

# Yin Yang in Decision Making: A Behavioral Accounting Perspective

Shinta Amelia Tjoputri\*, Bonnie Soeherman, Hari Hananto

Universitas Surabaya, Indonesia

\*Corresponding author. Email: hhintamelia199@gmail.com

## ABSTRACT

This research integrates the Yin-Yang philosophy with behavioral accounting to understand the dynamics of human behavior in accounting decision-making. Yin-Yang offers a holistic approach by managing conflict, harmony, emotion, and rationality synergistically. This approach is relevant in the context of globalization, supporting cultural flexibility, and designing more inclusive accounting systems. The results show that the integration of Yin-Yang can enhance team management efficiency, cultural adaptation, and wiser decision-making.

**Keywords:** Decision Making, Behavioral Accounting, Yin-Yang, Wisdom

## 1. INTRODUCTION

China has shown remarkable progress over the past few decades in the fields of economy, technology, and socio-culture. Until now, China continues to strengthen its position as a global innovation hub by leading technological innovations such as artificial intelligence, quantum technology, and space exploration (World Economic Forum, 2025; CGTN, 2025; Government of China, 2025). On the other hand, China has a wealth of intellectual heritage such as Confucianism, Mohism, Taoism, and Buddhism that shape its cultural foundation and mindset (World History Encyclopedia, 2020). The synergy between modern innovation and the roots of traditional philosophy makes China not only economically competitive but also rich in cultural and moral values.

The Yin-Yang philosophy, which emphasizes balance in duality, has become a foundation in traditional Chinese thought and is increasingly attracting attention in various disciplines, including psychology, management, and cross-cultural studies (Huang 2016; Peter Ping Li 2016). However, the integration of the Yin-Yang concept into the field of accounting, particularly behavioral accounting, has not yet been extensively explored. Behavioral accounting has developed into a sub-discipline that studies the relationship between human behavior and decision-making in the context of accounting (Yuliana et al. 2024). The absence of the Yin-Yang perspective in behavioral accounting creates an intriguing gap for further research.

Previous research tends to focus on the conflict between emotion and rationality in accounting decision-making without considering how these conflicts can be managed through a holistic approach (Fang 2011). In this context, the concept of Yin-Yang offers a unique perspective that can explain harmony amidst conflict through the coexistence of opposing elements. This approach not only differs from Western models that often rely on dichotomous logic but also provides a more dynamic and inclusive framework (Graham 1986). The novelty of this research lies in the study of Yin-Yang in behavioral accounting to explain complex behavioral phenomena. By analyzing the interaction of emotions, motivation, and cognition in accounting decision-making, this research offers a new paradigm capable of bridging the gap between theory and practice (Chabrak and Craig 2013). This contribution will add depth to the development of the accounting field related to behavior in business decision-making. This research also provides a richer conceptual map by utilizing Yin-Yang as a tool to understand the paradoxical dynamics in decision-making. By linking traditional Eastern views with modern approaches in behavioral accounting, this research expands cross-cultural insights that have been under explored (Li 2014). Based on that background, this research aims to explore and analyze how the concept of Yin-Yang can be applied in behavioral accounting to enhance the understanding of human behavior dynamics within the accounting system.

## 2. RESEARCH METHODS

This research is a literature review approach. The data used comes from various journals and articles relevant to the themes of Yin-Yang and behavioral accounting. The main studies include Huang's (2016) work discussing harmony and interpersonal conflict from a Yin-Yang perspective, Peter Ping Li's (2016) examination of the

application of Yin-Yang in paradox management, Fang's (2011) demonstration of the Yin-Yang perspective in cross-cultural contexts, and Yuliana et al.'s (2024) exploration of behavioral accounting. The analysis was conducted through the identification of relevant main themes, such as duality, harmony, conflict, emotion, and rationality in the context of human behavior and accounting systems. The themes that were found were then integrated to build a conceptual framework that connects the Yin-Yang philosophy with behavioral accounting. This process aims to generate a new understanding of the dynamics of human behavior in accounting decision-making. The theoretical framework that has been developed also considers the relationship between the Yin-Yang concept and existing theories in behavioral accounting, emphasizing the novelty and practical relevance of the research findings.

### 3. RESULT AND DISCUSSION

The concept of Yin-Yang originates from ancient Chinese philosophy, symbolized by a circle divided into two equal parts by a curved line, one side black (Yin) and the other white (Yang), with a white dot in the black area and a black dot in the white area. Yin-Yang represents the duality and harmony of the existence of contradictions that complement each other in various fields of life (Fang, 2012; Liu & An, 2021). This research seeks to demonstrate how the Yin-Yang philosophy can serve as a significant framework in understanding and managing human behavior dynamics in the context of accounting. This philosophy offers an approach different from Western logic by emphasizing harmony amidst conflict, the coexistence of opposing elements, and balance in complex decision-making. Here is a comparison of research findings related to Yin-Yang that are considered relevant to the field of accounting.

**Table 1.** Previous Articles

Author(s)	Brief Description	Yin-Yang Point of View	Decision Making Perspectives	Implication
Huang (2016)	Model of harmony and interpersonal conflict based on Yin-Yang.	Conflict and harmony as complementing each other.	Explaining conflict within the accounting team as a driver of innovation.	Improving teamwork and innovation within the accounting organization.
Peter Ping Li (2016)	Approach Yin-Yang in paradox management.	Coexistence of conflict and synergy.	Paradigm between emotion and rationality in decision-making decision.	Helping make wiser and more holistic decisions.
Fang (2011)	Perspective Yin-Yang in cross-cultural contexts.	Flexibility in cultural values.	Improving adaptation of accounting systems in a global context.	Facilitating implementation of a cross-cultural accounting system
Graham (1986)	Yin-Yang as a correlational structure for understanding the relationship between humans and the cosmos.	Integrating conflicting and complementary elements.	Helping to design a more humane and inclusive accounting system.	Providing a philosophical foundation for human-based accounting theory.
Chabrak dan Craig (2013)	Cognitive dissonance in accounting education.	Balancing idealism and reality in accounting education.nsi.	Helping students develop a critical understanding of accounting ethics.	Improving the quality of accounting education based on harmony and duality.

### ***3.1. Harmony and Conflict in Accounting Systems***

Huang (2016) states that authentic harmony in interpersonal relationships can only be achieved if conflict is understood and managed as part of a complementary dynamic. This approach shows that conflict within accounting teams can be utilized as a trigger for innovation, rather than something to be avoided. In his explanation, Huang (2016) highlights how the Yin-Yang philosophy views conflict and harmony as complementary elements. In interpersonal relationships, conflict is not always an obstacle; rather, it can serve as an important element that creates true harmony. This is particularly relevant in the context of behavioral accounting, especially for managing the tension between individual and collective perspectives within accounting teams. By adopting the Yin-Yang principle, accounting systems can be designed to transform conflicts into catalysts for better innovation and collaboration (Huang 2016; Graham 1986).

Additionally, Fang (2011) introduced the concept of Yin-Yang as a dynamic cross-cultural framework. In the context of global accounting, organizations often face challenges in adapting their accounting systems to diverse cultural values. The Yin-Yang perspective provides an approach that allows organizations to manage these cultural differences flexibly and harmoniously. For example, this approach can be used to address value conflicts between local needs and international standards, as described by Cyan, Koumpias, and Martinez-Vazquez (2016) in their study on taxation. The essence of Yin-Yang, which emphasizes cultural flexibility, as explained by Fang (2011), is highly relevant in the era of globalization. In the context of behavioral accounting, this approach supports the management of cultural value differences across various countries. For example, the implementation of international accounting standards can be done more effectively if organizations are able to navigate the tension between local needs and global demands. Thus, the Yin-Yang concept can also provide solutions for addressing cross-cultural complexities in global accounting.

### ***3.2. The Paradox of Emotion and Rationality***

Peter Ping Li (2016) explains that the Yin-Yang philosophy offers an integrative approach to managing paradoxes in decision-making, particularly by combining the elements of "emotion and rationality." In the context of accounting, decision-makers often face a dilemma between prioritizing rational data or considering emotional and ethical aspects. The Yin-Yang approach allows these two elements to be integrated harmoniously, creating a balance that supports more wise and humane decision-making. The application of Yin-Yang in paradox management, as expressed by Peter Ping Li (2016), demonstrates how the paradox of emotion and rationality, often seen as obstacles, can be transformed into opportunities. By uniting these conflicting elements, the Yin-Yang approach not only provides conceptual explanations but also practical solutions for complex decision-making in accounting.

Moreover, the research by Chabrak and Craig (2013) underscores the relevance of the Yin-Yang approach in accounting education. By balancing idealism and reality, this approach helps students to be more critical in understanding the moral and ethical dimensions in accounting. As a result, this approach not only enhances the quality of learning but also creates a generation of accountants who are more competent, have integrity, and are capable of facing the challenges of the professional world holistically. Through the Yin-Yang approach, both in the context of decision-making and education, there is great potential to bring about deep balance and integration in accounting theory and practice.

### ***3.3. Inclusive Accounting System***

Graham (1986) emphasized that the Yin-Yang concept provides a foundation for developing a correlational system that integrates the relationship between humans and technology. In the digital era, where accounting systems increasingly rely on technology, this approach becomes highly relevant as it continues to uphold the crucial role of humans in the processes of interpretation and decision-making. Yin-Yang offers a framework that enables the integration of human and technological elements, thereby creating a more inclusive and responsive accounting system to the needs of various stakeholders.

By adopting the correlational structure of Yin-Yang, Graham (1986) explains that accounting systems can be designed to balance technological efficiency with human dimensions. This approach is crucial amidst the increasing automation in accounting, yet it still requires a human touch to ensure the relevance and accuracy of the results. Therefore, the Yin-Yang concept provides a philosophical foundation for designing accounting systems that are more holistic, adaptive, and user-oriented.

The analysis results from various journals used show that the Yin-Yang concept can provide a new holistic framework in behavioral accounting by integrating elements that have long been considered opposing, such as

conflict-harmony, emotion-rationality, and local-global values. The various concepts that appear dichotomous are actually a combination of elements that can balance each other. A "black" will not appear black without "light," and vice versa. For example, conflict is a normal condition in the pursuit of harmony, emotions are a psychological factor that will test the wisdom of logic, and so on. Each analyzed journal contributes uniquely to this understanding, collectively building a theoretical foundation for a new approach in the accounting system. This research opens a new perspective in understanding the complexity of behavioral dynamics behind the business decision-making process. This research enriches the literature by introducing a non-Western paradigm as an alternative approach to understanding social and psychological interactions in the business environment. The application of the Yin-Yang principle is expected to help accounting practitioners make wiser decisions in environments involving conflicts of interest, information ambiguity, and cultural differences within international teams.

#### 4. CONCLUSION

This research integrates the Yin-Yang philosophy with behavioral accounting to understand the dynamics of human behavior in accounting decision-making. Yin-Yang offers a holistic approach by managing conflict, harmony, emotion, and rationality synergistically. This approach is relevant in the context of globalization, supporting cultural flexibility, and designing more inclusive accounting systems. The results show that the integration of Yin-Yang can enhance team management efficiency, cultural adaptation, and wiser decision-making.

This research successfully demonstrates that the Yin-Yang philosophy can be effectively integrated into behavioral accounting to provide a deeper and more holistic understanding of human behavioral dynamics in accounting decision-making. By emphasizing the coexistence of conflicting elements such as harmony-conflict, emotion-rationality, and local-global values, the Yin-Yang approach offers innovative solutions for managing complexities that are often overlooked in traditional theoretical frameworks. Previous behavioral accounting approaches often employed a dichotomous logic that separated elements such as emotion and rationality or conflict and harmony (Fang 2011; Graham 1986). This research offers a Yin-Yang perspective that integrates these elements to create balance and synergy. Huang (2016) emphasizes that conflict can be a driver of true harmony within teams, while Peter Ping Li (2016) shows that emotions and rationality can be managed simultaneously for wiser decision-making.

Fang's (2011) idea of cultural flexibility is expanded by demonstrating how Yin-Yang can help global accounting organizations navigate cultural value differences. Graham (1986) complements this approach by providing a foundation for an inclusive accounting system that integrates people, technology, and cultural values. This research introduces a new paradigm in behavioral accounting that is more holistic and relevant in facing the challenges of globalization.

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