Sekala and Niskala Accountability practices in the clan-based organization MGPSSR in Bali, Indonesia

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Abstract- **MGPSSR is a clan organization based on kinship and lineage. It comprises individuals and families of the descendants of the Sapta Rsi, seven venerated sages in ancient Bali. Initially, it was established to plan and supervise the construction and renovation of temples related to the seven sages. It was established in 1952 and enters its 61 years this year. One interesting phenomenon about the organization is its ability to carry out its missions for years without suffering any problem related to its financial accountability. The purpose of this research is finding out and understanding the accountability practices of this organization. The research used the ethnomethodology approach, which focused on methods and ways the MGPSSR carries out its accountability practices. Data were acquired through interviews, archival and documentation study, as well as observation. The interview was carried out with the organization's executives and members, and members of the general public. The research shows that the organization has implemented a holistic accountability practices, comprises both the secular and religious ones. The organization carries out two forms of accountability practices, the sekala (physical/seen) and niskala (non-physical/religious/unseen). These accountability practices are based on personal accountability, a term comprises the individual's sense of responsibility and integrity based on the religious values of karma, altruism and moral purity.**

Index Terms— **Clan organization, sekala accountability, niskala accountability, KaisAn.formatting, style, styling, insert.**

I. INTRODUCTION

Each organization has its own short and long-term objectives. One of the important objectives is ensuring the survival of the organization itself. Managing the organization through good corporate governance is a way to achieve the desired objectives and targets (Sulistiyowati, Anggraini and Utaminingtyas, 2010). Corporate governance is a performance management system that aims at increasing productivity, a way of managing the organization based on professional ethics in conducting business. It is also a mechanism used by stockholders and creditors to control the managers (Dallas, 2004). One element of the corporate governance is accountability, which has three dimensions, namely '*compliance*', "*transparency*", and "*responsiveness*" (Visser, Matten, Pohl, dan Tolhurst, 2010:5). Good accountability brings three benefits. First, it increases the transparency of the organization. Second, it improves the quality of decisions made by the organization. The better the quality and quantity of the information gathered the better capacity the organization has in making a good decision for the organization and the public. The last benefit is providing a clearer picture on responsibilities of each role in the organization (Beckett, 2002).

Despite the importance of accountability, its practice in organizational level is still quite problematic. One example is the case in 2001 that implicating Enron, a company accused of manipulating its financial report and providing investors with false information. The case had a global implication as stock prices sunk dramatically in various stock exchanges in the US, Europe and Asia. Rampant corruption signals that accountability has yet to gain ground. The above-mentioned examples show that opportunistic behavior has hampered the implementation of accountability principles at individual and organizational levels.

The problem is not only observed in commercial organization but also on Non-Governmental Organization (NGO). Several studies, including Kovach, Caroline and Simon (2003); Gibelman and Gelman (2001); Kilby (2005) and Goddard dan Assad (2006) shows the problems encountered by social and community organizations that implemented accountability. Kovach *et al*. (2003) carried out study on three types of organization: inter-governmental

organization (IGO), transnational organization (TNC) and non governmental organization (NGO). The result shows that NGO fare the worst among the three. It says that NGO has the most incomplete policy on information presentation to the public.

A research by Kilby (2005) yielded similar result: several NGOs still thought that implementing accountability and a sound policy on providing information to public is not an important thing. The subjects of Kilby's research are NGOs in India with programs targeting local women. The result shows that the NGOs believed that implementing accountability in a wide scale toward their constituents would weaken their control over the programs, creating tensions and distancing the NGOs from their constituents.

Another factor causing problem in implementing accountability on NGOs was revealed by a study carried out by Gibelman and Gelman (2001). The study focused in why and how NGO gets into trouble. The subjects were NGOs in the US in the 1990s (between 1998-2000). The study analysed dailies, weekly, monthly journals and special publications of NGOs, such as Chronicle of Philanthropy, Board Member, and The Nonprofit News. In the US, NGO is a non-profit or volunteers organization. The study shows that scandals involving NGOs ranged from corruption, embezzlement to conflict of interest. Some scandals went undetected and most of the scandals were cause by internal problems, including abuse of power, internal oversight's failure, and lack of good accountability practices.

Based on studies cited above it can be concluded that accountability practices on commercial organizations and NGO is still problematic. In some NGOs, accountability is a mere symbol of legality and has a very limited role in the policy making process. The very limited role of accountability was confirmed in a study by Eisenberg (2000), which states that NGO is merely a provider of service and not goods, thus, it tends to believe that it needs not be accountable to any party.

Anothetr phenomenon shows that accountability practiced by NGO is stil based on agency theory (Jensen andMeckling, 1976), in which accountability is only presented to the funders. In the stakeholders theory (Freeman, 1984) NGO has the responsibility to report to all stakeholders, including funders, government, donators, stafss and partners.

Given the aforementioned problems and cases, it will be very interesting to study the accountability practice of a local organization. The site of the study is Maha Gotra Pasek Sanak Sapta Rsi ("MGPSSR"), a clan organization based on kinship and lineage. It is a not for profit NGO.

The paper comprises several chapters with Chapter 1 deals with background, Chapter 2 on the focus of the research, Chapter 3 on the research methodology, Chapter 4 on discussion, Chapetr 5 on conclusion, implication and research's limitations.

II. FOCUS OF RESEARCH

The problem is caused by accountability practices that are still based on the agency theory, which separates the agent from the principal.Human nature dictates that both the agent and the principal have a desire to further their own interest. Whereas accountability practices are seen as not limited to a relationship between human but also to a relationship between human and his Creator and environment. This research aims at understanding the accountability practices of MGPSSR, a not for profit organization, in which members of its committee (the

agents) are also part of the principal itself. The focus of this research is:

How the accountability practices are implemented in MGPSSR-Bali?

III. RESEARCH METHODOLOGY

The objective of the research is to comprehend accountability practices implemented in MGPSSR, an organization of Hindu devotees that share the same kinship and lineage. Hindu's cultural values are important part of the organization's social identity. This research utilized ethomethodology approach, a sociological method developed by Garfinkel (1967). It belongs to qualitative research and based on phenomenology paradigm. According to Garfinkel (1967), ethnomethodology-based research views that man has the capacity to construct his social world in accordance with his capability to interpret.

Ethnomethodology has two key analytical traits: indexicality and reflexivity. Indexicality is an analysis technique in which the researcher tries to find meanings behind any information provided by the informants based on the contexts of the given information. Indexicality is all information embedded to a word in a certain situation (Coulon, 2008). Indexicality utterance is the main component of a discourse and a comprehension on the situation surrounds the utterance will leads the researcher to be able to attach the correct meaning to the utterance. There is no general meaning since each meaning is contrained by the context.

Reflexivity is both a practice and a social frame. It is te unique characteristic of a social activity that requires the presence of observable phenomenon at the same time. In daily activities, when a person speaks, he, at the same time, constructs the meaning, structure and rationality of what he is doing at the time. Reflexivity portrays the relationship between describing and producing an interaction, between understanding and disclosing the understanding (Coulon, 2008).

IV. DISCUSSION

Understanding the accountability practices implemented in MGPSSR must be done by comprehending the organization as an entity influenced by Hindu teachings and Balinese cultural values. MGPSSR activities have drawn significant supports from its members. The supports are in the forms of material and financial contributions as well as collective works. For the members, giving donation (*punia*) provide them with priceless psychological fulfillment.

MGPSSR fund made of internally-sourced, such as member's contributions, and from the government and members of the public.

The research finds out that MGPSSR implemented two accountability practices: "sekala" and "*niskala*". "*Sekala*" refers to the actual and physical accountability practices while the "*niskala*" refers to the non-physical practices

"*SEKALA*" ACCOUNTABILITY PRACTICES

MGPSSR is based on the religious values of Hinduism. Members of the MGPSSR executive committees understand the importance meaning and role of the organization to the

members and try their best to maintain the trust of the members by implementing accountability practices to all stakeholders. One form of the practices is "*sekala*" accountability practices. The researcher interviewed several informants to gain an understanding on this form of accountability practices.

The results of the interviews were analysed using indexical and reflexivity tehcniques. The results show that "*sekala*" accountability practices are a physical accoyuntability practices the MGPSSR implemented to prepare a report to both its internal and external donators. The end result of these "*sekala*" accountability practices is a regular activity report, a quarterly financial report, a financial status report attached to a special information board, and special meeting (*paruman*). The objective of these practices is to maintain the trust of the donators and provide them with a report detailing the use of their fund.

The "*sekala*" accountability practices are also implemented to maintain the support of the surrounding community. Without the support from the surrounding community, it will be very difficult for the MGPSSR to perform its functions. The MGPSSR nurtures this support by participating in activities to maintain the security and cleanliness of the surrounding community. Organizing religious ceremony and presenting religious offering as a sign of gratitude are two other realizations of this accountability practice.

"*NISKALA*" ACCOUNTABILITY PRACTICES

MGPSSR has not only tried to hold itself accountable to men (donators, members) and its surrounding community, but also to God. This accountability practices presented to God is called "*niskala*" accountability practices and are based on the religious values and faith adhered by members of the executive committees and members of MGPSSR. The MGPSSR's stakeholders are not only donators, government, general public, surrounding community, but also God as the ultimate power. The "*niskala*" accountability practices are not physical but have a strong influence on the individual behavior inside the organization. They are based on a firm faith toward *Ida Sanghyang Widhi Wasa* (God the Almighty). This faith wields stronger influence on members of the executive committees than a worldly commitment, which is often too easy to discard. There are several Hindu religious values that form the foundation of the "*niskala*" accountability practices. The first value is "*Karma Phala*"

Karma Phala made of two words: '*Karma*" means action or deed, while "*Phala*" means the fruit or result or consequence (Sudharta, 2001:20). *Karma Phala* refers to the result of one's action. It is believed that good deed (*subhakarma*) will yield good result and bad deed will generate bad result. The results of good or bad deed could influence our present life and our next life. Naturally, our action in the previous life could affect our present life. This concept is known as *sancita, prarabdha* and *kriyamana.*[1]

Based on interview results it can be concluded that the belief on this value among members of MGPSSR and its

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[1] *Sancita* is an action committed in the previous life but the result is experienced in this present life. *Prarabda* is an action committed in the present life and its result also experienced in the present life. *Kriyamana* is an action committed in this life time but the result will be experienced in the next life.

executive committees is very strong. Members of the exٌcutive committees believe that good deed will lead to good result and vice versa. They also believe that the result of their deed will affect their present or future life. Moreover, they believe that the results of their deeds would not only affect them as the doers but also the life of their descendants. The teaching on *Karma Phala* provides legitimacy to the "*niskala*" accountability practices.

Another value involved is 'altruistic sincerety", a concept deeply ingrained in the teaching on *yadnya* (sacred sacrifice). Without the "altruistic sincerety", *yadnya* will be nothing but an empty, meaningless ceremony. This "altruistic sincerety", the Balinese call it *me-yadnya* (doing *yadnya*) or *ngayah*, is an important pillar for any activities of the MGPSSR since it provides members of the executive committees with the drive to execute their duties and responsibilities without ever having thinking about the material and financial gains they will receive. *Yadnya* is interpreted as a religious sacrifice, in which a person dedicates their action and possession to serve God and mankind. This person will die a happy death and the world will be a better place due to the actions of this kind of people. It is said that good people sustain the world through their suffering and sacrifice. Bhagavad Gita (XVII: 2) states:

"...they aspire nothing in return. They do good things, unafraid of any consequence. They only scrutinize whether their action is right or wrong, to be a good or wicked person, and never give any thinking on whether they will have a chance to survive or not."

Interview results also show symbols used by the informants. MGPSSR regular donator states:

"When we give something in a sincere way, we do not care how the recipient will use that gift. The most important thing is giving and it is insignificant for us to know what will happen to that donation" (Putu)

Indexical and reflexivity analysis revealed several conclusions on the symbols. Donation (*punia*) was given in "altruistic sincerety" without any expectation for reward. People who gave donation did that out of a calling for sharing and as a realization of a religious teaching. Giving donation (*punia*) means doing the God's bidding.

A member of MGPSSR executive commites disclosed that he accepted the position and responsibility as member of the executive committee in the first place out of his desire to contribute to and serve the organization Similar motive was also revealed by the other members. They stated that they carried out their duties sincerely and without expecting any reward. They also revealed that the duties and responsibilities are *swadharma* (religious obligation), a noble task that must be carried out in an altruistic-sincerity way. Bapak Wayan, the secretary general of MGPSSR, states :

"Initially, Tyang (I) didn't have any desire to run for a position in the organization. However, during the mahasabha annual congress, the members selected me as one of the executive committee members. It was a huge load for me. But the trust the members bestowed upon me is a responsibility that I must carry out.

"Those who only want to get "something" through their participation in Mahagotra will get nothing. Those who come to serve in a sincere manner will be blessed with many things,"

Indexical and reflexivity analysis revealed several conclusions on above statements. The majority of the members who participated actively in MGPSSR did so because they wanted to help other members and serve Bhatara Kawitan ancestral deities. They possessed a firm belief in the importance of serving in sincere manner and without expecting any reward. They also believed that those who participated with an ulterior motive would not get any blessing from *Bhatara Kawitan*. It can be concluded that "altruistic-sicerity" is the dominating dimension of the MGPSSR's accountability practices. Members of MGPSSR truly believe that serving the organization is similar to serving the ancestors and God.

Accountability is a practice involves two parties: the one that bestows authority and the one that receives the authority. The first party has the right to be provided with information and explanation from the second party on the execution of the authority. However, often the accountability procedure has been degraded into a mere formality. Frequently, problems arise when the accountability report had been completed. Accountability, in the form of a financial report, seems to be nothing but a necessity when two parties with different authorities enter a contractual relationship.

MGPSSR has a different foundation compared to commercial enterprises. It is based on religious teachings, which guide the operation of the organization. Its accountability practices has not always been based on legal contracts or formal procedures like the one practiced by commercial enterprises. Another unique feature is the roles of the high priest in MGPSSR. The high priests always monitor the MGPSSR so as the organization will not go astray from the religious principles.

"Several time we sat together to design future programs. Throughout the process we had always been accompanied by at least one member of Sabha Pandita (Council of High Priests). The high priests counseled us with religious teachings so we will not have ban intention or desire" (Ketut)

The value that the high priests always impressed upon the committees' members is "purity". For the high priests, purity is the ultimate source and must be started with purity of the mind. Purity of the utterances and of the actions are all based on purity of the mind.

*"When you are set to do something, you have try to do it with a pure mind (manacika) because by doing so your endeavor will be blessed by the Lord." (*Pandita)

This teaching on purity is called *Tri Kaya Parisudha. Tri Kaya* stands for three foundations of behavior and *Parisudha* for that of which must be purified. It comprises *manacika*, the purification of mind by stop wanting the forbidden stuffs; *Wacika,* the purification of utterances by stop lying or giving false promises; *Kayika*, the purification of action by stop committing heinous deeds. This teaching states that pure mind will lead to pure utterance and eventually to pure action. The final state is when mind, utterance and action merge into one unified, consistent entity.

The culture of being always aware of *Ida Sanghyang Widhi Wasa* helps organization to stay on its rightful track. By always remembering the God's teachings it is expected that the organization would able to achieve the three purities

"in managing this organization we have always tried to base our actions on the religious teachings. We have also always tried to start any of our activities with a pure mind. Moreover, I have always prayed to Bhatara Kawitan so as I will be shown the correct path and protected from any temptation that might make me betraying the organization. I have always prayed that Ida Sanghyang Widhi Wasa will always guided me in discharging my duties as a member of the executive committees," (Ketut)

V. CONCLUSION

The objective of the research is to gain an understanding toward the accountability practices implemented at MGPSSR, a clan based organization with different characteristics compared to commercial enterprises. MGPSSR has continued to exist and function due to the support and trusts endowed to the organization by its members. Ethnomethodology approach was utilized in the research.

Accountability is a practice implemented to retain the trust of other parties toward the organization. It is a process in which an individual understands and responds to the internal and external standards of behavior, and defines how a responsibility must be carried out. Accountability is a process to understand behavioral standard and anticipate the needs to explain and justify behavior in the future. At this stage, an individual perception on responsibility is shaped as the results of observation on external needs and negotiation with organizational agents (Schlenker dan Weigold, 1989:25). The trust of the principal to agent will be fulfilled when the agen can justify and explain the actions the agent took to reduce konflic between the two parties.

Occasionally, the accountability process failed to yield optimum results due to the human tendency to protect his or her self-interest as revealed by Eisenhardt (1989). Human is the doer of the accountability process in an organization, thus, having a significant influence on whether accountability would be treated as an important part of it. Therefore, it is expected that those who carry out accountability possess a strong integrity and firm values to establish good accountability practices that could be well-received by those who bestow the authority. Without the strong integrity and value, the accountability practices will likely unable to retain the trust of the principal and place the organization at disadvantage.

MGPSSR must be held accountable to several stakeholders, including donators, government, general public, and God. The accountability practices implemented by MGPSSR is based on the stakeholder theory, in which members of the excutive committees act as agents while stakeholders as the principals.

Results of the research show that MGPSSR implemented "*sekala*" accountability practices and "*niskala*" accountability practices. "*Niskala*" accountability practices are the important foundation for the '*sekala*' accountability practices. The

executive committees' accountability report to the God is a strong footground for them to carry out the 'sekala'' one as well as acted as a restraining force that prevent them from committing actions that may damage the organization.

'Niskala'' accountability practices are based on several firmly-ingrained religious values, namely *Karma, Ikhlas* (sincerity), and *Kesucian* (purity), known by its acronym **KarIsAn**. KarIsAn values affect the behavior of the individuals in MGPSSR and , later on, influence the 'sekala'' accountability practices. The results are in line with the result of studies carried out by Hofstede (1980) and Gray (1988) stating that values and culture of an organization will influence the organization and the behaviors of individuals inside the organization.

On the other hand, the "sekala" and "niskala" accountability practices implemented in MGPSSR have also displayed a harmony, in which accountability is presented not only on physical level to other human being and the environment, but also on abstract level to God. These forms of accountability practices reflect the Hindu teaching of *Tri Hita Karana* that focuses on the harmonius relationship between man with man, man with the environment, and man with God (cf. Windia dan Dewi, 2007; Wiana, 2007).

VI. IMPLICATIONS OF RESEARCH

1. Theoritical Implications.

The results of this research will enrich the body of knowledge on accountability practices at organizational level. The results reveal the need for a change in the accountability practices to move beyond accountability from agent to principal as stated in the Agency Theory. There is a need for accountability practices that offer more than single line accountability. MGPSSR has implemented , multiple line accountability as mentioned in the Stakeholder Theory (Freeman,1984), which stipulates that an organization must take into consideration not only the needs and aspirations of the stock holders, but also the needs and aspirations of its external constituents, such as consumers, employees, suppliers and the general public.

Another implication is that accountability practices should not only touch the physical aspect (*sekala*), which generally in the form of accountability report, but also the non-physical aspect (*niskala*). Both types of accountability practices are important because the "*niskala*" one will promote a better, more responsible "*sekala*" accountability practices.

2. Practical Implications

This research identified **KarIsAn** (*Karma*, *Ikhlas* (sincerity) and *Kesucian* (purity)) as values that influence the accountability practices of MGPSSR. **KarIsAn,** values based on religious teachings**,** are expected to be a guidance for MGPSSR executive committees' members in carrying out their accountability practices toward the stakeholders**.** The practical implication of the research is the KarIsAn values found in MGPSSR accountability practices could be implemented in other organizations, especially the ones that share similar traits with MGPSSR, in their accountability practices.

VII. LIMITATIONS

Several limitations that constrained this research:

1. Several key informants, including the founders of the organization, had passed away, thus, preventing the researcher from gaining valuable information.
2. The researcher were not present in several important moments, during which the organization carried out it accountability practices.

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