

ABSTRACT

This study is case study conducted at the faculty of economics, Diponegoro University . The aim of this study is to understand how budgets are formed as ritual activities and how budgeting takes place. The budgeting process is a reality that is socially constructed. Therefore, this study based on the belief (ontology) that the budget process is a socially constructed reality involving the actors, organization and environment. This study is to answer why and how the actors prepare the budgeting process and how they implement it.

Method of data collecting in this study was interview and analysis organization's documents. Collected data then was analyzed through triangulation and Rich and thick organization. The results of this study indicated that the budget process is perceived as a routine. When these a routine have been embedded and inherent within the organization, then this could be said to be a ritual.

This research showed that organizational budgeting process is a ritual a socially constructed reality. This happens because the interaction between actors, organizations, and social environment occurred routinely and repetitively. Interactions that take place routinely and repetitive between the actors are encouraged the creation of a ritual in an organization.

Keyword : Budgeting, Ritual,