Public Accountability Based on The Value of Local Wisdom

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Submission date: 28-Mar-2018 02:56PM (UTC+0700)

Submission ID: 937476209

File name: Public_Accountability_Based_on_The_Value_of_Local_Wisdom.doc (87.5K)

Word count: 2934

Character count: 17164

PUBLIC ACCOUNTABILITY BASED ON THE VALUE OF LOCAL WISDOM

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ABSTRACT

Accountability is an obligation to provide explanations and answers to activities, actions, and policies made by committed parties and interpreted as a tool for building a moral, humanitarian, and pluralistic organization. This study attempts to describe the accountability practice emphasizing on the local wisdom, in terms of relationships among individuals, mental and spiritual. Accountability practices in the context of government and business organizations place greater emphasis on the dimensions of human relationships, while the nature of management accountability is more focused on the physical, in terms of technical and clerical aspects that ignore the mental and spiritual aspects. Yet it is important to consider the mental and spiritual aspects of accountability in practice although these aspects are abstract. It is undeniable that these two aspects dominantly drive individuals in the organization to take action of decision making within the organization. The results of this study reveal that it is inevitable that accountability not only on the physical aspect but also on the mental and spiritual aspects because accountability is the product of social construction of values.

Key words: Public, Accountability, Local Wisdom, Toraja, Bali.

1. INTRODUCTION

Accountability is an important principle which is currently being actually promoted in almost all public, private and civil sectors. Accountability is a community or group right in society arising from the relationship between the organization and society (Gray et al., 2006; Lehman, 1999 & 2005). According to Ibrahim (2008), accountability can be classified as follows:

- Financial accountability, by providing information on the use of resources (funds) earned and entrusted to a organization.

- Performance accountability, by documenting and reporting results obtained compared to the quality standards, goals, objectives and expectations.

- Accountability of speech, by performing honesty and accuracy in expressing certain issues from authority having right to speak out.

- Accountability to improve self-quality, to respond to the feedback, to do a self-evaluation and inform the corrective actions undertaken to society.

Ijri (1983) and Steward (1984) as cited in Parker and Gould (1999) stated that accountability is a commitment conducted by two parties of accountor and accountee. For example, in the distributing aid funds, there is a commitment from donors to provide funds only if accompanied by commitments from donor recipients to implement what is promised to the funder.

In the axiomatic term, accountability is a concept of science that requires real practice. To arrive at the axiological level of accountability, it is built within the framework of accounting science. Patton (1992) reveal that accountability is carried out through a reporting function whereby accounting is the implementation or justification of the actions of individuals or organizations. Accounting then becomes a factual bridge of accountability that can be understood rationally and verifiably to determine the quality of accountability.

Accounting is a media accountability used to provide information and disclosure of activities and financial performance of the organization to interested parties. However, existing definitions seemingly tend to define accountability to be very narrow as financial accountability, by providing financial reporting systems. In fact, the concept of accountability is actually much broader, that is, a process in which the organization is obliged to provide information about what it believes, what it does and what it does not do, that involves multiple stakeholders actively, and responds to the views and criticisms of it . Accountability is not only in the form of written and structured reports that have a given period, but in reality accountability can be seen directly during the process of implementation of an activity within the organization. From the beginning until the end of the activity, even to enter into another activity, a series of accountabilities has been applicable.

During this time, accountability studies are more dominantly directed to the government sector (e.g Parker & Gould, 1999; Coy et al., 2001; Broadbent & Laughlin, 2003; Robinson, 2003; Mardiasmo, 2002b & 2006; Coy & Dixon, 2004; Ezzamel Et al., 2007; Iyoha & Oyerinde, 2010) and business sector (e.g Cropanzano et al., 2004; Luo, 2005; Cooper & Owen, 2007; Asenova & Beck, 2010; Park dkk., 2011). While the considerations of accountability by analyzing the local wisdom, especially based on ethnicity, indigenous peoples has not attracted much attention from scholars and practitioners. Indonesia consists of 34 provinces and have 1,128 ethnic groups, each of which has a wide range of organizational characteristics based on

local wisdom in terms of diversity of indigenous, ethnic, cultural and religious beings, among others: *the Subak* (Balinese), *Bundo Kanduang* (Minangkabau), *Pakasaan Tombulu* (Minahasa), *Pasitabe* (Padoe) and *Tongkonan* (Toraja). The unique ethical and religious value elements adopted from such cultures are believed to be able to bring a reality and phenomenon that actually occurred in depth at their respective organizations (Paranoan, 2015). Thus, this paper attempts to provide an overview of accountability practices in the context of community organizations based on the value of local wisdom.

2. DEFINITION OF ACCOUNTABILITY

Accountability is defined as the behavior of individuals or organizations to explain and be accountable for their actions through the giving of reasons why action is taken (Sinclair, 1995). Gray et al. (2006) define accountability as a community right arising from the relationship between the organization and the community. Thus, accountability is not only the property of an individual or an organization but a right and property of the public which has a close relationship with the individual or organization. These definitions indicate that accountability must be prepared by subjects conducting an activity to the public. The purpose of accountability is to prompt the individuals or organizations to gain trust from the public or parties who have relationships with the organization concerned.

Gelfand et al. (2004) state that accountability as the perception of who is responsible for the actions or decisions, in accordance with the contingencies of interpersonal, social, and structural, all of which are embedded in the social context of a particular culture. From the cultural perspective, all cultures have a system of accountability to create certainty, order and control. But, the nature of the accountability system is highly dependent on the respective culture (Gelfand & Realo, 1999). Individuals in different cultures are educated to understand the unique expectations that exist at different levels in the social system, the strength of hope, and the deviation consequences of this expectation. Thus, individuals not only develop expectations for others, but they also develop expectations for groups, organizations, and other communities. In turn, groups, organizations, and communities will impose expectations through formal and informal mechanisms.

Accountability in the agency relationship between the owner (the principal) with the management (the agent) had only based on the relation between human beings. The relationships between individuals involved, in practice, often experience disharmony caused by opportunistic behavior of either party in the forms of egoistic, materialistic and utilitarian nature. Hence, the role of accounting is needed as a tool of accountability from agent to the principal (Dewi, 2008: 2).

Francis (1990) states that accounting information has the ability to influence users to behave. Furthermore, accounting is not just a dead instrument but is a moral and discursive practice. As a discursive practice, accounting is viewed as a tool to convey information to others, where information is delivered is very influential on the behavior of its users. Conversely, the users of accounting information also have the ability to influence accounting which in turn also has an influence on the formation of reality. Elements of morality in accounting is a very important part in giving the perception that accounting is not value-free (*verstehen*) especially ethical values related to personality of the people who create and form the accounting. This phenomenon shows the importance of morality in the accounting sector, needed to increase attention to it.

Accounting in this paper is not only understood as technical skills, but more emphasized on as a social science that is always associated with human as the creator, user and accounting modifiers (Sawarjuwono, 2005). Similarly, Tricker (1978), as cited in Triyuwono (2000) states that accounting depends on the ideology and morals of society. As a result, accounting is not

value-free from cultural and societal elements. Moreover, Triyuwono (2000) also states that accounting is shaped by the society's culture, economic system, political and social environment.

Amerieska (2009: 10) states that the basic purpose of accounting as a means of information delivery and accountability can actually be achieved if accounting and the accountants are bound by 'set of rules' of moral and spiritual. The accounting known so far is a representation of material values. Thus, in order to make accounting more humane, moral and even spiritual values can be considered to contribute to accounting practices.

Parker and Gould (1999) state that accountability is related to the concept of honesty and ethics. This indicates that accountability also touches the individual aspect of conscience that not only carries out the routine but comes as a result of contemplation (Randa, 2011: 47). From the spiritual side, Jacobs and Walker (2000) argue that accountability has the meaning that individuals or organizations have the awareness to express accountability to the transcendent nature of the God as the creator.

According to Amerieska (2009: 13), although there are two important things in shaping the accountability of trust, individuals in applying accountability can not be separated from the their attitude and character. Accountability is the reflection of the attitude and character of human life including internal and external accountability. Internal accountability, also called spiritual accountability, is the individual's accountability to God which includes his accountability of everything he or she does. External accountability is accountability to the environment both formally (superior) and informal (community) (Dewi, 2008: 20). Accountability can be interpreted to cover all aspects of a person's behavior that include both personal behavior or spiritual accountability, and external accountability to surrounding environment and the people.

3. DEFINITION OF LOCAL WISDOM

Local wisdom consists of two words, 'wisdom' and 'local'. Broadly speaking, the local wisdom can be understood as the ideas of local that are wise, full of wisdom, good value, embedded and followed by members of the community. The local wisdom is the knowledge and experience related to everyday life, occupations and cultures that have been passed down from generations to generations (Sumalee Sungsri. 2010).

The term local wisdom is the translation of 'local genius' which was first introduced by Quaritch Wales in 1948-1949 with the meaning of the ability of the local culture in the face of foreign cultural influences on the time in which these cultures are being related (Rosidi. 2011: 29). In Indonesian society, the local wisdom became a discourse in society in the 1980s, when local cultural values had been exhausted by the modernization which became the basic policy of development implemented by the New Order government (1996-1998). Modernization opens to globalization, that wants to regulate for the whole of Indonesia as a uniform society. Thus, the richness of local culture in the form of arts, literature, customary law, will disappear, that ultimately can not be used as a national cultural enhancer (Rosidi 2011: 35-36).

4. SPIRITUAL ACCOUNTABILITY

Implementation of spiritual accountability can be seen in research conducted by Triyuwono & Roekhuddin (2000), on accountability practices in LAZIS management. The accountability of the management of LAZIS emphasizes on the spiritual aspect by involving the spiritual dimension (*ihsan and taqwa*), no merely focused ib the physical aspect (*muzakki, munfiq and mussaddiq*) and mental of advisory council. The reflection of *ihsan and taqwa* is manifested in the form of practicing *shari'a* ethics and more concretely embodied in the form of financial statements and other reports. Spiritual accountability can also be seen in Randa's (2011) study

of accountability practices in church organizations. It was found that the meaning of spiritual accountability is carried out entirely by the people by carrying out religious activities, offering the offerings as expressions of their beliefs and choosing more religious life.

Lobo (2007) states that the concept of accountability in a Christian perspective is addressed to God, Man and Nature. God is the ultimate accountability. Jacobs and Walker (2000) conducted a study of accounting practices and accountability in the IONA community, which is a church organization in Scotland. They find that the daily activities of the IONA community are imbued with Christian rules. Accountability is built in the form of transparency of accounting records that reflect spiritual and religious reflection to build both individual accountability and group leadership towards God. This form of accountability reveals the need of unifying a spiritual reflection of religion and accounting practice.

5. A ANTHROPOLOGICAL CASE OF ACCOUNTABILITY IN *TONGKONAN,* TORAJA INDONESIA

In Toraja society, the home symbolized by the word '*Tongkonan.*' However, this word does not only mean a house for shelter or refuge from natural causes or to get a sense of security but also the center of government of *Tongkonan* indigenous people. *Tongkonan* implies not merely the physical as custom home but also contains the meaning of religious and organizational governance by placing *Tongkonan* as the center of the implementation of the rite, the center of the central leadership and kinship. *Tongkonan* as a center for community activities, organizes social governance for the people of Toraja, especially in carrying out the ritual of *Aluk Rambu Solo* (ARS). ARS is a traditional ceremony of Toraja people's death which aims to honor the deceased parents or relatives.

Tongkonan as a social organization at the center of community activities also organizes the governance of society for the people of Toraja, especially in carrying out the ritual ARS obliged to deliver accountable either individually (as a member of *tongkonan)* and organisationally as a form of accountability of the organization in order to increase trust and acceptance among individuals within organization and with wider community. The relation between Accountability, *Tongkonan* and *Aluk Signs Solo 'can* be described as Figure 1.
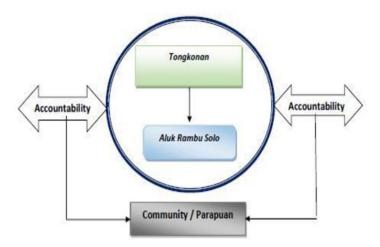

Figure 1 The relation between Accountability, *Tongkonan* and *Aluk Rambu Solo*
(source: Paranoan, 2011)

Accountability practices carried out in the physical dimension is inseparable from the values of spiritual and mental that exist within the families on *Tongkonan*. This section argued about the meaning and form of accountability within the *Tongkonan* organization, that is physical accountability. Paranoan (2015) states that the form of accountability to do is (1) *Passura* (notes) consisting of *Passura seng bati' to mate, Passura Tangkean Suru', Passura Pantunuan.* Although this form of recording is done in a very simple ARS ceremony, the information required by *bati 'to mate* has tercukupkan by the *passura.* (2) *Pengkilala* (memory) which is a way of initial registration of Toraja society during a ARS ceremony, whether to record the number of *Tangkean Suru'* and *Pantunuan.* Even, the entire activity within the ARS event from the past is recorded, and is used by Toraja community.

6. ACCOUNTABILITY IN BALINESE CULTURE

In the context of tribal and cultural-influenced organizations, Suputra (2011) conducted research on community agricultural organization in Bali known as 'Subak,' finds that Subak interpreted accounting from the perspective of the environment as a source of information, form of accountability, communication tool, transparency tool and to discipline member administration based on the values of *bakthi*, togetherness, sincerity, harmony, objectivity, honesty, openness, justice, punctuality, consistency and discipline. This eleventh values are very dominant with the spirit of life based on spiritual values. In addition, Dewi (2008) states that the practice of accountability of village credit institutions (*Lembaga Perkreditan Desa /LPD*) of *Pakraman Dharmajati Tukadmungga* in Bali in the dimensions of the human relationship with God as a reflection of spiritual accountability can be seen from the reflection of faith and devotion of LPD management activities based on values and norms contained in religious teachings.

7. CONCLUSION

Accountability practices in the context of government and business organizations place greater emphasis on the dimensions of human relationships. Consequently, the nature of management accountability is more focused on the physical, technical aspects than the mental and spiritual aspects. Yet, it is important to consider the mental and spiritual aspects of accountability in practice although this aspect is abstract because it is undeniable that these two aspects dominantly drive individuals in the organization to take action in decision making within the organization. It is inevitable that accountability not only on the physical aspect but also on the mental and spiritual aspects because accountability is the product of social construction values. Thus, it can be concluded that accountability is an obligation to provide explanations and answers to activities, actions, and policies made by committed parties and interpreted as a tool to build a moral organization, humanity, and pluralism.

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