Decision making related to the management of organizational resources is one of the activities carried out by management. This decision will determine the pattern of cost behaviour. Cost behaviour theory states that changes in costs are mechanical and tend to be symmetrical. However, contemporary studies have shown that cost behaviour is asymmetrical. As users of cost accounting information, we need to understand the causes of the asymmetry of cost behaviour, especially cost stickiness. Studies have even shown that cost stickiness (CS) affects the company’s stock performance (Ciftci et al., 2016; Ciftci & Salama, 2018; Kaspereit & Lopatta, 2019; Lopatta et al., 2020; Lu et al., 2020; Tang et al., 2020; Weiss, 2010). The asymmetry of cost behaviour is due to individual management considerations in making decisions. Given that the role of individual managers is important in decision making, we need to know what things managers consider when managing resource capacity. By understanding the individual
aspects of managers, we can respond better when we see that there are patterns of cost behaviour that tend to be asymmetrical.

Cost accounting textbooks state that cost behaviour is always associated with the volume of corporate activity (Atkinson et al., 2012). The nature of cost behaviour is based on the mechanistic nature of the costs, and the volume of activity. If the total costs do not change when the volume of activity changes, it is said that the costs have a fixed pattern; if the total costs change along with the volume of activity, it is said that the costs have a variable pattern. In its development, Emett et al. (2019) gave their opinions on the cost of behaviour associated with resource capacity (activity-resource usage model). In this model, cost behaviour is associated with its capacity, i.e. flexible and bound resources (short and long-term). Overall, cost behaviour is based on the mechanistic pattern of cost over the volume of activity. Recent research into cost behaviour shows a different outcome compared to the theory put forward in cost accounting textbooks. Initiated in the study by Anderson et al. (2003), hereafter referred to as ABJ, cost behaviour is neither symmetric nor mechanistic, but it tends to be asymmetric and sticky. A sticky cost occurs when the size of a cost increase that is caused by an increase in sales activity exceeds the size of the decrease in cost that is caused by a reduction in sales activity by the same percentage. ABJ found that SGA costs rose by an average of 0.55% for each 1% increase in sales activity, but those costs fell by only 0.35% for each 1% reduction in sales activity. Asymmetry of cost behaviour is caused by the intentions of managers as decision-makers to maintain the capacity of unemployed resources.

This phenomenal study of asymmetric cost behaviour has been confirmed by many subsequent researchers (Calleja et al., 2006; Fitzgerald & Haller, 2013; Kitching et al., 2016; Prabowo et al., 2018). The results of these studies suggest that asymmetric cost behaviour occurs due to the role of humans, i.e. managers, in making decisions related to resources' management. The humanistic role in decision-making greatly determines how a cost behaves. The results of this study contradict the philosophy of rationalism proposed by Auguste Comte. Gray & Milne (2015) mentioned that science adhered to three principles, namely the empirical objective, deductive nomological, and value-free. The philosophy of science should ignore the use of abstract principles and use empirical science derived from facts and scientific laws (Martela, 2015). It considers that humans think rationally and are not carried away by the value of their feelings.

Previous research states that sticky cost shows two different signals. First, sticky cost shows a positive signal. The occurrence of sticky cost is caused by managers having a high level of optimism in facing the company's prospects in the future and careful consideration from managers regarding the cost of adjustment (Banker et al., 2014; Guenther et al., 2014; Hur et al., 2019; Merlo et al., 2015; Silge & Wöhrmann, 2019). Second, sticky cost also shows negative signals. Research has found that sticky cost occurs as a result of a manager's desire to show and maintain his power - known as empire-building (Chae & Ryu, 2016; Liu et al., 2019; Namitha & Shijin, 2016; Prabowo et al., 2018). Previous research has tended to discuss the causes of cost stickiness empirically in terms of financial data. Even though the research realizes that the data come from managers' decisions, the proxies used are not related to the individual. An exploration of the causes of cost stickiness from the non-financial perspective needs to be conducted in order to find out the individual humanistic aspects of cost management. By knowing these humanistic aspects, we can understand why prior cost stickiness research reached two different points of view, namely in terms of positive and negative signals. The importance of understanding these individual aspects as causes of cost stickiness will make it easier for this information to be used to predict the effects of cost stickiness. The examples are the impact of cost stickiness on analysts and investors (Bu et al., 2015; Chay et al., 2015; Çiftci et al., 2016; Kim & Prather-Kinsey, 2010; Weiss, 2010), the impact on investment in research and development (Sun et al., 2019), as well as the impact on a country's unemployment rate (Rouxelin et al., 2018). Previous research has linked financial decisions (including cost management) with aspects of spirituality. The literature has shown that the process of management activities cannot be separated from the dimensions of the inner world of spirituality (Nandram et al., 2018). At present, the management literature has incorporated elements of spirituality in the workplace in answering various
problems in the organization. Individuals who have spiritual morals are proven to be able to feel an increase in well-being (McGhee & Grant, 2017). Using the perspective of Buddhist-based philosophy, Suriyankietkaew & Kantamara (2019) found that a modern business can be managed in a successful, sustainable, and ethical way due to company leadership being spiritually influenced. Ahmed et al. (2019) investigated how spiritual values, from an Islamic perspective, can have an impact on employees’ behaviour in terms of their tendency to help each other. Some of the previous research has linked accounting decisions with certain religious and/or cultural philosophies. For example, those related to Buddhist teachings, namely metta and kamma (Tanasal et al., 2019), the teachings of Suluk Linglung (Mennita & Soeherman, 2019), and Betawi cultural values (Niswatin et al., 2017). However, existing researches have not linked cost stickiness behaviour specifically to perspectives based on religious teachings, especially Hinduism.

This study aims to explore the determinants of the asymmetry of cost behaviour from a Hindu perspective, namely catur marga. The value of humanity in making a decision, including the decision on resources’ management, is closely linked to cost behaviour. The nature and behaviour of managers are elements that have always existed in humans, in order to achieve their goals, in this case maximizing the value of their company. Every individual has the desire to achieve a goal. There are many ways that individuals can do to achieve these goals. The results of this study make a contribution to management accounting practice, in particular, related to cost behaviour. In the process of resource capacity management, cost behaviour asymmetry can occur because there are four ways that managers can achieve their goals. The four ways are bhakti marga, jnana marga, karma marga, and raja marga.

**METHOD**

We use a literature review method to explore factors that influence cost stickiness. The aim of this study is to explore the determinants of cost stickiness from the perspective of catur marga. Therefore, it is necessary to identify and explore the factors that give rise to cost stickiness first based on the results of existing research. We also explore the determinants of cost stickiness based on the conceptual papers that are available. Based on this literature, we relate it to Vedic philosophy, especially catur marga. The process of searching for cost stickiness literature was carried out using the Scopus database. We use “cost stickiness” or “sticky cost” as the keywords, both in accordance with the article’s title, and in an abstract sense, and searched from 2010 until the present (see Table 1). The search’s results include only published journal articles in English. We found 104 articles and their distribution in various leading journals and their year of publications are shown in Table 1 and Table 2. Of these 104 articles, 89 were the result of research in the areas of business, management, and accounting; while the rest were related to the areas of social science,
decision science, and environmental science (see Table 2).

From the 104 articles found in the search, seven did not specifically discuss cost stickiness, for example, they discussed audit fee stickiness, full cost transfer pricing, etc. A total of two articles were conceptual papers (Banker & Byzalov, 2014; Guenther et al., 2014), and 24 articles did not discuss the determinants of cost stickiness but instead used them as independent variables. These articles have not been used because they discuss the effects of cost stickiness on, for example, the forecasting of earnings (Ciftci et al., 2016; Ciftci & Salama, 2018; Kaspereit & Lopatta, 2019; Lopatta et al., 2020; Lu et al., 2020; Tang et al., 2020; Weiss, 2010). Because our focus is the managers’ behaviour, we have dropped 15 articles that discuss, for example, the effect of an auditor’s choice, accounting policies, changes in office address, CEO structure, and changes in the research sample on cost stickiness (Chae & Chung, 2015; Chae & Ryu, 2016; Chung et al., 2019; Ibrahim, 2018; Lee et al., 2019; Loy & Hartlieb, 2018; Shust & Weiss, 2014; Xue & Hong, 2016; Yang, 2015). The final number of research articles in the literature we used in this study was 56. We present this literature selection procedure in Table 3.

**RESULT AND DISCUSSIONS**

**Cost behaviour model.** Cost is defined as an economic sacrifice to achieve a particular goal (Canon, 2014; Emett et al., 2019). From a company’s viewpoint, this sacrifice or expenditure is aimed at generating sales. From an economic perspective, the definition of cost is identical to the production process. Wherever a production process occurs, there must be a cost incurred. Costs occur due to the payment inputs throughout the produc-

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### Table 2. Distribution of Articles Related to Cost Stickiness Based on the Journals

<table>
<thead>
<tr>
<th>Name of Journals</th>
<th>Amount</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Journal of Management Accounting Research</td>
<td>11</td>
<td>10,58</td>
</tr>
<tr>
<td>Academy of Accounting and Financial Studies Journal</td>
<td>5</td>
<td>4,81</td>
</tr>
<tr>
<td>China Journal of Accounting Studies</td>
<td>4</td>
<td>3,85</td>
</tr>
<tr>
<td>Journal of Management Control</td>
<td>4</td>
<td>3,85</td>
</tr>
<tr>
<td>Accounting and Finance</td>
<td>3</td>
<td>2,88</td>
</tr>
<tr>
<td>Applied Economics</td>
<td>3</td>
<td>2,88</td>
</tr>
<tr>
<td>Asia Pacific Journal of Accounting and Economics</td>
<td>3</td>
<td>2,88</td>
</tr>
<tr>
<td>Management Accounting Research</td>
<td>3</td>
<td>2,88</td>
</tr>
<tr>
<td>Sustainability (Switzerland)</td>
<td>3</td>
<td>2,88</td>
</tr>
<tr>
<td>The Accounting Review</td>
<td>2</td>
<td>1,92</td>
</tr>
<tr>
<td>Others</td>
<td>63</td>
<td>60,58</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>104</strong></td>
<td><strong>100,00</strong></td>
</tr>
</tbody>
</table>

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### Table 3. Procedure for Selecting Literature

<table>
<thead>
<tr>
<th>Procedure</th>
<th>Amount</th>
<th>Excluded</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost stickiness literature (2010-present)</td>
<td></td>
<td></td>
<td>104</td>
</tr>
<tr>
<td>Not related to cost stickiness</td>
<td></td>
<td>-7</td>
<td>97</td>
</tr>
<tr>
<td>Conceptual paper</td>
<td></td>
<td>-2</td>
<td>95</td>
</tr>
<tr>
<td>Not related to determinants of cost stickiness</td>
<td></td>
<td>-24</td>
<td>71</td>
</tr>
<tr>
<td>Not related to individual managers</td>
<td></td>
<td>-15</td>
<td>56</td>
</tr>
</tbody>
</table>
In practice, the costs incurred by a company do not show any mechanical symptoms, as mentioned in textbooks. Cost behaviour patterns have been widely studied and have led to the discovery of cost patterns that are not asymmetric. The study of asymmetric cost behaviour was initiated by ABJ. They found that cost behaviour is neither symmetric nor mechanistic but asymmetric with an inclination toward sticky behaviour. The term sticky was popularized by ABJ and it refers to the circumstances where there are rising costs due to sales activity increasing by 1% (as indicated by the volume of sales) which are not matched by the reduction in costs caused by a 1% decrease in sales activity. ABJ found that there is a rise in costs (as indicated by administrative and general costs as well as the costs of sales) by an average of 0.55% each time sales volume increases by 1%; but then, these costs decrease by only 0.35% each time there is a 1% reduction in sales activity. This difference in cost changes indicates that the pattern of cost behaviour is neither symmetrical nor mechanistic. The subsequent research which followed the ABJ study used different analytical units, e.g. at the industry level by Balakrishnan et al. (2014), inter-industry in one country by Xu & Sim (2017), up to cross-country level by Calleja et al. (2006) and Prabowo et al. (2018), as well as small and medium industries by Via & Perego (2014).

Studies into asymmetric costs’ behaviour indicate that this behaviour occurs due to the role of humans (managers) in making decisions related to resources’ management. The humanistic role in decision-making greatly determines how a cost behaves. In decision-making, a manager does not rely on reason alone but also considers the value or sense of humanity. The results of these studies contradict Comte’s philosophy of rationalism (Gray & Milne, 2015), which stated that science adheres to three principles, namely the empirical objective, deductive nomological, and value-free. With the positivist paradigm, Comte declares that social science must be treated equally with the natural sciences, which are value-free. The role of ethics is not required in the development of science. The philosophy of science should ignore the use of abstract principles and use empirical science derived from facts and scientific laws (Martela, 2015). This philosophy of rationalism is also confirmed by Descartes. The philosophy of rationalism holds to the principle that reasoning or logic must be given a central role in explaining something. It emphasizes reasoning or logic as the main source of knowledge and being free of any feelings. Only knowledge acquired through reasoning qualifies as scientific knowledge. Experience is only used to reinforce the knowledge acquired by logic (Villiers et al., 2019). In contrast, the philosopher Bahm claims that science has always been linked to human and social elements; as have costs. Behind a cost’s behaviour, there is a human that moves it. This makes a paradigm shift in the mechanical cost behaviour constantly taught in economics, including in cost accounting. In cost behaviour, the cost constitutes the object, but there are humans as the subject.

The role of managers in making decisions about how to manage resources leads to asymmetry in cost behaviour. Based on the results of the existing study by Guenther et al. (2014), who concluded that there are at least four managerial considerations for making a decision about resources’ management, namely the legal, social and environmental conditions, company operating policies, and psychological considerations and agency issues. The legal reason is closely related to the company’s contracts with resources’ providers and compliance with government regulations. Previous literature found that the stricter the state regulations were on the protection of workers, the higher the degree of sticky costs (Fitzgerald & Haller, 2013; Prabowo et al., 2018). Social and environmental conditions, for example, are related to workers located around a company’s premises. The dismissal of workers creates a polemic for the company, so managers tend to avoid this conflict. Company operational policies often require the use of a worker with a certain level of expertise or skill. A reduction in the number of skilled workers will lead to higher-cost adjustments. When the company needs the same kind of worker in the future, training costs have to be met in order for new workers to be ready to carry out their duties.

Psychological considerations and agency issues are related to the personal motivation of the manager. A reduction in the
number of workers due to a decrease in sales gives a bad impression of the company's owner, making the threat of terminating the manager's employment contract more likely. This reason tends to make managers reluctant to reduce their resources. However, if the manager's personal judgment is related to the achievement of profit targets, the opposite could happen. Managers easily customize their resources due to cost-cutting drives to achieve the profit targets placed on them.

Various personal considerations are in line with catur marga teaching in Vedic philosophy. Veda is a Hindu philosophy that wants to show the highest truth rationally, to understand the transcendental truth (Sankaracharya, 2014). Veda states that there are two ideals the rational mind wants to realize, which are material happiness in life and the afterlife and the highest good. According to Veda, the ultimate goal human beings want to reach is mokshartam jagadhita (Danu, 2014). It means humans want to achieve happiness for all beings and the universe (jagadhita) and achieve freedom from misery (moksha).

The Vedic philosophy is embodied in another book called Bhagavad Gita (a holy book). This book mentions that there are four ways to mokshartam jagadhita, which are collectively called catur marga, i.e. bhakti marga, jnana marga, karma marga, and raja marga. Each waylays its own foundations and manners. Nothing is higher or lower. Everything is good and primary, depending on the personality, character, ability, and talent of each person. Everyone will achieve their goal as long as it is done unconditionally, with trust, sincere persistence, embodiment, and firmness of faith. Although it can be done in any way, humans should do these four ways simultaneously (harmoniously). This is analogous to a bird with both wings (bhakti and jnana marga) that can move in balance, assisted by its tail (raja marga) as a steering wheel to set the direction, as well as the need for a driving force (karma marga) to move the body. Humans must find a balance between reason and feeling. Besides, humans should also concentrate so they take the required direction and dedicate their lives to benefit the people (Danu, 2014; Vivekananda, 2015).

Likewise, managers - as human beings - will perform in various ways or manners when making decisions, similar to the way humans can reach moksha. The study into the role of managers' cost behaviour naturally changes our view, as users of cost information, from its mechanistic nature to a more humanistic one. Decision-making relating to resources' management requires considerations. One of which concerns the element of humanity. The balance of the four ways to moksha will be depicted in this decision-making process. Bhakti marga shows how managers take decisions based on their hearts (i.e. the element of humanity based on love and compassion). Jnana marga shows how managers rely on the knowledge they have when making decisions. Karma marga shows the actions taken during decision making. Raja marga shows how managers must practice self-control when making a decision. All these ways are taken by a professional manager when deciding the management of resources so that it has an impact on cost behaviour.

The study of asymmetric cost behaviour shows that the decrease in resources' costs, due to decreased sales, is not proportional to the increase in the cost of resources due to increased sales (for the same percentage change). ABJ suspect that managers' decisions to retain unused resources may stem from their inability to reduce resources. This is due to the nature of the bonded costs (e.g. permanent workers are contracted for long periods), adjustment costs (if workers are dismissed now when sales increase in the future the company will pay extra for recruiting and training the workers), personal considerations (if workers are dismissed, managers feel pity and are concerned about possible protests from the retained workers) as well as the consequences of agency costs (related to the manager's personal interests).

**Bhakti marga and cost behaviour.** Sometimes, a manager takes action based on love or compassion when making a decision on resources' management. When a manager knows the demand has gone down, he just does not want to dismiss the workers. Especially if the workers have served the company for years, ABJ stated that the sadness of dismissing familiar workers causes sticky cost behaviour. Managers' compassion is one of the forms of bhakti marga. Bhakti marga is the way to God by devoting oneself to, or worshipping, God. Darmayasa (2014) and
Vivekananda (2015) mentioned that bhakti marga was a way to God by showing love to God.

Vivekananda (2015) emphasizes bhakti as the definition of love. Maharaj (2013) stated that in a joyful state of mind, the outpouring of love would reach its peak so that one will forget about oneself. The bhakti way tends not to use reason (Danu, 2014). The sense of bhakti will bring sincerity to sacrifice and motivation to please others we love dearly. In Veda, we find several mantras about bhakti. Bhagavad Gita XII. 3-4 states:

“ye tv aksaram anirdesyam
avyaktam paryupasate
sarvatra-gam acintyam ca
kuta-stham acalam dhrwam
sanniyamendriya-gramam
sarvatra sama-buddhayah
te prapnuvanti mam eva sarva-bhuta-hite ratah”.

“Humans who are well-adjusted and full of confidence, who always do good to all creatures created by God, who have the same attitude towards others, and who control their senses well, will come to Me" (Darmayasa, 2014:559).

The statement about bhakti does not end here. The verses in the Veda still have a related part. Bhagavad Gita XII.17 states as follow:

“yon a hrsyati na dvesti
na socati na kanksati
subhasubha-parityagi
bhaktiman yah sa me priyah”.

“Humans who do not rejoice excessively, who do not have feelings of dislike, who do not harbour regrets, who are not attached to good and bad things, and who are devoted to noble qualities, I love them very much” (Darmayasa, 2014:566).

Bhakti marga is related to the value of the manager’s religiosity and spirituality. Studies show that both of these values can provide benefits for workers, so they are expected to benefit the company (Balog et al., 2014). This also aligns with research about how Islamic spiritual values influence employees’ tendency to help each other (Ahmed et al., 2019). Likewise, with the concept of metta in Buddhist teachings which states that individual leadership is based on the approach of heart and love (Tanasal et al., 2019).

The study conducted by Kitching et al. (2016) found that managerial decisions related to resource capacity adjustments are closely related to the manager’s nature and the national culture; part of which is masculinity vs femininity. The cultural influence on resource adjustment costs is related to the attitude of the community to the workers. Feminine cultures tend to put more weight on “maintaining relationships”. Therefore, the adjustment costs associated with the psychological impacts caused by a worker’s dismissal will be greater in a country with a feminine culture. Feminine cultures prioritize relationships, so the cost of adjustment will be high and lead to sticky cost. Caring for fellow human beings is a part of a relationship and the application of bhakti marga, which is showing compassion. The literature on cost stickiness that uses labour intensity as a measure shows that, when companies use large amounts of labour, the level of stickiness will increase. One of the reasons put forward is that the managers are concerned for the fate of their workers if they are laid off (Banker & Byzalov, 2014; Guenther et al., 2014). ABJ stated that the reluctance to lay off workers was due in part to the strong ties between them and managers. This is especially the case for workers who have served the company for a long time. The relationship between superiors and subordinates that has existed for so long will create a sense of kinship and form a loving relationship. This is in line with the teachings of the bhakti marga.

Jnana marga and cost behaviour. In making a decision about whether a resource will be retained or possibly discontinued due to a decrease in sales, managers need to utilize their knowledge of the company’s condition and the prospects of future demand for the product. For example, when looking at the causes of the decrease in sales demand, managers also need to consider the rate of economic growth, the realization of sales in the previous period, and future sales’ forecasts. If the decrease in sales is expected to be temporary, managers may delay the reduction of their resources. If the decline in demand has been ongoing for a while, cou-
pleaded with continuing weak economic conditions and increasingly stiff competition, the decision to reduce resources may be taken by managers. Achieving goals by prioritizing the available knowledge is the same as jnana marga philosophy. Jnana marga is a way to achieve goals by applying knowledge. Through knowledge (jnana), a human can achieve peace and be freed from endless suffering in the world (Sankaracharya, 2014). The understanding of God will make people understand how to master all kinds of worldly science because God is the creator of the universe. Knowledge enables us to see hidden elements (Maharaj, 2013). In Bhagavad Gita II.16, it is stated as follows:

“nasato vidyate bhavo,
nabhavo vidyate satah,
ubhayor api drsto ‘ntas,
tv anayos tattva-darsibhih”.

“...that which does not exist will never exist, and that which exists will never be lost. People who have knowledge of the truth will understand both” (Darmayasa, 2014:262).

The verse in the Veda also teaches something else about knowledge. It is contained in Bhagavad Gita II.66. In Bhagavad Gita II.66, it is stated as follows:

“nasti buddhir ayuktasya,
na cayuktasya bhavana,
na cabhavayatabh santrir,
asantasya kutah sukham”.

“A person who has no relationship with God cannot possibly have spiritual intelligence or a tenacious mind. Without spiritual intelligence and a tenacious mind, there can be no peace. Without peace, there will be no happiness” (Darmayasa, 2014:236).

The study into the role of knowledge in resources decision-making has been conducted by several researchers. For example, the manager’s knowledge about whether or not the sales decrease is permanent (studied by almost all the research) or volatile. The managers’ knowledge of the direction and magnitude of sales changes in the past affects their decisions in managing their resources, thus having an impact on cost stickiness (Anderson et al., 2013; Banker et al., 2014; Brüggen & Oliver, 2014; Ciftci & Zoubi, 2019; Özkaşeya, 2020; Sepasi & Hassani, 2015). Likewise with the relationship between the assets and workers’ intensity and costs (Anderson et al., 2003; Bradbury & Scott, 2018; Bugeja et al., 2015; Chae & Ryu, 2016; Cheung et al., 2018; Gorodnichenko & Weber, 2016; Kama & Weiss, 2013; Kitching et al., 2016; Lee et al., 2019; Mohammad & Taherkhani, 2017; Namitha & Shijin, 2016; Prabowo et al., 2018; Venieris et al., 2015; Via & Perego, 2014; Xu & Sim, 2017; Zanella et al., 2015). Improved economic growth tends to make managers more optimistic (Banker et al., 2013; Banker et al., 2014; Bu et al., 2015; Fitzgerald & Haller, 2013; Yang & Zhang, 2017). Therefore, managers will feel a decrease in demand may be temporary, so that a reduction of the resources is not the option to take, making the cost more sticky. If the decrease in sales occurs for several consecutive periods, the manager will feel this decrease tends to be permanent so that a reduction in resource capacity will be made to lower the sticky rate. Companies with greater assets’ and workers’ utilization also tend to have a higher sticky rate. The number of assets and workers is closely related to the size of the company (Argilés-Bosch et al., 2017; Cannon, 2014; Sepasi & Hassani, 2015; Via & Perego, 2014; Zhang et al., 2019). Managers’ knowledge of competitive conditions also influences their decisions regarding retaining or cutting unused resources (Cheung et al., 2018; Costa & Habib, 2020; Krisnadieswi & Soewarno, 2020; Li & Zheng, 2017; Uy, 2014). When competition is high, there is a possibility that managers will cut their capacity in order to achieve efficiency, but it can also be vice versa. The high cost of stickiness when the competition is high is because managers feel that, when uncertainty about the level of sales is high, the current investment value tends to be high. The manager’s knowledge of government regulations regarding company resources also influences resource management decisions. If the regulation on workers is so strict as to regulate the company’s movements in an effort to terminate its workers, there will be a reluctance by the managers to adjust the number and cost of labour (Banker et
course, the actions taken by managers must fare of others (e.g. the business’s owners). Of
tion on their part ultimately affects the wel
will take actions to save the company if inac
adjustments as they have confidence in the
will not make the managers undertake cost
symmetrical cost pattern, a decrease in sales
known that bound resources are a form of
streamline the company's operations. Based
excess resources. All of which is done to
managers must understand when to retain
and when to decrease the amount of these
excess resources. All of which is done to
streamline the company's operations. Based
on symmetrical cost behaviour patterns, it is
known that bound resources are a form of
fixed cost behaviour. If managers follow this
symmetrical cost pattern, a decrease in sales
will not make the managers undertake cost
adjustments as they have confidence in the
cost behaviour theory. However, managers
will take actions to save the company if inac
on their part ultimately affects the wel
of others (e.g. the business’s owners). Of
course, the actions taken by managers must

Krisnadewi, Sawarjuwono, Is Cost Stickiness a Bad Signal from Catur Marga...

al., 2013; Bugeja et al., 2015; Golden et al.,
2020; Jiang et al., 2016; Kuiate & Noland,
2019; Liu et al., 2019; Mohammadi & Taherkhani, 2017; Via & Perego, 2014; Zanella et
al., 2015). This includes the pressure to re
tain workers for political reasons, especially
for companies that have political connections
(Prabowo et al., 2018). Studies conducted by
Yoon & Moon (2015) have shown that rebate
regulations have influenced the resource
management decisions of pharmaceutical
companies. In addition to the managers’
knowledge regarding the pressure of work
rers, they also consider their knowledge
related to the internal conditions of their
companies. The examples are attainment
discrepancy level and firm resource slack
(Priantana et al., 2020), management con
rol system (Kim et al., 2019; Li et al., 2020),
cost and capital structure, and sales expense
(Balakrishnan et al., 2014; Baumgarten et
al., 2010; Cheng et al., 2018; Shubita, 2019;
Venieris et al., 2015).

Thus, decision-making related to re
source capacity management is strongly influ
ced by the manager’s level of know
ledge. With knowledge, the manager will con
sider the best possible outcome if he adjusts
the resources’ capacity and ultimately influ
ences the asymmetry cost behaviour. As time
goes by, the knowledge of managers will grow
more mature, so this will help them in mak
ing decisions.

Karma marga and cost behaviour.
When a company is confronted with a de
cline in sales, a manager must take action
with regard to how the company’s resources
are managed. When sales decline, the com
pany’s bound resources will be excessive. In
other words, there are unused resources,
but these must still be paid for or financed.
Managers must understand when to retain
and when to decrease the amount of these
excess resources. All of which is done to
streamline the company's operations. Based
on symmetrical cost behaviour patterns, it is
known that bound resources are a form of
fixed cost behaviour. If managers follow this
symmetrical cost pattern, a decrease in sales
will not make the managers undertake cost
adjustments as they have confidence in the
cost behaviour theory. However, managers
will take actions to save the company if inac
on their part ultimately affects the wel
of others (e.g. the business’s owners). Of
course, the actions taken by managers must

be based on the knowledge they possess and
not simply to fulfil their personal goals.

Studies into the role of managers’
self-interests, framed in the form of compa
ny ownership, has been conducted (Chae &
Ryu, 2016; Ibrahim, 2018; Kama & Weiss,
2013; Namitha & Shijin, 2016; Paik & Koo,
2016; Xi et al., 2013; Yang, 2015). The re
sults of these self-interest studies showed
that a manager having self-interest tends to
quickly adjust any excess in the resources,
compared to one without self-interest. This
behaviour tends to cause non-sticky cost
behaviour because when sales decline, man
agers also make adjustments to reduce the
excess resources. It is generally related to
the achievement of profit targets, i.e. when sales
decline, managers try to lower the costs. If
this action is taken for the sake of saving the
company, then it surely is a good signal. If
this action is taken without considering the
future of the company (e.g. the sales decline
is only temporary and there is a possibility of
future sales growth), and the manager acts
only in pursuit of his/her bonus, awarded
for reaching the set profit target, this action
is not an appropriate signal. Managers are
considered selfish, as by this action they
are disregarding the future of the company,
given the greater costs that will be needed
to restore the resource capacity as sales in
crease in the future, for instance, the cost
of hiring and training new workers. On the
other hand, there is also research that states
that, when managers are confident about
the prospect of future sales, they will retain
their resources. This is done to prevent high
er costs when sales return to normal (Hur et
al., 2019; Merlo et al., 2015; Silge & Wöhr
mann, 2019; Yang & Zhang, 2017). So, there
is a trade-off consideration between current
profitability and the opportunity to increase
future sales and profitability (Argilès-Bosch
et al., 2017; Baumgarten et al., 2010; Chen

This particular action taken by manag
ers is strongly related to karma marga. The
karma marga teaching emphasizes the sin
cere devotion to duty, in the form of working
unselfishly (Danu, 2014; Darmayasa, 2014).

Bhagawad Gita III.8 states that:

“niyatam kuru karma twam
karma jyayo hyakarmanah
sarira-yatrapa ca te
na prasiddhyed akarmanah”.
“...work with determination because doing something is better than not doing it, and even the body will not be successfully maintained without work” (Darmayasa, 2014:279).

All human actions should be performed for the benefit of others (anresangsaya). If an action is done only to gain personal happiness, it will lead to sin (ahamkara). Veda teaches humans to act without attachment to the result, but they must still be responsible. In Vedic teachings, it is stated that karma marga is the easiest way to reach a goal. In Bhagavad Gita III.19, it is stated as follows:

“tasmad asaktah satatum karyam karma samacara, asakto hy acaran karma, param apnoti purusah”.

“Therefore, a person carries out all work as an obligation without being tied to the results, because, by carrying out work that is free from attachments, that person will truly achieve the main goal” (Darmayasa, 2014:285).

Humans are expected to work and devote themselves to seek as much wealth as possible. Once wealth is obtained, they are expected to use or dedicate it to the welfare of the world at large. Wealth should be obtained in a responsible manner, which is not detrimental to others. Therefore, humans are obliged to perform good deeds (Danu, 2014). It means, in deciding what action to take in relation to resource management; a manager is required to do good so that the results of his/her actions would benefit not only himself/herself, but also others, i.e. the company, workers, owners, and other related parties. This is also in line with the teachings of kamma in Buddhist teachings (Tanasal et al., 2019).

**Raja marga and cost behaviour.**

Self-control needs to be shown when a manager is in a different situation than usual. When changes in sales or demand occur, a manager will be faced with the situation of whether resource adjustments are necessary. An adjustment of the resources will lead to cost behaviour changes, especially for bound resources. In Vedic philosophy, raja marga is the way to reach the divine by exercising mind control and concentration. This might be the most difficult way for humans, as it is considered the highest state and requires very high levels of concentration. The human mind has three characteristics, i.e. sattwuam (calm, honest, gentle, and compassionate), rajas (hard, ambitious, and rude), and tamas (lazy, ignorant and greedy). Mind control requires humans to balance these three characteristics. Bhagavad Gita VI.35 mentions that the mind is volatile and difficult to conquer, but can be controlled by practising and negating the desire for self-interest. There are two ways to focus our mind (it’s called meditation). The first way is by focusing on a particular object. Second, by trying to be thoroughly aware of the situation, or by feeling the process in a particular situation (Danu, 2014; Darmayasa, 2014). Furthermore, Bhagavad Gita VII.27 states that:

“ichchhadvesha samutthena dvandvamohena bharata sarvabhusumi smomham sarge yanti paramtapa”.

“...from birth, all living creatures have been led astray by the dualism of the opposition to lust, greed, anger and envy” (Darmayasa, 2014:416).

The importance of emotional control goes beyond one verse. Bhagavad Gita III.41 also explains the importance of emotional control. Bhagavad Gita III.41 states that:

“tasmad tvam indrigany adau niyamyah bharatarshabha papmanam prajahi hy enam jnana vijnana nasanam”.

“Therefore, control your five senses and get rid of your lust which is full of sin that destroys all knowledge and virtue” (Darmayasa, 2014:298).

In the context of cost behaviour, resource capacity management requires managers to focus whenever changes in demand/sales occur. When demand or sales improve, it is not appropriate for managers to make an immediate adjustment to their resources’ capacity (i.e. adding resources). A manager should focus on the demand and
sales patterns, as well as observe whether they are temporary or permanent (long-term). If only temporary, the decision to reject the sales request can be made because the cost of increasing the resource capacity may not be proportional to the potential benefits. Similarly, if there is a decrease in demand or sales, it is important to consider whether the event is temporary or permanent. Some studies on cost behaviour (Anderson et al., 2003; Kitching et al., 2016; Prabowo et al., 2018) shows that if a sales decrease occurs sequentially, it indicates the decline has a permanent trend. As a result, a manager will make adjustments to the excess resources, i.e. trimming the excess resources, so that a decrease in costs will occur as demand decreases, or according to ABJ, the stickiness level tends to decline when the sales decline is permanent. Previous literature also shows the need for careful thinking from managers when managing the capacity of resources, especially when in competitive conditions (Cheung et al., 2018; Costa & Habib, 2020; Krisnadewi & Soewarno, 2020; Li & Zheng, 2017; Uy, 2014). Likewise, the manager must consider if the workers he has have the potential to help the company survive, so this becomes a separate consideration when thinking about staff reductions. Previous literature has examined the role of intellectual capital in influencing stickiness costs (Mohammadi & Taherkhani, 2017; Xue & Hong, 2016). In addition, external regulatory pressures cause managers of companies to rethink whether or not they need to aggressively cut unused capacity. Regulatory and political pressures have a considerable impact on the survival of a company. For example, regulations related to worker protection (Banker et al., 2013; Golden et al., 2020; Zanella et al., 2015) cause managers to refrain from reducing the number of workers. The fines that may be incurred will have an impact on the company’s finances. Other pressures include the stipulation of expenditure obligations related to social activities (Habib & Hasan, 2019; Habib & Huang, 2019; Loy & Hartlieb, 2018) and political pressures felt by state-owned enterprises (Bu et al., 2015; Lee et al., 2020; Wu et al., 2020).

Harmonization between catur marga and cost behaviour. As already described in the discussion of catur marga, the achievement of human goals should be done with balance through these four ways. If the four ways are performed in harmony, it will facilitate us in achieving our goal. Vivekananda (2015) states that the ways to God can unite harmoniously. The harmony of the four ways of living life to achieve goals is similar to how corporate managers seek the best way to decide on resources’ management. The pattern of cost behaviour relies heavily on how a manager acts in relation to his/her resources’ management. The manager will use catur marga in making decisions on the resources’ management. Bhagavad Gita X.4-5 states that:

“buddhir jnanam asammohah
ksama satyam damah samah
sukham duhkham bhavo ’bhavo
bhayam cabhayam eva ca
ahimsa satama tustis
tapo danam yaso yasah
bhavanti bhava bhutanam
matta eva prthag-vidhah”

“In intelligence, knowledge, freedom from delusion, forgiveness, honesty, control of the five sense, control of the mind, joy, sorrow, birth, death, fear, freedom from fear, nonviolence, brotherhood with others, contentment, austerity, generosity, fame, humiliation, and various other different characteristics, all originate from Me” (Darmayasa, 2014:479–480).

In light of this statement, it can be concluded that all attributes come from God. Humans are expected to be able to balance these characteristics. Harmonization, in terms of various traits and paths, will help humans to facilitate the achievement of goals. We illustrate this conceptual model in Figure 1. In addition to using the knowledge they have, a manager will also consider his/her sense of humanity and compassion (love for others). Besides, managers need to balance the egocentric in themselves and try to control their mind when making policies related to resource capacity management. The same thing could happen if managers only rely on karma marga. In deciding what to do, managers should pay attention to their knowledge and sense of humanity. When cost behaviour is defined by fixed and variable costs, it does not necessarily make the manager defenceless when facing changes in demand or sales activity. The theory of symmetric cost be-
behaviour indeed suggests that whenever a decrease in sales occurs, the total fixed costs will always remain the same. If referring to this theory, managers will not take any action in response to excess resource capacity, then the manager’s knowledge will be helpful in addressing the real condition.

Raja marga explains this balance or harmony in a better way. When deciding something, a manager must focus his or her mind. Therefore, a manager needs information, in the form of knowledge, so it can be considered and involved with the manager’s sense or feeling, and followed-up by action. Raja marga guides the managers to control themselves and stop any acts contrary to the teachings of righteousness. By combining all the ways, namely the sense of humanity, the existing knowledge, the manager’s actions and self-control, the resource management decision will achieve the most optimal result. The decision will, of course, have an impact on the costs, so that ultimately confirms the results of studies into the costs’ behaviour, which stated that costs do not change symmetrically, but are asymmetric with patterns that tend to be sticky.

Stickiness cost literature researchers have realized that the trigger for cost stickiness comes from intentional decisions by managers. Informing the trigger variables for this decision, the researchers have considered several benchmarks (Banker & Byzalov, 2014; Bihan & Matheron, 2012; Guenther et al., 2014). They use a combination of various triggers to create harmony. ABJ, as the main originator of the concept of costs’ stickiness, initially only included a manager’s knowledge variables (sales changes, the level of employee intensity and assets, GDP growth rate in his research). Subsequent research has included other variables related to other catur marga elements, as explained in the previous sub-chapter to accommodate harmony as per catur marga teachings. We explore elements of catur marga based solely on the main determinant of cost stickiness in each article. We briefly present the results of this exploration in Table 4. However, if thoroughly explored, the authors of each article involve various determinants that indicate harmonization in the teachings of catur marga.

CONCLUSION

Research that states cost stickiness as a bad signal is not entirely correct. It really depends on the way the manager takes when making decisions. This conceptual paper seeks to address the determinants of cost behaviour asymmetry, namely cost stickiness, from the Hindu Vedic perspective, namely catur marga. This paper focuses on the costs incurred as a result of the man-

![Figure 1. The Harmony of Catur Marga](image)

Manager takes action based on love or compassion

Manager takes action based on knowledge

Manager takes action based on the interests of many parties

Manager takes action based on mind control and concentration

Manager takes action based on interests of many parties

Manager takes action based on knowledge

Manager takes action based on love or compassion

Manager takes action based on the interests of many parties

Manager takes action based on mind control and concentration

Manager takes action based on knowledge

Manager takes action based on love or compassion

Manager takes action based on the interests of many parties

Manager takes action based on mind control and concentration
The results of our study show that this is consistent with the catur marga philosophy. It states that there are four ways to achieve the goal, i.e., bhakti marga (compassion/humanity), jnana marga (knowledge), karma marga (action), and raja marga (self-control). Humans harmoniously use these four ways to achieve their goals. Likewise, a manager will use these four ways for decision-making related to resources' management. The element of humanity will certainly cause an asymmetrical cost behaviour pattern of the resources. The asymmetrical pattern tends to become more sticky in nature, meaning that there are greater changes in cost when the number of sales increases as opposed to when the number of sales decreases.

Although profit is one of the reasons taken into consideration by the manager when managing resources, in practice, there are other factors that must be considered by the manager. The humanistic side of the manager, as a decision-maker, plays a role in managing resources that will affect the cost behaviour and ultimately affect corpo-

**Table 4. Exploration of Cost Stickiness Determinants in the Catur Marga Element**

<table>
<thead>
<tr>
<th>Element</th>
<th>Main Determinant</th>
<th>Authors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bhakti marga</td>
<td>Compassion for workers</td>
<td>Banker &amp; Byzalov (2014), Guenther et al. (2014), Kitching et al. (2016)</td>
</tr>
<tr>
<td></td>
<td>Political felt by state-owned enterprises</td>
<td>Bu et al. (2015), Lee et al. (2020), Prabowo et al. (2018), Wu et al. (2020).</td>
</tr>
</tbody>
</table>
rate profits. Cost behaviour is neither symmetric nor mechanistic as described in the cost accounting textbooks. Cost behaviour is strongly influenced by the policy made by the manager in relation to his/her resources’ management, especially when confronted with declining demand. Various considerations are needed as a basis for deciding whether sales declines have to be addressed by the reduction of resources.

This study has a number of drawbacks. It cannot explain how the process of harmonizing of catur marga occurs when managers make decisions. Therefore, further research is needed in which in-depth interviews regarding this harmonization process are conducted. The next weakness is related to limiting the amount of literature used in this research. The writers only use literature sourced from Scopus-indexed journals. Future research needs to consider making more use of external databases, for example, Google Scholar. Finally, this study focuses more on the effort to harmonize the causes of cost stickiness from a Hindu perspective, especially catur marga. Further research could examine and explain how other philosophies affect sticky cost behaviour of this kind, for example, Tri Hitaka Karana, or even use the perspectives of different religious teaching.

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