddhism and its values as one of the cultural elements play a significant role in shaping the financial decision behaviour and the choice of entrepreneurial financing decision that underlie entrepreneurial success. This phenomenon illustrates that religious values inherent in individuals are a significant aspect that underlies the financial decision-making of Buddhist entrepreneurs in small-scale businesses. The argument used in constructing this research was that financial decisions are coloured by the role of culture owned by the business owner, where culture is a construction of behaviour, values, beliefs and preferences of the owner.

The entrepreneurial orientation dimension has a significant role in encouraging the achievement of company performance to compete competitively and to have an aggressive attitude in facing challenges, competition and in making decisions and choices independently of acquiring resources (Mason et al., 2015). There is an interaction between debt and the dimensions of entrepreneurial orientation, namely the dimensions of risk and competitive aggressiveness, where ownership of a high entrepreneurial orientation will increase the ability to design the company's strategic plan actively and identify the company's resource needs in meeting customer needs and seizing new opportunities (Mason et al., 2015). In addition, this study aims to understand and uncover the role of religion and its values in underlying financial decisions by exploring the cognitive dimensions of religion and its values.

Li et al., (2019) stated that religious beliefs and values affect the cost of corporate debt and act as a source of cognitive legitimacy for risk and acts as an internal monitoring mechanism that can reduce the agency costs of intermediaries between business owners and creditors. The value of religious beliefs presents an excellent signal to creditors that the business owner will keep his debt commitments, which implies lower risk and ultimately lower debt costs.

Current research still provides an opportunity to explore the cognitive dimensions of religion in providing a more intuitive and practical approach to analyzing its role in financial decisions. There is limited research exploring the role of cultural differences in influencing economic and financial decisions (Levinson and Peng, 2007; Vaznyte and Andries, 2019). Research development to address this gap is through a qualitative approach with in-depth interviews and, or close observation, which is better able to capture beliefs that develop internally or even capture religiosity at the company level (Fang et al., 2013). The development of this research can provide an overview of the social role of religion in entrepreneurial decisions and the role that entrepreneurs play in the development of social structures and economic behaviour, in this case, related to financial decisions. Behavioural Finance studies focus more on investor behaviour in financial markets, but the focus of in-depth research on Behavioural finance can also lead to developments of corporate finance (Heaton, 2002). This study reveals how religion manifests value through cognitive aspects at the individual level in the entrepreneurial process through significant behavioural biases that underlie financial decisions taken by business actors.

Shefrin and Statman (1994), Shiller (1995) used psychological and social science theory to describe irrational behaviour in a psychological context that influences financial decision-making. Behavioural finance describes the role of psychological factors in decisions based on considerations of the basic concepts of traditional finance (Şen and Oruç, 2009; Antony and Josphe, 2017). The foundations of behavioural finance are based on illustrative sentiments of investor error, behavioural preferences that describe attitudes about risk and return that are inconsistent with the
application of expected utility principles and theories (Gomes, 2023), and restrictions on arbitration proceedings resulting in price inefficiencies (De Bondt et al., 2008). Individual psychological phenomena reflected in the individual psychological phase play a role in individual financial decision-making and are one of the domains of the behavioural finance discipline (Shefrin and Statman, 2000).

The role of this psychological phenomenon assumes that conditions of uncertainty and risk can lead to bias, in which irrational actions may also affect financial decision-making (Kahneman and Tversky, 1979; Kahneman and Tversky, 2013). Financial decision-making is often influenced by human behaviour through decisions based on individual assumptions and perceptions or individual cognitive illusions (Tversky and Kahneman, 1974; Adil et al., 2021; Mittal, 2022). This form of financial decision provides a different perspective from traditional financial decision models. Behavioural finance provides an understanding of the limits of rationality assumptions in traditional finance (Fersi and Boujelbène, 2017; Sattar et al., 2020). This study provides an overview of the role of culture namely religious values that underlies financial decisions and illustrates that behavioural finance is not limited to the context of financial markets, but also carried out through decision studies at the individual level. The basis of the research lies in the scope of individual decisions, namely the success of small-scale Buddhist entrepreneurs in making financial decisions in Bekasi, West Java.

The theoretical implication of this research is to broaden the perspective of financial studies, especially on the trade-off of traditional corporate finance theory of capital structure on how cognitive bias towards cultural elements, namely Buddhism and its values, determines the choice of entrepreneurial capital structure. This study also raises the necessity of capital structure theory, namely the relevance of Myers (1984) pecking order theory in entrepreneurship which reveals the interaction of religious values, especially Buddhist values to capital structure.

**LITERATURE REVIEW**

Behavioural finance is a sub-part of behavioural economics, which integrates financial theory with aspects of psychology and sociology (Glaser et al., 2004). The behavioural financial model is a financial model influenced by financial, psychological and sociological aspects (Ricciardi and Simon, 2000) and consists of three foundations that form the model (De Bondt et al., 2008), namely sentiment, behavioural preferences and arbitration limits. The existence of a bias from a rational decision under conditions of uncertainty and a high level of risk creates an action that reflects the form of irrational behaviour in financial and economic decisions (Kahneman and Tversky, 1979; Kahneman and Tversky, 2013).

Behavioural Economics described an economic model that used the assumption of knowledge of human thought in an economic model (Levinson and Peng, 2007). The studies of Kahneman and Tversky (1979); Kahneman and Tversky (2013) illustrated that prospect theory used to explain the irrelevance of human thinking and the assumption that humans often behave irrationally, so that one of the decisions taken is financial decisions that are motivated and influenced by many factors and the assumption of an inherent bias in individual choices and decisions.

One aspect of psychology is the phenomenon of cultural psychology describes the influence of a culture on a person’s perspective and thoughts (Miller, 1984; Shweder and Sullivan, 1993; Triandis, 1995). Cultural psychology describes the cognitive of cultural dimension that underlies the way individuals behave, and cultural differences are aspects that systematically underlie the way individuals perceive reality (Levinson and Peng, 2007). Behavioural finance not only affects individual decisions in financial markets (Hu, 2009; Hammami and Abaoub, 2010; Kumar et al., 2023a), but also financial decisions at the personal level of individuals such as households (Hilgert et al., 2003; Niveditasri and Sanmitha, 2020).
The weakness of behavioural economics studies is the limitation of research exploring the role of cultural differences in influencing economic and financial decisions (Levinson and Peng, 2007; Vaznyte and Andries, 2019). Kumar et al., (2023b) in its research aimed at filling research gaps related to gaps in the literature and invalidity in previous research through research that explores the influence of personal, behavioural and psychological factors in financial decisions. Culture has its characteristics, and the cognitive aspect of bias affects how a person views on financial and economic decisions. Levinson and Peng (2007) suggested that financial value is a function of four aspects, namely perceived intrinsic value, social and situational characteristics of the owner, cultural influences and contextual factors such as social and economic conditions as well as the position of demand and supply in the market. The financial value function perspective shows the cultural psychological context that plays a role in financial decision-making. One of the elements of culture is religion, and the study of cultural phenomena, namely, religion still has limitations in the context of behavioural finance theory. This study aims to address this gap through a qualitative approach to capture how the trust developed internally by entrepreneurs (Fang et al., 2013) plays a role in entrepreneurial financial decisions, the tendency towards risk (Adhikari and Agrawal, 2016) in the selection of entrepreneurial funding. Through the qualitative approach in this study, the interaction between religious values and entrepreneurial ventures, especially in financial decisions, can be explored in depth. In addition, this research is intended to fill gaps in behavioural finance research, namely the limited research that explores the role of culture in influencing economic and financial decisions (Levinson and Peng, 2007), especially in the context of Buddhism and its values.

Previous research related to the role of religion and its values in entrepreneurial financial decisions tends to use a quantitative approach. In general, economic behaviour research using a functional (quantitative) paradigm has limitations in understanding and interpreting in depth the research subject. Therefore, this study used an interpretive paradigm to uncover the essence of behaviour and subjective experience of Buddhist entrepreneurs in financial decisions. Jiang et al., (2015) found that a level of high religiosity will increase the level of debt and ownership lower against fixed assets and intangible assets as well as lowering the level of risk and companies where the owner is an entrepreneur who adheres to religious beliefs in a Western religious context. Ferguson et al., (2014) by using a quantitative approach found that Religious Orthodoxy has a negative relationship with entrepreneurial risk-taking and religious belief is a prominent factor in determining risk preference. Baxamusa and Jalal (2015) conducted a comparative study of capital structure between companies located in an area with the majority Catholic religion with most Protestant religion that found companies located in companies with a majority Catholic religion has a capital structure composition with more debt and less debt-equity. Bizri and Bizri (2018) strengthened the findings through a related quantitative approach to the role of religion in financial decisions and found that the attitude of the personal owner or manager influences the financing decision especially related to religious beliefs which are also influenced by family and social pressure. Vaznyte and Andries (2019) illustrated that entrepreneurial orientation is influenced by environmental characteristics and organization that influence the form and type of financing from entrepreneurs.

The gaps in research paradigm and approach provide reasons for this research to explore how entrepreneurial orientation on dimensions of risk-taking and entrepreneurial financial decisions from a human perspective which renders relevance to financial behaviour research for using a multi-paradigm approach, especially the interpretive paradigm (Ricciardi and Simon, 2000). The interpretive paradigm contributed to this study by providing relevance to the science of management, particularly strategic management in understanding and uncovering
the manifestation of values of Buddhism in underlying the implementation of entrepreneurial orientation as well financial management to manifestations in financial decision-making.

Li et al., (2021) illustrated that Buddhism is related to company cash ownership and is a determining factor in organizational cash policies, thus illustrating the positive relationship created between Buddhist religious culture in corporate governance. Buddhism serves as an informal system of determining cash holdings policies. Buddhism plays a role in making ethical use of cash (Li et al., 2021). Research by Li et al., (2021) showed that Buddhism prevents cash misuse and focuses on increasing the value of cash use for investors. Xiong et al., (2022) showed that Buddhism values that emphasize the importance of prayer, work, and Trust manifested in transactions in lending and supply of credit to commercial profits through the management of profits and finances. The emphasis of Buddhist values on honesty shows that individuals who internalize these Buddhist values provide a positive self-view image through the manifestation of social norms in financial decisions (Cialdini and Trost, 1998; Weaver and Agle, 2002). Xiong et al., (2022) studied that religious values have a role and influence on company cash policies and reduce risk through efforts to mitigate constraints in cash and financial management. Religious values are also believed to have a more significant influence on small company sizes with low debt ratios, high marketization, intense market competition, and effective internal controls (Xiong et al., 2022).

The concept of Buddhist Economics reveals the existence of transcendence from the mundane to universal reality (Dillard, 2009) which emphasizes achieving moderation in fulfilling consumption according to needs. The behavioural financial approach using a qualitative method in this study is intended to reveal insight into how the choice of capital structure is formed from cognitive bias that arises from the religious values that are believed by entrepreneurs. This study used an interpretive paradigm through a qualitative approach to reveal the essence of

the subjective experience of the behaviour of Buddhist entrepreneurs in financial decisions. The concept of religion is closely related to other concepts and the reflection of its practical application is based on aspects cognitive, normative, and regulative.

**RESEARCH METHOD**

The interaction process in this phenomenological research is to identify and interpret the nature of the experience of the informants, namely Buddhist entrepreneurs in small businesses in Bekasi, West Java, by being directly involved in the phenomenon in order to obtain an adequate understanding of the phenomenon from the study (Moustakas, 1994). The purpose of the phenomenological design in this study is to uncover and understand the meaning of events and interactions in the context of Buddhist entrepreneurship on a small business scale in financial decisions. Phenomenological design refers to Scheler and Weber's phenomenology (Scheler, 1954; Weber, 1968). This study also includes the concept of Buddhist Economics, which integrates economics with Buddhist teachings (Schumacher, 1973), namely the Dhamma that emphasizes on consideration of ethical values and the alignment of causal realities arising from economic activities. Buddhist economics in this study emphasizes the entrepreneurial efforts of Buddhists to harmonize the achievement of material welfare through entrepreneurial activities of entrepreneurial financial decision with the application of Buddhism and its values. The phenomenological design in this study focuses on the essence of the experience of the research subjects, so that they can understand what and how the meaning is structured around various events in entrepreneurship, especially in financial decisions. The essence of the experience of the Buddhist entrepreneurs also explores the experience of interacting with the community, where the meaning of the experience forms a social reality.

The phenomenological procedure used in this study is Creswell et al., (2007). Data analysis was
carried out on all collected data (interview transcripts) and focused on “important statements” or sentences that describe an understanding of how the informants experienced the phenomenology under study, namely the role of Buddhist values in underlying financial decisions. The key informant in this study is one of the members of the Bekasi City Religious Harmony Forum, who also served as a Buddhist religious leader in Bekasi City. Throughout the information submitted by the key informant, the introduction to the first informant was carried out by previously conveying the basic criteria of research informants to the key informant. The criteria for the selected informants in this study are informants who experienced the phenomenon under study. The informants in this research are successful and experienced Buddhist entrepreneurs that consciously manifest financial decisions and practice Buddhist values. The next stage of determining the informant is based on the information obtained from the first informant by following the snowball sampling technique. Data or information collected in this study used interview methods with informants regarding the dimensions of financial decision-making in terms of personal value according to Buddhist values. Interview guides in the form of question guides were prepared and used in the interview process as references to capture the relevant information although, an intuitive approach was also used during the interview process. The number of informants needed is based on the criteria of saturated sample. The first informant provided the information about the next informant based on the criteria of informants expected from this research. Based on the information received from the first informant, observations were made of the entrepreneurial activities to determine the sustainability and success of the business. At this stage, in-depth interviews, observations, and documentation were carried out with these informants. At this stage, a review of the results of the interviews is carried out in person in depth to see whether the information obtained has been fulfilled. The review is also carried out to observe trends in interview results by checking whether the interview results are in the form of repeated information and have reached the saturation level. When the information has reached the level of saturation, then extracting information will be discontinued. The supporting informant in this study is the Head of the Financing Section Office of Cooperatives, Small and Medium Enterprises Bekasi City, the field staff of Religious and Community Harmony, Unitary Body The Nation and Politics of Bekasi City, and the Chair and Members of the Forum Religious Harmony in Bekasi City. The supporting informants play a role in providing an overview of the conditions of small and medium enterprises in Bekasi City, the focus and Bekasi City Government program in small and medium development, and the creation the harmony and stability of religious life in Bekasi City in providing the conducive business climate for small and medium enterprises development. The religious leader of the Vihara has a role as a supporting informant in this research to provide an overview of Buddhist values and the meaning of values in the construction of financial decision-making in their entrepreneurship. The data collection was carried out through in-depth interviews to explore deep research problems form of open interview discourse with comfortable conditions that lead to a dialogue, discussion, or confirmation to find a causality relationship between themes or substances. Conducting interviews only leads to the topic of conversation and does not control the answers from informants or research subjects. Stages of data collection other than conducting interviews as well as carrying out documentation activities in the form of photos or images related to research as a form of search of the facts and phenomena of the object (Creswell, 2007).

This stage is also known as horizontalization. The next stage is to create essential meanings into themes that describe Buddhist values that underlie entrepreneurial financial decisions. The statements and themes used to describe the experience of the informant (texture description) and the context or conditions that affect the
phenomenological experience of the informants. The phase is known as an imaginative or a structural variation description. Theme analysis conducted to determine implicit and recurring themes in several domains and link the value of Buddhism in financial decisions. Theme analysis is used to explore interrelationships that combine across domains consisting of a series of domain, taxonomy, and component analyzes and narrative descriptions that make up the theme architecture. The main themes in financial decisions show the role of religious values in providing legitimacy to the entrepreneurial aspect of business funding decisions or entrepreneurial capital structure.

Based on the structure description and texture description, the following process is to write a complete description describing “essence” as the essential invariant structure (essence) of the nature of Buddhist entrepreneurial experience in the manifestation of Buddhist values in financial decisions. At this stage, a synthesis of the meaning and nature of these phenomena carried out in the financial decision-making of Buddhist entrepreneurs on a small business scale underlies their entrepreneurial success. The synthesis of the meaning and essence of phenomena uses Buddhist values as an explanation and reinforcement of phenomena because they are attached to Buddhist values in the theoretical model of the role of Buddhist values in the financial decisions of small-scale Buddhist entrepreneurs.

RESULT AND DISCUSSION
Informants in this study were Buddhist entrepreneurs on a successful small business scale and had real-life experiences who consciously embody Buddhist values in making financial decisions that underlie entrepreneurial fruitfulness and express a comprehensive picture of the experience. The informants in this study were Buddhist entrepreneurs in successful small businesses in Bekasi, West Java who are engaged in trading and service businesses such as trading in school uniforms and clothes, cellphone vouchers, food and beverages, rental of shophouses and kiosks, trading of building materials, furniture, pharmacies and doctor's practices, truck spare parts and tire trading. There is a common understanding of the essence of the experience conveyed by the informants regarding the role of Buddhist values in the underlying financial decisions, namely financial decisions using internal funding sources and personal assets and sources of business partners based on a tendency to choose low entrepreneurial risk. The themes of religious values underlie Buddhist entrepreneurial financial decision choices, namely Trust, Balance, Buddhist Pancasila, Karma, Panca Dhamma (Santutthi), Wealth Management (Bhogavibhaga), and the Vyagghapajja Sutta, were constructed with the synthesis stage of analysis.

The findings of this study reveal the construction of a contingency framework for financial decision-making embodied by Buddhist entrepreneurs. The financial decisions of Buddhist entrepreneurs have a unique level of sensitivity to risk that tends to be low. Financial decisions tend to be carried out informally in a short time but emphasized the seriousness of applying religious values. Buddhist entrepreneurs believe that financial decisions have accuracy because the decision may integrate entrepreneurial success from the perspective of Buddhism in economics, which is the attainment of well-being and the attainment of a quality personal, social and environmental life. Financial decisions tend to use funding originating from internal financial sources with hierarchical funding sources, namely by using internal capital with low risk and switching to funding sources with greater risk when needed. Financial decisions of Buddhist entrepreneurs tend to use internal sources of funds sourced from a business turnover, as well as personal assets and business partners that are relevant to the pecking order theory in capital structure.

Financial Decisions with a Low-Risk Attitude Tendency
The choice of financial decisions using own capital is interpreted by Buddhist entrepreneurs as a form to control or as a form of embodiment
of an attitude of simplicity in life aimed at achieving quality of life and prosperity. The control of the attitude of life is manifested by the Buddhist entrepreneurs in the tendency to avoid the detrimental impact of excessive entrepreneurial practices in entrepreneurial funding. One form of the application of entrepreneurship practices that are not excessive is manifested by Buddhist entrepreneurs in selecting financial decision risks with a low-risk tendency which is realized through the use of internal funds. This form of manifestation is motivated by the Buddhist value of balance. By relying on a Buddhist perspective on balance and efforts to reduce the achievement of excessive entrepreneurial desires, the entrepreneurship is aimed at creating balance in entrepreneurship. Balance in Buddhism is a source of cognitive legitimacy for Buddhist entrepreneurs where financial decision choices aim to avoid risk and to control entrepreneurial activity with welfare as the focus. Buddhist entrepreneurs interpret debt as a burden that can cause suffering and disrupt the balance of life. Therefore, the Buddhist perspective on balance manifests the values of the work ethic of tenacity and perseverance in developing their business through efforts to increase capital gradually from internal entrepreneurial resources without effects that can harm oneself.

Balance in the Buddhist perspective provides a limit on the meaning of satisfaction or balance in the application of entrepreneurial financing decisions in individual Buddhist entrepreneurs. The meaning of achieving entrepreneurial financial balance has an impact on the avoidance of entrepreneurial financial decisions that are beyond the reasonable fund limits or abilities of Buddhist entrepreneurs. This balanced view shapes the behaviour of Buddhist entrepreneurs in making financial decisions with a tendency to choose internal funding as a form or means for Buddhist entrepreneurs to achieve the meaning of satisfaction limit in entrepreneurship.

Buddhist entrepreneurs also revealed that the Buddhist value of Karma underlines the risk attitude of Buddhist entrepreneurs in choosing entrepreneurial funding. The religious value of Buddhist Karma that arises from the possibility of a debt default risk provides a significant behavioural bias underlying financial decisions taken by business actors. Karma in Buddhism arises from symbiotic relationships and is a causal effect (James, 2004) and rationalizes the consequences of action relating to organizational sustainability (Daniels, 2011). Karma is connected closely related to the formation of long-term business confidence. The pattern of Karma that nothing can be separated from karmic consequences (Rinpoche, 1994; Vu and Tran, 2019) shapes the behaviour of Buddhist entrepreneurs to avoid the arising of Karma due to failure to pay entrepreneurial debts.

Karma also provides the basis for shaping financial decision-making behaviour. The concepts of attachment and Karma are believed to underlie Buddhist entrepreneurial financial risk-taking behaviour at a low level of risk. Risk is believed by Buddhist entrepreneurs to be the fruit of Karma; hence the law of Karma encourages Buddhist entrepreneurs to practice entrepreneurship properly with the ethical and moral considerations of entrepreneurial decisions including financial decisions. To realize true happiness according to the Buddha's teachings is the attainment of well-being and the relinquishment of suffering. Buddhist entrepreneurs try hard to avoid actions that can lead to Karma, one of which is Karma because they cannot fulfil their debt repayment commitments. Karma illustrates that individual actions can have consequences in the present life and the future, thus providing direction for Buddhist entrepreneurs to make long-term oriented decisions (Marques, 2012). One form of long-term-oriented entrepreneurial decisions reflects in financial decisions because of its relationship with financial resources and stakeholder relations for business funding (Brigham et al., 2014; Flammer and Bansal, 2017).

The tendency of low-risk preferences in financial decisions is motivated by the Buddhist
conception, namely Vyagghapajja Sutta. Buddhist entrepreneurs’ experiences reveal that the Vyagghapajja Sutta, namely Samajivikata, underlies the financial decisions of Buddhist entrepreneurs to choose the use of internal capital as a source of business funding. Samajivikata is one of the Vyagghapajja Suttas (Four states of happiness), namely living within the limits of naturalness (Hansen, 2008). Buddhist entrepreneurs manifest Samajivikata as an approach that directs entrepreneurial financial actions or decisions in balance with rational strategic financial decisions with sensitivity to the ethical values of each entrepreneurial financial decision.

Samajivikata is also defined by Buddhist entrepreneurs as the embodiment of the suitability of life that plays a role in supporting the cognitive behaviour of Buddhist entrepreneurs in practicing a life attitude that is not extravagant by being able to utilize the results of entrepreneurship beneficially, especially for business development. The essence of the experience of Buddhist entrepreneurs reveals that Samajivikata becomes an informal mechanism for Buddhist entrepreneurs to control the limits of internal business financial resources for use in funding or capital structure. The Buddhist perspective, namely Samajivikata, is not used as a limitation or prohibition for Buddhist entrepreneurs in using external funding yet becomes a control mechanism regarding the limits of fairness and consideration of entrepreneurial capacity in fulfilling debt repayment commitments. This perspective provides insight to Buddhist entrepreneurs in determining the capital structure in entrepreneurship.

Buddhist entrepreneurs tend to utilize internal capital as a form of low-risk capital structure by shifting hierarchically to higher-risk funding sources when it is needed. The essence of the Buddhist entrepreneurial experience reveals the relevance of Buddhist entrepreneurial financial decision choices with pecking order theory in which funding decisions business is executed hierarchically according to the characteristics of risk-taking Buddhist entrepreneurs at low-risk tendencies. Financial decisions begin with taking funding sources with the lowest risk, namely internal and gradual capital, to use more risky funding when needed in business. Samajivikata also provides cognitive awareness for the economic behaviour of Buddhist entrepreneurs within the reasonable limits of the capital structure. The limit of fairness lies in the priority of using sources of funds originating from internal funds, including those originating from funds from the sale of personal assets of entrepreneurs to avoid external financing with a high level of risk and provide cognitive signals about the adequacy of the use of funds in entrepreneurial development. These Buddhist values shape the entrepreneurial risk behaviour of Buddhist entrepreneurs with a low-risk attitude reflected in the financial decisions of Buddhist entrepreneurs.

Integration with Entrepreneurial Performance Perspective

The choice of the form of financial decisions indicates financial behaviour of Buddhist entrepreneurs who integrate their financial decisions with the meaning of their entrepreneurial performance. Buddhist entrepreneurs interpret entrepreneurial performance as a form of harmony in the application of religious practices. Therefore, in the entrepreneurial financial decisions, the emphasis is on integration with applying the perspective of Buddhist values on the alignment of entrepreneurial performance achievements. Buddhist entrepreneurs interpret the achievement of satisfaction in entrepreneurship through internal entrepreneurial results by not having a debt burden. Buddhist entrepreneurs are in a position to realize a form of self-happiness because they can realize material achievements from entrepreneurial results. Buddhist entrepreneurs define debt as a form of suffering and burden, so that entrepreneurial activities act as a means or source of strength to realize one type of happiness according to Buddhism.
namely Anana Sukha (Hansen, 2008) as a form of happiness of not having debt. The existence of freedom from debt is interpreted by Buddhist entrepreneurs as a form of realization of happiness because they can achieve entrepreneurial achievements that come from internal business and enjoy the results of entrepreneurship without any burden.

The experience of Buddhist entrepreneurs reveals that the Buddhist Pancasila underlies the financial decisions of Buddhist entrepreneurs in choosing internal funding sources. The Buddhist Pancasila perspective provides a sense of awareness for Buddhist entrepreneurs psychologically not to be attached to the entrepreneurial context through perceptions of impermanence (Schuyler, 2012; Dutton and Lynn., 2014). Buddhist entrepreneurs interpret debt as a burden that causes attachment due to interdependent conditions. In selecting financial decisions, Buddhist entrepreneurs use wisdom as the basis for their economic behaviour of Buddhist entrepreneurs, which leads to financial decisions on the use of internal capital.

Wisdom provides an understanding of the phenomenology of work or systems in a world of interconnected and interdependent individuals, thus avoiding placing hopes and self-illusions that can lead to a cycle of suffering or samsara (Tideman, 2016). Buddhist entrepreneurs interpret debt as causing burdens and attachments, especially in fulfilling payment commitments. This study reveals and provides an understanding that the Buddhist Pancasila forms an approach and managerial considerations to see moral values and karmic consequences, especially in the formation of business trust in the eyes of stakeholders from every entrepreneurial decision, including financial decisions. These considerations mitigate the pursuit of an excessive desire including in business development. The value of Buddhist Pancasila, namely the determination to avoid untruthful speech, becomes a cognitive legitimacy for Buddhist entrepreneurs in the selection of financial decisions that avoid Buddhist entrepreneurs from being unable to exercise their will to morality through the possibility of default on debt payments by Buddhist entrepreneurs resulting in the inability to fulfil the application of the values of Buddhist Pancasila. These managerial considerations are the basis for Buddhist entrepreneurs in choosing financial decisions sourced from internal capital.

One form of entrepreneurial performance achievement expressed by Buddhist entrepreneurs in this study is an alignment with stakeholders. The Buddhist perspective on Karma in this study plays a role in the efforts of Buddhist entrepreneurs to build stakeholder relationships (Flammer and Bansal, 2017). Concerning to stakeholder relations, Buddhist entrepreneurs tend to apply entrepreneurial practices carefully and maintain stakeholder Trust by choosing entrepreneurial financial strategic decisions within the limits of Buddhist entrepreneurs' financial structure. By maintaining long-term relationships with stakeholders, Buddhist entrepreneurs may reduce entrepreneurial transaction costs and gain business legitimacy (Williamson, 1985; North, 1990; Shane and Cable, 2002; Brigham et al., 2014). With the legitimacy of their business, Buddhist entrepreneurs tend to choose to use internal funding sources and funding sources from business partners based on the Trust they have built, thereby reducing the transaction costs of their entrepreneurship. This study also reveals that Trust underlies the choice of financial decisions. Based on Dhammapada 204 in Buddhism, Buddhist entrepreneurs interpret Trust as the best relationship, which defines the selection of financial decisions using internal funding sources originating from internal business results and business trust relationships with business partners. Buddhist entrepreneurs utilize funding sources that come from business Trust relationships with business partners through collective involvement in achieving prosperity in entrepreneurship.

This view of Trust is based on the Middle Way conception of Buddhism that avoids anything
extreme or unethical and oppressive in the face of ethical judgment (Combs et al., 2002; Midgley and Shen, 2007; Vu and Tran, 2019). The conception of the Middle Way in Buddhism underlies Buddhist entrepreneurial decisions on financial decisions by using internal capital to avoid the consequences of a decision considered to provide an extreme condition that cannot be met and violates the morality or ethical principles of entrepreneurship in Buddhism in the future such as conditions of the inability of Buddhist entrepreneurs to fulfill the Trust of the debt issuer.

The Middle Way in Buddhism provides an understanding that Trust is a dynamic middle position that depends on the internal and external factors of the individual (Vu and Tran, 2019) accordingly. Buddhist entrepreneurs avoid forming entrepreneurial beliefs by relying solely on external circumstances. The assumption underlying the conception of the Middle Way of Buddhism is moderation, or the optimal point for reconciling happiness with satisfaction aimed at avoiding suffering and emphasizing ethical or moral values (Payutto, 1994; Schroeder, 2004). The concept of moderation leads to moderate consumption for the attainment of welfare (Schumacher, 1973; Payutto, 1994; Zsolnai, 2011). Buddhist entrepreneurs apply a form and practice of entrepreneurship with the Middle Way principle, which moderates the attainment of prosperity and the realization of true happiness by maintaining harmonization with aspects of life in consideration of causal processes and logical consequences of entrepreneurial financial decisions. Buddhist entrepreneurs interpret the achievement of entrepreneurship as an effort to implement entrepreneurial financial decisions based on Buddhist values to achieve mental and social balance as well as a form of obedience to Buddhist values.

**Regulatory Practices and Mental Attitude Towards Entrepreneurial Achievement**

Buddhist entrepreneurs revealed that wealth management (Bhogavibhaga) has a role in underlying the financial decisions of Buddhist entrepreneurs. Wealth management based on Buddhist values provides the basis for Buddhist entrepreneurs in choosing financial decisions sourced from internal funding by setting aside 2/4 of the entrepreneurial results to be reinvested in efforts to build a business. The perspective of the Buddhist entrepreneur is in line with Anguttara Nikaya IV,285 that one of the successes in business is Samajivikata, namely the suitability of life following the limits of the ability manifested in an attitude of life that is not extravagant and frugal. This Buddhist perspective is under the characteristics of Buddhist entrepreneurs who are frugal and have self-control over their entrepreneurial results.

The personal attribute of the Buddhist entrepreneurs, namely the thrifty attribute, also underlies the choice of financial decisions using internal capital. The particular characteristic inherent in the personality of the Buddhist entrepreneurs is the conservative attribute of frugality. Buddhist entrepreneurship describes the conservative, frugal nature of Buddhist entrepreneurs that underlies financial decision-making by trying to save business results from being used as business development capital. The findings of this study are in line with research on the characteristics of Chinese entrepreneurs (Whitley, 1992; Sun, 1996; Rahayu, 2013), which are shown through the unique traits of tenacity, optimistic thinking, and conservative frugality associated with financial traits.

This finding provides an understanding that the entrepreneurial practices of Buddhist entrepreneurs are shaped by the ethnic attributes attached to entrepreneurial characteristics. The findings of this study illustrate that Buddhist entrepreneurs try to realize the true meaning of happiness, namely balance in the goal of achieving prosperity. Buddhist entrepreneurs adhere to a simple and frugal lifestyle by applying the natural realities of life that emphasize self-control. This self-control allows Buddhist entrepreneurs to recognize the limits of internal capabilities used
as the basis for financial decisions on using internal capital adjusted to internal capacities. Wealth Management (Bhogavibhaga) underlies the financial decision of Buddhist entrepreneurs to use their capital sourced from internal business through proportional use of entrepreneurial proceeds to prevent business downturns and debt generation. Wealth Management (Bhogavibhaga) guides Buddhist entrepreneurs on mechanisms for regulating entrepreneurial outcomes for reuse in the venture capital cycle.

The experience of Buddhist entrepreneurs also reveals that an understanding of the Santuṭṭhi principles provides a basis for Buddhist entrepreneurs to use internal sources of funds instead of debt as a source of entrepreneurial funding. Debt itself, is interpreted by Buddhist entrepreneurs as a form of non-optimal efforts by Buddhist entrepreneurs in maximizing the internal capabilities of their business, thus requiring external funding. Buddhist entrepreneurs interpret debt as an internal inability to use or enjoy wealth. Buddhist entrepreneurs articulate their experience based on the Buddhist perspective of exploiting wealth in which wealth is obtained from hard work through the application of the conception of the Right Livelihood and is used to support life including entrepreneurial life. Through the manifestation of this perspective, Buddhist entrepreneurs tend to choose the use of internal capital as a form of appreciation for their hard work in entrepreneurship and have happiness by being in a position in life that has material to be used in supporting their entrepreneurship. The essence of the experience conveyed by Buddhist entrepreneurs reveals that entrepreneurial financial decisions focused on the realization of the entity of Buddhist values that took into account the realization of costs and benefits that emphasized on improving the quality of life and welfare of Buddhist entrepreneurs.

**DISCUSSION AND THEORETICAL IMPLICATIONS**

This study reveals the relevance of the theory used in this study, which provides a theoretical perspective on the role of religious values underlying financial decisions. The results of this study also contribute to the development of financial management theory. Behavioural financial management is the area of financial decision-making consisting of financial, sociological, and psychological aspects. Through this study, Buddhist entrepreneurial financial decisions are based on suprarational Buddhist values intended to realize the perspective of the entrepreneurial performance of Buddhist entrepreneurs. This study also raises the necessity of capital structure theory, namely the relevance of the pecking order theory of Myers (1984) in entrepreneurial ventures, which reveals the interaction of religious values, especially Buddhist values to capital structure. This study also provides relevance to behavioural finance theory, which finds irrational behaviour in investment decision-making (Kahneman and Tversky, 1979; Kahneman and Tversky, 2013). The Field findings found that financial decision-making and the behaviour of successful Buddhist entrepreneurs in financial decision-making are motivated by religious values. This shows the relevance between the field data and the theory of capital structure and behavioural finance. The findings of this study also reveal a deep interaction of religious values in entrepreneurial endeavours, namely in selecting funding decisions related to capital structure. Based on the findings in this study, Research Propositions (R.P) can be formed that reveal the role of Buddhist values in financial decisions for Buddhist entrepreneurs on a small business scale as follows:

**R.P1:** The Buddhist perspective of belief provides the attitude and view of Buddhist entrepreneurs to avoid a condition of dependence that arises from expectations or expectations of external conditions that cause attachment and suffering. These attitudes and views underlie the financial decisions of Buddhist entrepreneurs to use internal sources of funds originating from internal business results and sources of funding.
originating from business Trust relationships with business partners through the involvement of business partners collectively in achieving prosperity in entrepreneurship.

**R.P2:** The Buddhist perspective of balance embodies the values of the work ethic for Buddhist entrepreneurs, namely perseverance and tenacity to achieve entrepreneurial financial performance, which is used as a means or internal entrepreneurial resource to realize the goal of achieving balance by not adding to suffering or burdens through external funding decisions, namely debt. The Buddhist perspective of balance plays a role in shaping the cognitive bias behaviour of Buddhist entrepreneurs in selecting financial decisions in the form of internal funding.

**R.P4:** Karma underlines the awareness or reflexivity of Buddhist entrepreneurs to consider the effects and logical consequences of long-term entrepreneurial financial strategic decision orientation, in its aim to build business Trust provided by stakeholders in the form of venture capital with lower entrepreneurial costs. Karma underlies the cognitive-behavioural bias of Buddhist entrepreneurs in selecting financial decisions in the form of internal funding and avoiding the use of debt in their entrepreneurial capital structure.

**R.P5:** The Panca Dhamma, namely Santuṭṭhi, manifests the values of self-control regarding the meaning of contentment and balance in entrepreneurship from Buddhist entrepreneurs. With the application of the principle of Santuṭṭhi, Buddhist entrepreneurs choose the use of internal capital as a form of appreciation for their hard work in entrepreneurship and have happiness by being in a position of life that has material to be used in supporting the entrepreneurship.

**R.P6:** Wealth Management (Bhogavibhaga) provides a mechanism for regulating the use of entrepreneurial proceeds to be reinvested as capital in entrepreneurship. Wealth Management (Bhogavibhaga) in Buddhism forms a formal mechanism for Buddhist entrepreneurs in regulating capital structures that use internal capital as a source of business funding to moderate the goal of achieving prosperity.

**R.P7:** The Vyaghapajja Sutta underlines the choice of financial decisions of Buddhist entrepreneurs to use internal sources of funds hierarchically based on the level of risk under the risk-taking characteristics of Buddhist entrepreneurs, namely at low risk. The Vyaghapajja Sutta provides the perspective of Buddhist entrepreneurs that the achievement of entrepreneurial performance is obtained with the Right Effort and built through internal strengths.

**CONCLUSION**

This study reveals that Buddhist entrepreneurs are individuals who intrinsically build a cultural system where one of the elements is religion and its values that play a role in shaping entrepreneurial financial behaviour and in the selection of entrepreneurial financial decisions. This study reveals the role of religious values in entrepreneurial financial decisions. The findings of this study provide an argument that religion and its values play an implicit or explicit role in entrepreneurship, where Buddhist entrepreneurs seek to create harmony between financial decisions and the factorization of religious constructions of Buddhist entrepreneurship. The values of Buddhism through its guidelines encourage entrepreneurship and the formation of financial behaviour from Buddhist entrepreneurs. Entrepreneurship activities are carried out as a manifestation of the application of religious values that provide a normative validation in terms of financial decisions.

One of the phenomena in financial behaviour that
influences individual financial decisions is a psychological phenomenon (Shefrin, 2000). One of the psychological phenomena is cultural psychology in the cultural cognitive dimensions that underlie individual behaviour in financial decisions. This research findings strengthened that religion and its values are horizontal cultural elements that play a role in providing perceptions that are colored by individual values, beliefs and preferences performed as a "supernatural" financial resource (Baxamusa and Jalal, 2014, Namatovu et al., 2018). This research is also in line with research findings by Ogunlusi and Obademi (2021); Abideen et al., (2023); Suresh (2024) that irrational behaviour plays a role in decision making which is shaped by behavioural biases.

The focus of this study is to explore the phenomenon of Buddhist entrepreneurship, and it is not for generalization purposes. Applying the perspective and conception of religious values is closely related to other factors, such as social-cultural and historical traditions that form a social structure. In practical reflection, Buddhist values closely relate to the role of cognitive, normative, and regulatory aspects. This study believes an interaction between Religion and its values with a socio-cultural such as Ethnicity may moderate Religion and its values in entrepreneurial financial decisions. This study has not fully explored Ethnicity to moderate religious values with entrepreneurial financial decisions.

Further research development is to conduct deeper explorations through qualitative-phenomenological studies in revealing the role of socio-cultural factors, namely Ethnicity, in moderating Religion and its values in entrepreneurial financial decisions. Subsequent research related to financial decisions based on religious aspects to reveal contextual characteristics of the role of culture, such as Ethnicity in moderating entrepreneurial financial decisions, may contribute to the repertoire of financial management research. This contribution is mainly to developing behavioural financial management theory dominated by finance, sociology, and social-psychology aspects. Further research development can also create a comparative study of the role and implementation of religious values in entrepreneurial financial decisions on successful and unsuccessful entrepreneurs.

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