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**ACCOUNTING, KNOWING AND BEING:
MALAYSIAN MULTI-ETHNOGRAPHIC CASE STUDIES**

**A thesis submitted in fulfilment of the requirement for the award of
the degree**

DOCTOR OF PHILOSOPHY

From

UNIVERSITY OF WOLLONGONG

by

**HASRI MUSTAFA
Dip. In Banking, ADBS (Finance) (ITM), MBA (Accountancy) (UUM)**

**School of Accounting and Finance
2006
VOLUME 1**

**IN THE NAME OF ALLAH, THE MOST GRACIOUS,
THE MOST MERCIFUL.**

All praise and thanks are Allah's, the Lord of the '*Alamin*. The Most Gracious, the Most Merciful. The Only Owner of the Day of Recompense. You alone we worship, and You alone we ask for each and everything. Guide us to the Straight Way. The Way of those on whom You have bestowed Your Graced, not of those who earned Your Anger, nor of those who went astray (The *Qur'an*, 1: 1-7)

DECLARATION

I, Hasri Mustafa, declare that this thesis, submitted in partial fulfilment of the requirements for the award of Doctor of Philosophy, in the School of Accounting and Finance, University of Wollongong, is wholly my own work unless otherwise referenced or acknowledged. The document has not been submitted for qualifications at any other academic institutions.

Hasri Mustafa

Date: **25 NOV 2006**

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APPENDICES

The appendices in the thesis are set to be compiled in different volume. The volume (Volume 2) contains of source materials that support and demonstrate the “making” of ethnographic study. Although this ethnography is written with anonymity the author believes it is important however to keep appendices in the genuine forms to clarify those relevant inquiries, communications and interactions to which the research-site names, logos, actors, signatures, etc. are to be found in the empirical way. Thus, the appendices are confidential and available to the supervisor and external examiners *only*. As the original names of organizations (*not* ECF, DIB and RCARE) are put into the volume, for the informational purpose, the appendices should be reading nevertheless of having

- Part One: In this part, appendices are concerned with the challenge of gaining access to the research setting of the three organizations in Chapter 3. They include *The Acceptance Letter of ECF, DIB and RCARE* (Appendices 1, 2, and 3)
- Part Two: In this part, appendices are concerned with the case of the Employee Commitment Fund (ECF) in Chapter 4 and its relation to the State Ideology, Society and Accounting. They include *The ECF in the News - 1950s, 1960s, 1970s, 1980s, 1990s, 2000/2001* (Appendix 4), *37 Employees Charged Under the ECF Act 1991* (Appendix 5), *More ECF Members Invest in Unit Trust* (Appendix 6), *ECF's Job Description: Accountant of the Finance Department* (Appendix 7), and *ECF Follows Approved Accounting Methods* (Appendix 8)
- Part Three: In this part, appendices are concerned with the case of the Road-way Care (RCARE) in Chapter 5 which is structured within the particular context of Political Institutionalism, Corporate Hegemony and Accounting. They include *The UEM/Renong Group of Companies* (Appendix 9), *RCARE: Corporate Finance Department Chart 2003* (Appendix 10), *The Map of RCARE* (Appendix 11), *Public Reprimand and Fine on UEM* (Appendix 12), *UEM - Breach of Section 341 of KLSE Listing Requirement* (Appendix 13), *New UEM World Berhad* (Appendix 14), *UEM-Renong Finalises Revamp* (Appendix 15), *RCARE's Listing Circular by Bursa Malaysia Berhad* (Appendix 16), *RCARE Chairman's Statement* (Appendix 17), *The Core Business of RCARE* (Appendix 18), *The Renong Group Debt Restructuring Plan* (Appendix 19), and *RCARE's Policy in IT* (Appendix 20)
- Part Four: In this part, appendices are concerned with the case of the Darul Islamic bank (DIB) in Chapter 6 with which Religious Conception, Corporate Accountability and Accounting are discussed. They include *DIB's Corporate Mission* (Appendix 21), *DIB's Corporate Objectives* (Appendix 22), *SAP Malaysia R/3 Software End-User Value Licence Agreement with DIB* (Appendix 23), *DIB's Range of Products/Services* (Appendix 24), *DIB's Reports and Documents - Prepared by* (“disediakan”), *Verified by* (“disemak”), *Approved by* (“disahkan”), and *Posted by* (“dimasukkan”) (Appendix 25)

ABSTRACT

In the ongoing modernization state of our everyday life, there is considerable common sense that remains deeply engrained but provides excellent framing narratives for the understanding of accounting treatises. These include signs, symbols, images, metaphors and conceptions of those holding the divergent characteristics of “being-in”. In Malaysian society the most common construction of these are in the inscriptions of “*Bumiputera*”, “*multiethnic society*”, “*UMNO*”, “*New Economic Policy*”, “*Islam*”. At the heart of Malaysian modernity, they play a significant role in the setting of ideology, politics, religion, race and economics. They are the pathway for the establishment of Malaysian identity and they reflect the characters and contents of Malaysian society.

Critically, the key challenge is to address the insights within which lie the distinct genres of ethnographic translation with which knowledge of accounting and knowledge about accounting are to be profoundly associated. In this thesis, “*Bumiputera*”, “*multiethnic society*”, “*UMNO*”, “*New Economic Policy*”, “*Islam*” are the themes. They create a critical space for studying accounting as a human science. They suggest the research and present a special problem in the accounting treatises. However, in yielding an ethnographic study of accounting that is to meet this aim, they are to be contextualized not as histories but in organizational discourses. This is important in order to make them visible, that is, although they are “global” in nature they are to be understood as “local”.

In this study, ECF (Employee Commitment Fund), RCARE (Road-Way Care) and DIB (Darul Islamic Bank) are the organizations that are to portray the above concern. The basis of this ethnographic study is Geertz’s interpretive anthropology that advocates that “one makes detours, goes by side roads”, and uses “methodological sleight of hand”, “experience-near”, “experience-distant” - all that call “the understanding of understanding”. It is detailed under the following interrelated schemes of the conception of culture: “by isolating its elements”, “internal relationships”, and “in some general way”. Empirically, in the story of ECF, accounting is depicted as containing the rational and objective view. This is due to the fact that ECF is confined to establish both *trust* and *security* in an utopian ideological form. In the story of RCARE, accounting is written to accompany the socio-political and monarchic view. This view is characterized in the discussions of *network of contracts* and *network of debts* in the political institutionalism and corporate hegemony descriptions. As a result, accounting is bound to have priority which is based on maintaining the “specific” established economic community. In the story of DIB, accounting is scrutinized in the domain of accountability in the conception of *khalifah*, *interest-free* and *religious auditor*. As a conception, accountability is viewed both as a moral motive and obligation. This is discussed in the expressions “many assistant managers but with no prescribed job description at the commencement of work-too many meetings-spiritless in giving training” issues. Viewed from the perspective that the stories have offered, accounting is presented to intellectually discuss the macro-micro settings: the State, the ruling party, and self-belief. In these pluralistic and conflictual views, supported by the views of doing “local management control”, accounting is seen as enfolding the common sense routines. This is appropriate for highlighting what this study has proposed in treating the accounting discourse as a human science.

CHAPTER ONE

ABOUT THIS ETHNOGRAPHY¹

1.1 Introduction of a Problem, a Challenge and a Research Question

This ethnography is written with limited time, abbreviated funds and exhausted capacity. During the four-year-period of undertaking this study, in the first year, I had spent almost eleven months finding-out and being-in the places that I hope are able to offer an adequate insight into the understanding of accounting as a human science (cf. Manicas, 1993). By “human science” I mean those sciences that connect knowing-how and knowing-about the way we humans usually attempt to “take all kinds to sense a world” - the scientific, the artistic, and the pluralistic. Yet I found for human beings, who produce and re-produce knowledge, the so-called “accepted theories”, “valid frameworks”, “variable analyses” are frustrating. Still, even they were believed to remain dominant, they are driven by “a settled view” and are very much confined to what they take as fact and what they regard as truth.

Early in my second year, I was still grappling with “new”, “alternative” and “critical” views of accounting at a broader social level. Under the supervision of Professor Michael Gaffikin, I was introduced to the cultural perspective, especially the works of Clifford Geertz, the “interpretive anthropology”, as the way somehow to understand how it is we understand understandings not our own - “the understanding of

¹ In this ethnography, the term of “I”, “me”, and “myself” are used. The use of these expressions, rather than being common in ethnography, is to imply that this study is a reflection, both of a work and of a life. Under this treatment, accounting is appreciated as not external to the “self”, hence, it is able to reveal more “insights” that this study is expected to achieve. As George Herbert Mead puts it: “The self appearing as “I” is the memory image of the self who *acted toward himself* and is the same self who *acts toward other selves* ... If the “I” speaks, the “me” hears. If the “I” strikes, the “me” feels the blow” (1913; p. 143, emphasis added).

understanding". My feelings were rather mixed but at the same time I was fascinated with what Geertz has offered to other academic disciplines - the social sciences, literary studies, philosophy. It was not what I had thought in my academician experiences of over seven years. My three years studying for a diploma in banking, two years for a degree in finance, two years for a master degree in accountancy did not help me much. For both degrees and the masters I completed theses in reporting *not* interpreting (as Geertz's theses employ, cf. 1973; 1983). Admittedly, it seemed that I had just embarked on my intellectual inquiry into the heights of an accounting treatise. Initially I had nothing to offer with the "skills" and "thoughts", other than my "hope", "curiosity" and "promise" for consciousness raising into a greater appreciation of accounting in the everyday life of human beings. With this positive motivation and full support and encouragement from my supervisor it was not until late in my third year, reading the literature of culture and Geertz, that I was able to sketch the subtleties of my thinking about the accounting that I really wanted to *write down*.

During my study period I wrestled with love, passion and responsibility as a student, a husband, and a father of my family. In my second year, I learned of the depth of feeling for my wife and my third child who was born with a "problem" but finally turned out to be a charming and gorgeous daughter. In my third year, my study was tragically affected by the conflict, sensitivity, and trauma of my son having deep third degree burning to his left arm. All of these created sufficient depth and meaning to me. Perhaps they are not of interest to others but it is precisely those that constitute the fabric of meanings without which, in my view, I may not be able to educate myself to see accounting - in the course of the understanding of understanding that reflects the nature of the social actions and conflicts of human beings.

This study emerges at a time when accounting is perceived as dissolved in a growing influence of meta-theory, diverse-practice, and advanced-technology. Seen as theory, accounting is said to explain the principles, laws and rules; as practice, it is seen to possess power, authorization and competency; as technology, it is assumed to shape variety, quality and amenity. It may seem an exaggeration but these appreciations of accounting, more or less I found, almost are anticipated. I am aware that much of this is in terms of the positive movement as part of a broader modernist perspective. This is the way I have been traditionally told to view accounting - with the emphasis on the technical. However, although I have had sympathy with this view it does not relate to accounting in everyday life. Such a view does not assist understanding. Attempts I have made to lead to a greater awareness of the broader societal role of accounting seem to indicate a much more holistic approach is necessary as accounting underlies much of life's everyday activities. Efforts of others - accountants, managers, doctors and even grocery shoppers - to comprehend accounting have led to explanations devoid of any appreciation of Malaysian society and how it shapes and is shaped by accounting.

It is this experience that was the reason for undertaking this ethnography and was also the reason that the Employee Commitment Fund (ECF), Road-Way Care (RCARE), and Darul Islamic Bank (DIB)² are worthy of being my research empirical context. The details on how they came to be cases of my study are shown in Chapter 2. With these organizations, my purpose is to reflect on the common sense realities that are found in Malaysians' vocabularies and that are inhibited in Malaysian culture. It should be noted that during the many years since the inception of Malaysia in 1957, there have occurred a dazzling series of insights where ideology, politics, religion, race, and

² See footnote no. 4, Chapter 2.

economics have dominated the news. To name a few: 1850 – 1880, tin mining industry; early 1900's, rubber plantation industry (both initiated the massive Chinese and Indian migration); 1969, communist and racial riots; 1970, *Rukunegara* ("the Principles of Nationhood"); 1971, the New Economic Policy (NEP) and the development of *Bumiputera* ("son of the soil") entrepreneurship; 1988, *Bahasa Baku* ("standard pronunciation of Malay Language"); 1997 - 1998, economic crisis; 1998 - 2002, Anwar Ibrahim and UMNO (United Malays National Organization) cases; 2003 - 2005, the merger of banks and financial institutions; 2005, "Islam Hadhari". But the very fact of appealing to how the phenomena relate to accounting, as knowledge, telling the story from the year of Malaysia's formation until now has so far been unexplored by Malaysians. Sadly, research into how meaningful this may appear from various theoretical perspectives of intellectual development has been largely ignored by Malaysian accounting scholars.

Insofar as the identity of being a "Malaysian" is concerned, based on the foregoing events, key issues such "*Bumiputera*", "*multiethnic society*", "*UMNO*", "*New Economic Policy*", and "*Islam*" are depicted as inherent in everyday life. They are catalogued with respect to intrinsic aspects of reality. In the manner of their constructions, they are "with" me, with everybody, and within the mode of "being" - growing obliquely, largely uncharted, and symbolically - as a common sense. Seen from this perspective, I feel responsible to include them in this study, in the following **question**: to see how in a common world they could be understood as not external to accounting treatise. I consider this question essential since, in everyday life, they imply a body of knowledge that in Geertz's view is "general in general and particular in particular" (1983; p. 150).

1.2 Accounting, Knowing and Being

In line with this consideration, to include ideology, politics, religion, race, and economics in such key issues like “*Bumiputera*”, “*multiethnic society*”, “*UMNO*”, “*New Economic Policy*”, and “*Islam*”, so to speak, the accounting with which I am concerned thus has the character of being-with this world - “the State”, “the capitalists”, “the nationalists”, “the ethnics”, “the regime” and “the priests”. These groups of constructs are fundamentally in the forms of “making” and “becoming”. The characteristic of them is very pragmatically oriented as they are “dictated by the rise and fall of civilizations” (Foucault, 1972; p. 8) and in the descriptions of events. Therefore when applied to the accounting treatise, they entail a critical reading to derive the meaning and its interpretation. Their association with accounting is in the form of “translation” of many uncharted references. As Hopwood reads

The language of accounting has entered organizational and political discourses. We even have become accustomed to talk about ourselves in terms of assets, liabilities, resources and balances, and as we have, the possibilities for action have sometimes changed quite radically. You can do things to a “human resource” that it would be difficult envisaging doing to a resourceful human being. Today many of the rhetorical claims made on behalf of the accounting craft are also quite readily accepted. Accounting is increasingly seen as a pervasive and highly generalized technology that can contribute to the functioning of a very wide range of organizations and socio-economic processes. Accounting is now evident in many aspects of our everyday life (1994; p. 299)

According to Robson (1991), “translation” is to “connect” accounting “to its environment” (p. 550; see; Hines, 1991), clothed in the discourse of neutral, technical, professional endeavour” (p. 550) that may subsequently provide motives for accounting to be “seen” in new form and “problematical ways” (p. 551). For this effort, it has been said that accounting is to be dealt with the intricate image of reality (cf. Morgan, 1988).

A phrase often heard in the literature is that accounting is to mirror and to create and shape the reality (Boland, 1987; Davis, Menon, & Morgan; 1982; Hayes, 1983; Hines, 1988; Roberts, 1991). As such, this illustrates that when comprehending the way accounting is anticipated, and the intricacies of its supposed interrelations, it would indeed be authentic to defend the view that accounting is present in the working of our sense organs, as Meyer (1986) and Morgan and Willmott (1993) accentuate “invisibility”, Hines (1988) and Fischer (1996) illustrate “real-ization”, and Morgan (1988; also 1997), Preston, Wright and Young (1996), Preston and Young (2000) and Warren (2003) describe instances of “imag[in]ing”.

It is with these descriptions that accounting is brought to translate to a form of what human science comes to. In this ethnography, the words “knowing and being” are used to depict this pursuit. They are to be read in the phenomenological method in the general phrase of “knowing is a kind of being of being-in-the world” (Heidegger, 1953; p. 57). In this consideration, the concern is to attribute accounting to common sense realities and to engage in empirical setting translation which culture embodies. It is to make accounting, as a human science, to find available with the knowing of matters that “are depicted as inherent in the situation” (Geertz, 1983; p. 85) but crucial for an understanding. This is because, ontologically, as Loft wittingly reminds

Accounting data are apparently asocial products almost untouched by human hand” (1986; p. 137, also Meyer, 1986; p. 351)

Notwithstanding, this study is not intended to engage in an exegesis of “the question of being or existence” in philosophical language which is limited to human beings thinking. It is no more than an account of an interpretation of the everyday life of

the shaped behaviour that is in the narrativity of where accounting takes place. In the sense that the above accounting scholars refer to “invisibility” “real-ization”, “imag[in]ing”, accounting is to purportedly considered as “part” of being therefore, subject to interpretation and reinterpretation.

Chapter 3 elaborates on this “Accounting, Knowing and Being” idea. The explication is from Geertz’s conception of culture that advocates “one makes detours, goes by side roads”, “methodological sleight of hand”, “experience-near”, “experience-distant” - all that he calls “the understanding of understanding”. Prior to that, in Chapter 2, to get a meaningful insight, I explain the common sense features concerning the foundations of knowledge in everyday life - taking examples from the early days experiences in ECF, RCARE and DIB. Through this “introduction” to the methodological position of knowledge, I am echoing and confirming a claim of Michael Polanyi: that knowledge is inasmuch a “process of knowing” (Polanyi, 1961). Seen in this context, knowledge is pronounced to be incomplete; it does not contain a well charted conception - “discover and stop” - but is in the “blurred genres”, in the praxis of the understanding of understanding. With this, it formulates the act of knowing, to be denoted, as “knowledge *of* accounting” and “knowledge *about* accounting”³, in the being realm. As a corollary, in respect of the topic of concern, my interpretations of accounting in ECF, RCARE and DIB do not provide solutions but are “a way to cause

³ The words “knowledge *of* accounting” and “knowledge *about* accounting” will be used throughout the texts in this ethnography. Initially, I coined them to resonate with Goldberg’s expressions of “accounting knowledge” and “knowledge about accounting” (Goldberg, 2001). Later, I found these propositions “of” and “about” appropriately attached to my journey in the knowing process. Ontologically, it is because, they reflect the very notion of accounting as Devine observes, “It is possible that our ancestors chose the name ‘accounting’ because they wished to emphasize the idea of accounting *for* something. An interesting sidelight is their early use of the terms ‘to’ for debits and ‘by’ for credits” (1985; p. 180-181, emphasis in original). Likewise “to” and “by”, according to Concise Oxford Dictionary (10th Edition); the general function of “of” and “about” are to express a relation to another *word* or *element*. In this ethnography, they are read as “to express a relation to another *world* or *perspective*”. This I continue in detail in view of their methodological aspects in Chapter 2.

them to cast light on one another” as “knowledge” for Geertz is “the deeper you get in, the odder things begin to look” (2000a; p. x). In this case, accounting is viewed in connection with the translations of ideology, politics, religions, race, and economics in the key ingredients of “*Bumiputera*”, “*multiethnic society*”, “*UMNO*”, “*New Economic Policy*”, “*Islam*” - those common sense realities.

1.3 A Style of Presentation and Method of Organization

Needless to say this knowing-being conception which Geertz advocates implies the translation in the macro construction of a larger social order. As for Geertz, “no one knows everything, because there is no everything to know” (2000b; p. 134), and “being common, common sense is open to all” (1983; p. 91). The so-called “State”, “capitalists”, “nationalists”, “ethnics”, “regime”, “priests” that ideology, politics, religion, race, and economics are so much about matters of fact and are not in an isolated world. They advocate a global perspective in the saliently transcultural world. Just as the *Information Age*, *Information Superhighway*, *Digital*, *Intelligent* advocate, they do not permit a distinct disciplinary perspective. The very notion of them is built upon the wave of intellectual capital labelled modernization. I believe I was right therefore, in the same vein of anthropologist George Marcus (1989; 1995; 1998), to anticipate the ethnographic study moving from the traditional single-site location to multiple-sites of the world that the modernist technocrat, and the like, calls “accounting”. A style of presentation is illustrated in the different stories of ECF, RCARE and DIB in chapters 4, 5 and 6 where each is related to each other - “as a way to cause them to cast light on one another” (Geertz, 2000a; p. xi; also 1996; p. 49).

Of course, the anxiety of drifting apart from a single thesis in addressing such topic is there, but if accounting is to be what it should be, a multi-aspect view of knowledge should be celebrated. As for this ethnography, in ECF, the content is about the State ideology and society. The elucidation of accounting is with nationalism, utopianism and with the view of conferring legitimacy through ministerial stability. In RCARE, the content is with political institutionalism and corporate hegemony. In this context accounting is exploited of not to mutual society benefit but to perpetuate monarchy *vis-a vis* capitalist and “system of class” overlapping interests. And finally, in DIB, the content is with a religion conception and corporate accountability. The elucidation is in view of faith and collective responsibility as to confront accounting of the above phenomena with ethical-aesthetic norms.

In so doing, anyhow this ethnography is not without format. In Chapter 3, Geertz’s conception of culture and its interlinkage with interpretation and the knowing-being process of which accounting supposedly embodies is detailed under the following interrelated schemes: “by isolating its elements”, “internal relationships”, and “in some general way”. This is done so that this ethnography is organized as a body of considered thought. The strategy offered by the schemes is appropriate to get intellectually close to a handful of views of those common sense realities. Under these schemes, to follow Geertz, the game is “to display the variation” of ECF, RCARE and DIB and “their” accounting, and then converge “with some features seen as distinctive of common sense in whatever clime to expose the form” of Malaysia. The aim is to appropriately link accounting with those significant sets of notions about being-as-Malaysian. Their cases are to represent accounting - a human science - “as a familiar world, one everyone can,

and should, recognize, within which everyone stands, or should, on his own feet” (Geertz, 1983; p. 91).

1.4 Research Significance

In this line of pragmatic discussion, accounting is translated “to represent a whole local world and simultaneously a world system” (Marcus, 1998; p. 39). Besides having the underlying principles on which it is based, for example, with reference to “accounting and local management control” of each ECF, RCARE and DIB, there are “vocabularies” that we Malaysians share. This is because although “ECF”, “RCARE” and “DIB” represent “matters” in a *special frame* of mind, as far as ideology, politics, religions, race, and economics are concerned, they themselves are *the* matters in the *general property* of mind (Geertz, 1983). As Geertz specifies

To live in the suburbs called physics, or Islam, or law, or music, or socialism, one must meet certain particular requirements, and the houses are not all of the same imposingness. To live in the semi-suburb called common sense, where all the houses are *sans façon*, one need only be, as the old phrase has it, sound of mind and practical of conscience, however those worthy virtues be defined in the particular city of thought and language whose citizen one is (ibid; p. 91-92)

This “local but global view” is to put accounting to be seen as an “everyday problem”, as an “ordinary language”, as a “symbolic of identity” - a human science. The justification of this I detail in Chapter 7 in the “readings” of ECF, RCARE and DIB. In the chapter, the potentiality of their texts in expanding the horizon of knowledge, in particular of knowledge *of* accounting and knowledge *about* accounting, is discussed. In this sense, research significance is determined *not* by the ability of this ethnography to bring the matters into conclusion in the definite forms of specific contents, but as Geertz always puts it, to cause them to cast light on one another. This provides

understanding the nature and consequences of the symbols, myths, dysfunctions, divergencies, and other “perspective” discourses which are unanticipated in most Malaysian accounting research, but important in the development of accounting practices (see; Cooper, 1983). Categorically, such study of local but global views offers accounting readers the fair sights in both the generality and specificity, the good and bad, the uniform and the contrasting, and the simple and the complicated. This is important given that a world is not in a dichotomy. The two together are the grounds on which accounting rests (cf. Chua, 1988; Cooper, 1983).

1.5 Research Objective

I hope, by all these comments, and the cases included in ECF, RCARE and DIB, this ethnography, which I consider a “Malaysian reading of Malaysians experience”, will open the minds of Malaysians to learn to read accounting from a more fruitful perspective. Although this ethnography is seemingly distant from the prevalent research techniques and methods of the Malaysian accounting treatises as subsequently discussed in *A Final Note About This Ethnography* in Chapter 8, it signifies an appreciation of accounting to be seen as occupying a faculty of common sense. The objective is to gain understanding through the many ways of thinking. Specifically, as pronounced earlier in an introduction, it is to “avoid being mere *bookkeepers* of facts or spinners of metaphysics” (Blumer, 1969; p. 170, emphasis added). It is with this line of thought that I present my “Accounting, Knowing and Being” thesis given the available capacity, time and funding to further understanding accounting as a human science.

Thus, by way of conventional summary the study is arranged in the following manner. The next chapter (Chapter 2) sets out the research setting and the methodology

employed. Much of the discussion concerns issues in getting access to research sites. Chapter 3 explores the work of Clifford Geertz and its relevance to accounting research. It is argued that where issues of culture are concerned Geertz's work is most apposite. Therefore, given that Malaysian "culture" is a central theme of this study Geertz's framework of analysis is most appropriate.

The following three chapters describe the empirics - the discussion of the three researched sites. In Chapter 4 ECF is the subject and issues of state ideology are the central theme. Chapter 5 has RCARE as the subject and the issue of corporate hegemony and political manipulation is the heme. Religion is a dominating cultural factor in Malaysian society and this is related to the subject of Chapter 6, the Islamic bank, DIB. Chapter 7 draws the threads of the themes together and Chapter 8 offers some conclusions about the study and what the research uncovered.

CHAPTER TWO

ACCOUNTING AND THE METHODOLOGICAL POSITION OF KNOWLEDGE: A RESEARCH SETTING

What we regarded as reliable knowledge was not a body of ‘generally accepted principles’ of the kind that so strongly influence accounting practice. It was knowledge of the underlying nature of the physical and biological and social context of practice
- Raymond John Chambers
Accounting Education for the Twenty-first Century, 1987

2.1 Introduction

In this chapter, it is my intention to simply extend my notions of “accounting” and “knowledge” from a superficial appreciation to a more complex understanding that I am seeking later. At present, the term “knowledge”, as employed in respect of accounting, has no single and consistent definition. It has come into use in this study as a label to refer more generally to the knowledge *of* accounting and the knowledge *about* accounting. In “everyday life” the peculiar characteristic of knowledge does not enable us to better describe things other than that which is actually in our sense organs or “being”. But, to permit a precise description of “being”, which is the main source of knowledge, is surely impossible. There are mechanisms from scientific specification to intuition that are unexplainable. As Michael Polanyi, a chemist-turned-philosopher, aptly describes

We know a person’s face and can recognize him among a thousand, indeed among a million. Yet we usually cannot tell how we recognize a face we know (1964; p. 142)

Polanyi suggests that knowledge is a kind of *The Unaccountable Element in Science* (1962) which we understand but are unlikely ever to reveal in full explanation. For him, knowledge is *personal* (1958). Such “status” of knowledge held by Polanyi is empirically understandable. From the collection of essays about Moroccans, Balinese and Javanese societies, Geertz found that although knowledge is “common”, “the deeper you get in, the odder things begin to look” (2000a; p. x). As Geertz portrays

Who knows the river better (to adopt an image I saw in a review of some books on Heidegger the other day), the hydrologist or the swimmer? (2000b; p. 140)

Therefore, acknowledging this idiosyncrasy, in this chapter, instead of presenting a clear description of what is knowledge, I will explain it in the sense of how one might begin to understand knowledge as a general term and to communicate this to others. It is the methodological position of knowledge not the “pathological condition of its *facies*” (Polanyi, 1961; p. 123) with which I am concerned. The aim is to understand what is regarded as knowledge *of* accounting and knowledge *about* accounting and the ways to attain them.

In so doing, I will illustrate from the research setting narratives in those organizations that are the subjects of this study. This is ideal since within the coordinate sets of knowledge “getting a place for the research setting” implies the sociological thought of the researcher which might differ widely from that of others (Rasyid & Gaffikin, 1996). In addition, the process of researching is not given or pre-given but problematic and always in the mode of construction. This suggests that the research setting envisages a character *sui generis* of the world of everyday life and therefore a

researcher and a researching context are not individually detached (cf. Baxter & Chua, 1998; Chua, 1986a; Hopwood, 1989; Rasyid & Gaffikin, 1996).

In this early stage, the current chapter also functions to inform the readers at the outset between “real” and “ideal” (Wolcott, 1975), “negative” and “positive” (Becker, 1958; Wilson, 1977), and “says” and “means” (Walker, 1982) that are polluted in the enterprise of “knowledge” that I am studying. This has merit as it justifies to the readers the ways in which the data in this thesis were “takens” not “givens” (Merino, 1993; p. 180). In addition, it tells about the challenge of gaining access to the research setting which is missing somehow in the literature (cf. Ferreira & Merchant, 1992).

2.2 In Writing about Undertaking Research

On 30 October 2002, I met my supervisor to discuss the “annual progress report” of my research. The report contains progress assessment and a research plan for the next year. As the report is necessary to ensure continuation of enrolment of students each year, the student is given a month to complete the first section before submitting to the supervisor, which then will be forwarded to the Dean of the Faculty. From the discussion, I sought permission from him to return to my country within a certain period to proceed with my data collection. Fortunately, he agreed and reminded me to get a letter of recommendation from him and make sure that my research site was available before my departure.

In making sense of accounting as knowledge that exemplifies ways of life, I prefer organizations (Ahrens & Dent, 1998; Hayes, 1983; Hopwood, 1983; 1987; 1990). Although one may argue that the organizations that I am researching are physically out

“there” and are “far away” from myself, they are “located” in one reality and then “refer” to another reality and are formed from a set of common knowledge, interests, conflicts and beliefs. They are part of me and I cannot wish them “away” from myself. Instead, I would argue that

The study of accounting is, as it were, decentred. As a result, the only way to understand accounting practice is through an understanding of the organisational reality which is the context of accounting, and which is the reality that the accounting systems are designed to account for (Roberts & Scapens, 1985; p. 444, emphasis added, also Carruthers, 1995; p. 313-314; Kaplan, 1986; p. 448)

In undertaking this mission I initially took almost a week to identify the possible organizations. By possible I mean those to which I felt my application would probably be accepted. In so doing, I briefly viewed the organization’s “front-line story” in the home pages that I found from the website of Kuala Lumpur Stock Exchange¹ (www.klse.com.my), the body that serves as a self-regulatory organisation which governs the conduct of Malaysian public listed companies in securities dealings, surveillance of the marketplace and enforcement of listing requirements², and through the search engine of www.google.com, www.yahoo.com, and the like. From them, I looked for the “stories” that “would bring their accounting knowledge into the open, observable and interpretable” (Manninen, 1993; p. 35). These, as quoted in the accounting literature, include the knowledge of Chief Executive Officers and Directors announcements, letters and press release (e.g. Craig & Amernic, 2004; Hooper & Pratt, 1995), new releases on issues of mergers and acquisitions (e.g. Amernic & Craig,

¹ In Malaysia electronic disclosure of the corporate report more specifically of the annual reports has been made compulsory for public listed companies by the Kuala Lumpur Stock Exchange (KLSE) from November 1999. The rules pertaining to the form of information that is to be provided by members contain in Chapter 2 of the KLSE Listing Requirements (Updated).

² Effectively from April 20, 2004, KLSE however has officially changed its name to Bursa Malaysia Berhad.

2001), and corporate financial reporting (e.g. Amernic, 1998). All such kinds of “social stock of knowledge”, I found, in

[a] mode of text building, a way of putting symbols together to construct an expression...Terms are glossed, notes appended, commentaries written, and, where necessary, transcriptions made and translations affected-all toward the end of producing an annotated edition as readable as the philologist can make it. Meaning is fixed at a meta-level; essentially what a philologist, a kind of secondary author, does is reinscribe: interpret a text with a text (Geertz, 1983; p. 31-32)

Hence, in delineating my choice, I used a strategy to choose those that I best thought typify an “organization” in the manner it is brought to my “common sense”, as presented by the information given. In the end, I finalized on twenty-two organizations, three of which were in the government sectors and the other nineteen public listed organizations.

During the time of “reading” for the researching organizations I realize that many of the matters of accounting were subjected to more than one particular meaning. Accounting in organizations could range from “financial information” (e.g. Davis *et al.*, 1982), “management controlling systems” (e.g. Birnberg, Turopolec, & Young, 1983), “people doing accounting” (e.g. Boland & Pondy, 1983; Chua, 1995), and to some extent to “people talking accounting” (e.g. Ahrens, 1997; Jönsson & Solli, 1993). Due to this, in the process of writing up my research outline to them, I was reminded by the literature to be “sensitive” to the meaning of the scope of accounting and in the way I create textual representations. My response, in this sense, was in no way to supply a best “reality” for accounting. Rather, I put it into terms of what was taken for granted as “accounting” in the literature. I understood, as Geertz claims that

Getting themselves into their text (that is, representationally into their text) may be as difficult for ethnographers as getting themselves into the culture (that is, imaginatively into the culture). For some, it may be even more difficult (1988; p. 17)

In this regard, Morgan methodologically defends

We have to accept that any theory or perspective that we bring to the study of organization and management, while capable of creating valuable insights, is also incomplete, biased, and potentially misleading (1997; p. 5)

Since my worries were to associate with the intention to grasp a “many-sided, somehow respectable knowledge” (Walters, 2004; p. 160) of accounting and *about* accounting, to reflect this natural state of equivocation of accounting, therefore, is neither more nor less than the “value-context from a range of discourses about rights, wealth, responsibilities, accountability, etc.” (Arrington & Schweiker, 1992; p. 519) which the researchers themselves have. As shown in several accounting research inquires (see; Hopwood, 1985; Rasyid & Gaffikin, 1996; Stamp, 1985) the value-context (or “culture-text” in the Geertzian language) is germane to the anticipation in the support of organizational communities who “understand *scholarly* values (read: accounting) differently” (Arrington & Schweiker, 1992; p. 520). Admittedly, adopting an ethnography methodology³ I realized anyhow it was not aptly pronounced in my two-page-research outline. Unlike functionalists whose concern is with policy-making and future prognostication, my value-context is “elsewhere” in the everyday world and not in clogging up the accumulation of facts *per se*. My supervisor who encourages me

³ Substantially different from the position of “ethnography as a method of study” (see; for e.g. Richardson, Cullen & Richardson, 1996), underlying this concept of methodology is the culture-text not the field-text (cf. Clifford & Marcus, 1984; Geertz, 1973; Marcus & Cushman, 1982; Wolcott, 1995). This informs why in the same sense as these scholars’ conception of ethnography no peculiar section of taking observations, arranging interviews, selecting documents, attending meetings and keeping a diary is made available in any of the subheadings in this thesis. The ethnographic study that I employ here, much the same with them, is in the mode of narrative not in the mode of *modus operandi*. For detail discussions see Chapter 3 and Chapter 7.

to travel by this way of thought in sympathy implicitly inscribed that “for us, the primary goal of research is, and must remain, the production of knowledge” (Hammersley & Atkinson, 1995; p. 17). As he wrote in his recommendation letter about my “research significance”:

Mr. Hasri’s research will obviously benefit him when completed as he will be awarded the degree of PhD. I believe he will be able to provide assistance to the profession and industry in Malaysia based on his findings. Thus, I believe the Malaysian business community will benefit from his research. In addition his future students will benefit from his learning

The fact is, in the production of knowledge in everyday life, the term “value-context” itself is not with consensus. Contrary to the imprisoning of the perspectival knowledge with which researchers sought escape, organizations themselves have realized that there are many “never-reported-tales” (Hopwood, 1985) that may remain silent and to go “public” could be unethical. However, despite any discomfort, it is necessary to defend the view that “accounting arises to count, not the visible, but the invisible” (Meyer, 1986; p. 351; also Hopwood, 1990; Loft, 1986; Morgan, 1988; Morgan & Willmott, 1993). My supervisor then continues, as a way to convince, in the letter that the research would be running within my academic responsibility. As he went on to add:

Any information he obtains is solely for his research for his thesis and will not be made available to anyone other than myself as supervisor and his examiners. Consequently, the information he obtains will be strictly confidential and not released without the written permission of any individual involved. In fact, his thesis will be written up in general terms and specific individuals will not be identified (unless they request him to do so)⁴

⁴ This is the reason for the disguise of the real names for actors’ identities and organizations. The others; industries, products and services, technology applications, and actors’ positions, genders and ethnicity, I maintain however, for a significant discussion, in the original form.

Finally, in the beginning of November 2002, I started sending the permission letter to each targeted organization with my research outline and the letter of recommendation from my supervisor. The letters that I mailed were to the Human Resources Departments. However, with eight organizations I specifically addressed the letters to a definite person. For the others I had just stated either the head or the manager since I had not found the name of the persons who “speak on behalf of the organization” (Willingham, 1964; p. 550) from their website.

2.3 In Gaining Acceptance of Undertaking Research

Five days before my flight, which was due on 27 November 2003, the receptionist, through one lecturer, informed me that “the letter from Malaysia” was with her now as it had just been transmitted to her via by fax. I found there were two letters; Employee Commitment Fund (ECF) and Takaful, to which I was given a positive answer pertaining to my application.

A day before my flight, it was officially confirmed that ECF, in the faxed-letter which was signed by its Senior General Manager of Human Resources Management Department, had agreed to allow me to undertake research within any two months⁵ between the stated period in my application letter. Shortly after arriving in Malaysia, following two calls to the Deputy Manager, I received consent to officially start my research in January and February 2003.

⁵ Unlike “ethnographic realism followers” who argue that ethnography should be carried in one “standard” lengthy period (for e.g. Dubé & Robey, 1999; p. 230), I follow the notion that it is *culture* and not the time (see; Jönsson & Solli, 1993; p. 302) that make the writing as ethnography (for justification, see Chapter 3 and Chapter 7). Professor Kari Lukka, a current editor of *European Accounting Review*, in our personal communication in Sydney on 24 February 2005 also maintained that it is a “principle of saturation” that determines the *standard* of ethnography whether or not it was achieved. See also Glaser and Strauss (1967) for further detail theoretical explanation of the saturation principle.

A few days before the end of December 2002, from Malaysia I emailed my school receptionist, asking if there were any letters for me from other organizations. The answer I received was that there were no such letters. Secure with only ECF's acceptance letter⁶, I thought the letter from my Head of Department in Malaysia would help me considerably in getting other places. I had a sense that as a developing country which is ruled by a government federation state, Malaysian organizations incorporate the value of "*berkhidmat untuk negara*" (serve for country) or "*mendukung cita-cita kerajaan*" (espouse the government mission). Without the employer's letter I was worried that my application would not be treated seriously if organizations were not aware that I am under the sponsorship of the Malaysian government. Such feeling is not irrational since several organizations use the above phrases below the undersigned name in most of their "communications" letters. Many of them regard the "position" of the sender as "important". Therefore on 30 December I personally met my Head of Department at his office and asked for his help. He was stunned by my presence and surprised that I was "so soon in collecting the data"⁷. He then prepared a letter for me and remained me to study hard.

A few days later, with my Head of Department's letter still in my hand, and while I had just begun my days with ECF, another two organizations, through phone calls and emails confirmed that they had agreed to give space for my study in their places. I was informed that there were some processes needed to be done before they could send down the official acceptance letter to me.

⁶ Although for ethnographic study one organization is sufficient however in the global environment nowadays, as argued by Marcus (1989; 1995; 1998), multi-sited ethnography is more ambitious. I had previously sketched an insight of this idea in detail in Chapter 1.

⁷ That was due to not having an *a priori* model or a specification of main variables in guiding my "data collection" work but to rely upon a "self realization" and "contextualization" of the phenomena. This I detail in Chapter 3.

Like ECF, the second official acceptance from Road-Way Care (RCARE) also welcomed me to study for any two months during my stated period. In continuation of my few calls and emails, its Senior Executive Human Resources replied to me in early January 2003 informing me that the letter indeed had already been prepared in late December 2002, but she did not have any idea to whom she was supposed to give it; to my school at University of Wollongong or to my current home address. Instead, I asked her to post the letter to my working address at Department of Accounting and Finance, Universiti Putra Malaysia, as I was worried I could lose the letter if she used my temporary rented house address. Following e-mails on 8 and 23 January 2003, I finally was granted permission to do my research at RCARE in May to June 2003. In the gap between the study time in ECF and RCARE for the period of March and April 2003 I deliberately placed my research in Darul Islamiè Bank (DIB) although the official acceptance letter had yet to be received. There were two reasons why I had chosen DIB and not RCARE as my second place. First, I thought the acceptance letter from DIB would come earlier than other organizations after ECF, as DIB was among the first that confirmed through phone calls that they had positively considered my application. Second, for more personal reasons, I was a staff member at DIB for four years during the period of 1995 to 1998 before joining Universiti Putra Malaysia.

Realizing that my study in ECF was to finish in just a couple of weeks I then went to DIB's headquarters on 20 February 2003 to ask about the acceptance letter which was still pending although many calls had been made between me and the Deputy Manager of Human Resources Department, and also with Deputy Manager of Training Department. Previously, on 24 December 2002, I was also at DIB's headquarters with the Deputy Manager of Training Department and with the Manager of Marketing

Communication Department querying about the same acceptance letter. Unlike ECF, and RCARE, I had to deal with three persons from different departments to get the letter; first from the Human Resources Department, followed by the Training Department and Marketing Communications Department. I understood that my application letter reached the Human Resources Department for approval at first but then was transferred to the Training Department later for the issuance of the letter. However, from the middle of December 2002 to the end of February 2003, it became a subject between the Training and Marketing Communications Departments, as to who should issue and sign the acceptance letter. According to the Deputy Manager of Training Department the letter should be under the responsibility of the Marketing Communications Department on the other side the Manager of Marketing Communications Department told me that it was nothing to do with his department.

It was confusing for me. Nonetheless, as a result of a couple of meetings, I officially obtained the letter of acceptance from DIB eight days before my study period from January to February 2003 at ECF had ended. The research schedule was agreed, as I had requested, to be on the site for the months of March to April 2003. In regard to the cumbersome procedures, I was only told that there was a restructuring of some job scopes between the Training and Marketing Communications Departments as the latter had just been established on June 2000. About two months later, while I was on the sofa close to the entrance door between these two departments, Salwani, a Deputy Manager of where the student applications should be sent, clarified this:

At the time Hasri you forwarded the application it was an early stage of transforming some jobs from Training Department to Marketing Communications Department. We have decided afterward that “training” is for those staff and practicum students whereas “marketing communications” is for customer services and inasmuch as research students

Based on my calculation among the twenty two organizations to which I had applied seventeen of them were in vain. The Human Resources Manager of the Edaran Otomobil Nasional Berhad over the phone finally changed his decision to not to agree when I mentioned in detail about my “planning” of doing fieldwork. I realized this was in fact the main reason for my supervisor accentuating that my research in his recommendation letter was with just the technique of interviewing instead of self participation. The strategy is used by most experienced field researchers in order to “get in” to the field but with the intention to “re-negotiate” their presence. The same had occurred to Rasyid (1995) too. On the other hand, from the Inland Revenue Board of Malaysia and Telekom Malaysia Berhad, I was advised to resend the application. The former informed that my letter was misplaced and the second notified that the person to whom I addressed the letter was already retired. In the other fourteen organizations I was told that they were still discussing with management my application. In one of them, Malaysian Airlines Academy, its Manager of Finance Department informed that:

For your information we are now in the phase of restructuring most of our departments and we will let you know soon

Because of the indecision and also due to the time constraints that I faced, the moment ECF, DIB, and RCARE had affirmed me with the letters of acceptance, I unhesitatingly stopped my communication with them. The only two but in exception from the above “out of list organizations” that I could not include in my research sites were Takaful and POS Malaysia. For Takaful, although I received a positive reply from

its General Manager of Finance Department in the very first stages of my application, I finally decided not to proceed with them. This was because of prior to getting closer in detailed communication with Takaful I was told that my application to DIB was already approved by management through a phone call from its Deputy Manager of the Human Resources Department. I knew Takaful itself is a subsidiary of DIB.

For POS Malaysia, unfortunately, after taking consideration of the scope and the context for which I had “time” to participate, I chose not to include them as a “subject” of my study. “The critical task in qualitative research” argues Wolcott, “is not to accumulate all the data you can, but to ‘can’ (i.e., get rid of) most of the data you accumulate” (2001; p. 44). This I did for at least three reasons. First, afraid of failing to include adequately the information that might possibly be described. Second, to cope with the sense of satisfaction I had anticipated. And third, to be able to meld interpretation in a worthy presentation as ECF, a government-sanctioned statutory body, DIB, an Islamic banking firm, and RCARE, a publicly listed company; later I would argue, they are elegantly matched with the “voices” that I addressed in Chapter 1.

2.4 In Situating the Self in the Research Context

All three organizations, through their Departments of Human Resources, accordingly assigned me the place to which they thought best for me. Each had set me “to be” in the Finance Department, Finance Division and Corporate Finance Department. These were documented in their official acceptance letters:

1. Our representatives in Finance Department have agreed and are willing to give their cooperation to enable you to complete your research (The acceptance letter of ECF, Appendix 1)

2. MEMO-To: General Manager, Finance Division. We seek your kind assistance in providing this student the information required (The acceptance memo/letter of DIB, Appendix 2)

3. You may liaise with the Corporate Finance Department to make further arrangements with respect to the projects (The acceptance letter of RCARE, Appendix 3)

Among the many benefits of ethnography, rather than just “see as is”, is it leads to the critical confrontation of the “alien” cultures (Power, 1991; p. 337) that oppose and contrast the re-current experience of shared phenomena (Jönsson & Macintosh, 1997). In a general “theory of knowledge” such discovery is welcomed since there is no sufficient condition for knowledge as totalities. “Finance Department”, “Finance Division” and “Corporate Finance Department” of ECF, DIB and RCARE respectively here I perceive to provide the challenge to the understanding of accounting in different settings. I found their “rule of practices” have wider explications toward the larger contexts of accounting as a social treatise. But, to reconcile myself to the research territory that they were “offering” as above with the “context of my perspectival study” I found was not an easy task. For example, in DIB, I was advised to be concerned about the regulations that are prevalent in the bank industry. Meanwhile in RCARE, in the very first stage of my researching period, I was alerted to scrutinize the so called information. As both enunciate:

I have no objection subject to his complying with all the bank’s audit & other rulings especially in respect of the secrecy of the information (Hand Written [with modification] by General Manager, Finance Division in reply with the acceptance letter issued by Manager of MARCOM-DIB, Appendix 2)

[a] draft copy of the report needs to be submitted to RCARE prior to its release. This is for us to check and approve the contents that relate to the Company (The acceptance letter of RCARE, Appendix 3)

Literally, it was not only rules, procedures or kinds of *modus operandi* that I had to be concerned with. In situating myself within the designed-research context, the most difficult part I believe was not them, since the literature has shown (e.g. Rasyid, 1995) that they are able to be discussed for further tolerance if my findings can convince them⁸, but on how to distance myself from the image of a student who was surmised to “study about accounting in organizations” which I consistently found was beyond organizational everyday life. Such presumption is not to dismiss their concerns since it is what I feel to be in the minds of many organizational leaders nowadays. Still to date many of them believe the courses in accounting in universities are far from actual practices. Countless numbers of accounting scholars have voiced concern about this “gap” (see; Burchell, Clubb, Hopwood, Hughes & Naphapiet, 1980; p. 9; Hopwood, 1989; p. 18; Kaplan, 1984; p. 407; 1998; p. 92-93; Power, 1991; p. 351). I myself have been told about this by the Deputy Chief Executive Officer of ECF, Mohilal, in his room on Friday afternoon:

You learn accounting and are wedded to the idea of double entry. May be for you the accounting system should debit cash and credit employer. Our mainframe system doesn't do that. The system only generates basically one sided report which employer paid. Just this, nothing more than a list of employers' paying. It is a single entry transaction. The actual logic done is not the direct double entry

As I believe accounting has come “to be a more fragmented endeavour” (Burchell *et al.*, 1980; p. 7) Mohilal's comment is considered to have merit. As a result of such perception, the repercussion is, organizations tend to treat students with only the information “relevant” to their study as they thought that is what the students wanted to know. On my second day at DIB for example I was handed, from a secretary of the

⁸ Later, I found ECF, DIB and RCARE were very pleasant in giving me a full self-government in undertaking research on them.

General Manager of Accounts Department, by the “instruction” of a Manager of the Central Accounts Unit, the latest DIB annual report. I believe this is a common practice of his and also others who have a feeling that the organization’s annual report is the main, if not only, source for related accounting research activities. On another occasion, at the time I was in the Marketing Communication Department, I was caught in a “can-hearing” phone conversation between a female staff and a “student”⁹, and since it was occurring at the time of “no visitors and customers”, a male staff member who was sitting not far from her table, then, with the intention of assisting the student, interrupted:

Tell him (the student) to visit our *website* first. From it, he can get a lot of information. To some extent, may be he got all the information for his project assignment

While it is not completely false for him and also others to claim that “one could even do a valid and high-quality case study without leaving the library and the telephone” (Yin, 1984; p. 22, quoted in Preston, 1991; p. 46), nevertheless, in the study of knowledge and the producer of knowledge (i.e. human being), the matter of “re-setting” between the known, the process of knowing and the knower is unavoidable. Since knowledge is embedded in the perspective of “unknown” to someone, it is argued that

[if] the reality of everyday life is to be understood, account must be taken of its *intrinsic* character (Berger & Luckmann, 1971; p. 33, emphasis added)

⁹ I heard this when the female staff who answered the call soundly voiced “as a student, you...”

2.5 In the Re-Negotiation of the Research Context

Hence to “stay” in the stated-departments as in their acceptance letters was not my intention anyhow. However the problem is since in all organizations I directed the application only to the Human Resources Department I knew there could be only two or three people from pertinent departments that had read the letter. I knew it was not the job of the Human Resources Department to disseminate my research outline to all employees as my research outline would be handed to “someone” not to “everyone”. This I felt when I found my presence was mostly associated *not* with the particular department but with *the* head of department.

To detail this point within the context of researching and the problems that entail a re-negotiation of the self I illustrate here my first days’ experiences. In ECF, I was placed in a spacious manager’s room with sofas and toilet facilities. Although the room was given to me for only two weeks before the coming of the new accounting manager, but, as a result of a pleasant “welcome” by Chok Kim Chew and Masri, respectively a Senior General Manager and a Senior Manager of the Finance Department, their staff, without knowing exactly what was happening, seemed to appreciate my presence somehow like “a special guest” of both of their bosses. During these few days, they could also see both always have time whenever I wanted to meet and discuss something with them. I was really appreciated and felt comfort under their “responsibility”. To boot, one day in the late office hours, while I was about to go home I was suddenly “grasped” by Chok Kim Chew in the lift and he, without telling exactly what was going on, brought me to the department meeting that was chaired at the time by Masri, and unexpectedly announced:

This is Encik Hasri, an expecting PhD holder. All of you please do give your cooperation to him

Although I was in shock and just stood up and smiled when he said that, I could say since the day of that incident many of them had saluted me with the calling of “*Encik Hasri*” (“Mr Hasri”). To some extent I was happy to be granted such recognition. An approval from the management for me to be put under the auspices of those “big guys” let my presence be viewed by informants promisingly. However, in some way I found, by such privilege, few informants were afraid to give “detailed” information and felt discomfort in directing themselves to my study once I asked them to get down to “the nitty-gritty” aspects. Such words like “I think it is not my job”, “the question I think should be asked of our head of department.”, and “I am afraid I can’t answer that” were part of my experiences. To some extent, for them, “the term ‘information’ was reserved for the officially prepared materials” (Preston, 1986; p. 523), and therefore should be carefully interpreted within the authority level that was prerogative in some aspects only.

While noticing this as a part of the “Malaysian bureaucracy domesticated”, I found myself reflecting on the fact that the giving of information by some staff was quite different to most informants in DIB and RCARE. I believe this was because in DIB and RCARE my position was less formal. As in DIB most staff knew me very well as their ex-office colleague and since then during my research days management had assumed that in case I wanted to put my belongings in I could easily find “available” space. In RCARE, I found it was because of the “close” environment system that helped me become acquainted with most of the employees there. I was “fortunate” since the space in the Corporate Finance Department was excessively cramped with eighteen staff and

the “working site” available for me was the only printing area in the department. While sitting, I could see various versions and formatting-printed documents, every minute with different bits of rhythm. As a result, any time staff wanted to get their printing output, although they were occupied with their work, at least, they smiled at me.

Nevertheless, in renegotiating my position in the research setting where I was already “designed-in”, the above “respectfulness” and “friendship” I realize were very functional to me. While with friendship, I encountered most of the information plus candid commentary effortlessly, with “respectfulness”, I obtained most pertinent documents, archival data and internal memoranda painlessly. After a couple of days with informants, as I getting closer to them, I realized that both “respectfulness” and “friendship” are not detached instead they jointly merge and are bound. Shahrol, an Assistant Manager in the Payment Unit in ECF was among the many examples. At first our relationship was very formal, however, after few chats at his place, he became one of the closest friends of mine until today.

However, there were numbers of informants whom I could not categorize as either one of the above categories. It is not unusual since organizations are a place where common sense and conflict are being managed. In this case, for them, according to Goffman¹⁰ (1966; p. 114) my presence was neither related to their role obligation nor could affect their role performance in the organization. In RCARE, I regard Sharozan, a young Accounts Executive in the Corporate Affairs Division who graduated from an Australian University, as one of them. Although his table was just the next two from my “place”, he always considered my research context was out of his job scope. From a

¹⁰ Goffman terms this as “role distance”.

number of similar experiences, I started to appreciate that, in understanding the peculiar thoughts and approaches of employees towards me, in sociology, a concern about individual “self image” (ibid) is sometimes needed. One staff member of the Human Resources Department of DIB, Rozie for instance, even though her husband is a friend of mine, kept refusing to give me “any” information until I could show her another “black and white” letter from her Head of Department. For her, it did not matter that I had explained that my “letter of acceptance for undertaking research” initially came from a communication from her department, the Training Department and Marketing Communications Department.

In accordance with the above phenomena, the term “knowledge”, in the re-negotiation into the research context, exposes me to realize that

In every culture there are rules, beliefs, and labels that are explicit in the way that legal statutes, philosophical propositions, and dictionary definitions are explicit. Informants can expound these without difficulty to an ethnographer, often supplying extensive explanations and justifications as well. As the ethnographer lives in a community, however, he discovers many other regularities of customary behaviour that informants cannot easily explain and which they take for granted as self evident responses to what is and what ought to be. Many ethnographers arrive at the conclusion that what informants find difficult to verbalize is more important, more fundamental, in the cultural organization of ideas than what they can verbalize (LeVine, 1986; p. 76)

2.6 Concluding Remarks

This chapter has described the development of the conception of the thought that is the basis of this study. It starts off with a discussion of “knowledge” within the zone of where I can present myself, be involved and reconstruct the actions in some domain.

The research setting, viz where I chose to begin my intellectual venture in the journey of knowledge, is used to provide such understanding. This is plausibly relevant as Hopwood states cogently

The field should not be isolated. Nor should it be seen as being isolated. Equally, however, I think that it is extremely important for behavioral and organizational researchers to be conscious of the nature and specificity of their own endeavors, of the intellectual traditions upon which they draw and of the positions which they occupy or should attempt to occupy within the spectrum of the diverse human sciences. Indeed, if I am critical of behavioral accounting researchers it is that they do not live up to this ideal. Too many appear to be unaware of their own intellectual position. Too few can relate their research interests to substantive developments in the human sciences. Insufficient attention is given to increasing at least their awareness of their epistemological position and the roles which can be attributed to the research endeavor (1989; p. 13)

This chapter is a virtual analogue of knowledge *of* accounting and knowledge *about* accounting. The purpose is to explore their methodological position. The quoted few extracts of the earliest days experiences in ECF, DIB and RCARE are to address what the answer might be. Obviously, there is much that I could say about the essence of knowledge. Albeit, following the story, my “best” understanding is that, methodologically

[w]hat is usually called knowledge is structurally similar to the knowledge of a problem. *Knowledge is an activity which would be better described as a process of knowing.* Indeed, as the scientist goes on inquiring into yet uncomprehended experiences, so do those who accept his discoveries as established knowledge keep applying this to ever changing situations, developing it each time a step further. Research is an intensely dynamic inquiring, while knowledge is a more quite research. Both are ever on the move, according to similar principles, towards a deeper understanding of what is already known (Polanyi, 1961; p. 132, emphasis added)

As shown, in the first stage *In Writing of Undertaking Research*, I have illustrated that knowledge is “variety”, “public” and “in the heads of society”. The text building of the “organizations” that I have seen in their websites and the difficulty in capturing the view of accounting provide such ideas. As soon as I reached the stage of *In Gaining Acceptance of Undertaking Research*, I found myself, a researcher, my supervisor, my Head of Department and few informants from those organizations involved in “action” and in “taken-for-granted” routines. From this I acknowledge that knowledge is therefore not separated from these practical attitudes. *In Situating the Self in the Research Context* I start to appreciate furthermore that knowledge, corresponds with the world, is “biased” and “prejudiced” also. The setting of the research context by the heads or managers of human resources of ECF, DIB and RCARE is shaped by their pre-suppositions of the “information” that they believe students may need. In the end, *In the Re-Negotiation of the Research Context* I found knowledge too is “local”, “privileged”, “freedom”, “implicit” and “socially constructed”. The ways of thought of the people in the organizations; the Secretary, the Manager, the Deputy Manager, the Senior Manager, the Senior General Manager, the Deputy Chief Officer, the Accounts Executive - the respective organizational actors; are in a state of flux, between respectfulness, friendship and unresponsiveness. Each of them provide “multiple rationalities” to the researching context that I am dealing with (cf. Lodh & Gaffikin, 1997) and offer distinct interpretation in accordance with their understanding of accounting.

In sum, based on the story, to methodologically place knowledge as the process of knowing is not therefore inconceivable. Central to this notion is the fact that I failed to tell, until now, what was the most appropriate definition, meaning and scope of

accounting (as knowledge). In this sense it is culture that constitutes the epistemological background. The process of knowing and culture are interlinked, as will be argued in detail in the next chapter. At this point, it is enough to admit at the beginning that accounting, from the following story, holds a status of neither art nor science. This emphatically is not in conflict with the statement of the late Professor Ray Chambers, one of the most respected accounting theorists¹¹, which appears as an epigraph to this chapter.

¹¹ See a festschrift Abacus issue, December 1982; Clarke, 1996; Wolnizer, 2000; and Gaffikin, 1989, for the most critical and comprehensive study of Chambers' works.

CHAPTER THREE

ACCOUNTING, KNOWING AND BEING: A SEARCH FOR CULTURAL ENTERPRISE AND GEERTZ'S CONCEPTION OF CULTURE

In the study and teaching of accounting, I have been impressed by the very great desirability of a statement of the significance of accounts in the larger field of economic relationships. In seeking to formulate such a statement I have been led to undertake an analysis of the economic organization of society from an accounting point of view. But since accounts are closely related also to other forms of social organization – notably legal and governmental organization – an analysis of economic organization alone has not been sufficient. It has been necessary to adopt an even broader point of view. The more I have thought about the problem, the larger it has become. The desired orientation of accounts has proved to be obtainable only through an interpretation of cultural organization which places accounts at the very center or pivotal point of that organization.

- DR Scott

The Cultural Significance of Accounts, 1931

3.1 Introduction

As demonstrated in Chapter 2, the discussion of “knowledge” that represents the “process of knowing” has developed a significant epistemic attachment to culture. The central argument is, for knowing, the process is “intrinsically incomplete” - a reason why culture is “there” (cf. Geertz, 1973; p. 29, also LeVine, 1986; p. 84). This rationality is contained in Geertz’s quotation of Wittgenstein’s remark:

In the actual use of expressions we make detours, we go by side roads. We see the straight highway before us, but of course we cannot use it, because it is permanently closed (1983; p. 92; also p. 6)

Basically the meaning of the “make detours...go by side roads” or any “process of knowing” is the *foci of culture*. This interpretation is based on Goodenough (1981), a cultural anthropologist, who suggests that any complementary human efforts - “the necessary percepts, concepts, recipes, and skills – the things they *need to know* in order to meet things that will meet the standards of their fellows” – are *de facto* culture (see; p. 50, emphasis added).

Accordingly, Wittgenstein’s road-closed-warning of “make detours...go by side roads” underscores the intellectual ideas of the interpretive mode of thinking. Admittedly, this provides an insight that it is “interpretation” that completes the study of “culture” (cf. Geertz, 1973; Wolcott, 1995). Similar reasoning is employed in Levine’s culture properties: *collective, organized, multiplexity and variability* (1986), Martin’s cultural perspectives: *integration, differentiation and fragmentation* (1992), and others.

Acknowledging the intricacies of this process of knowing-interpretive-culture interrelationship in the knowledge property is the beginning of my explanation about accounting as a human science. This acknowledgement is important as from it I structure the content of this essay. This chapter is designed to more explicitly introduce culture as the scheme for the knowing process. Its content includes the ideas of culture and the process of knowing and being, interpretation and culture, accounting and interpretation, and accounting as a cultural system. However, for reasons that will become clear, in the discussion of these ideas, in the pages that follow, I will mix them up and construct a notion of culture from the point of view of Clifford Geertz and demonstrate how, using Geertz’s conception, I construe my “Accounting, Knowing and Being” thesis.

3.2 Culture and the Process of Knowing

There is a history about the word culture. Emanating from the German expression *Kultur*, “culture” was initially used in English only after the term “civilization” emerged. The latter was a technological word and the former was spiritual in the general sense of the word “cult”. In a premature utterance “there was first a phase in which the two were contrasted” (Kroeber & Kluckhohn 1952; p. 15). However, history had seen to realize that for decades the basis for the antithesis of this conception to the literature was not clear anyhow. Sociologists - those by who both terms were mostly referred - were blamed for ignoring the full significance of these terms. As such, the result of rendering together these utterances has produced a phase in which the contrast was reversed. “Culture” was then viewed as being “a synonym or near-synonym” (ibid; p. 15) of “civilization”, and vice versa.

Among the first to use the expression was Johann Gortfried Herder (1744-1803) who published *Ideas on the Philosophy of History of Mankind*. Kroeber & Kluckhohn (1952) observed that Herder’s “philosophy of history” in the account of “enlightenment”, “tradition”, and “humanity” as the initial effort placing culture in the “humanness” dictionary “as a progressive cultivation or development of faculties” (p. 22). Parallel with this non-aristocratic-view was Immanuel Kant (1724-1804) who, in *Critique of Pure Reason*, made the statement that “metaphysics is the completion of the whole culture of reason” (quoted in Kroeber & Kluckhohn, 1952; p. 24). This statement became the grounds on which culture began to be viewed as a product or condition of more than merely a historical development. Later, Dr Gustav E. Klemm used the word “Cultur” (1802-1867) in his ten volumes *Allgemeine Culturgeschichte der Menschheit* and E. B. Tylor’s substitution of “Cultur” for “civilization” in his *Researches* was a

landmark to further implicate both terms in one branch of study. Since this application of Tylor's, Klemm's word *Cultur* became a "de facto doing an ethnography" (ibid; p. 25). As a result, until now culture is highly regarded as one of the main branches of civilization inquiries. The works of culture in the discussion of language, kinship-marriage, fire-making and cooking, taboo, and technology are some of the many examples.

In the Tylorian period, the diversity of these culture-civilization-knowing studies however was not fully embraced by anthropologists (cf. Geertz, 1973; p. 29; LeVine, 1986; p. 84). The basic argument is that an attempt to define culture itself exposes the researcher to obscurity, shadows, gloom and confusion as no satisfactory answer will be achieved as far as it is concerned. Major cultural theorists, especially "cultural adaptationists" (in the words of Keesing, 1974), believe that it is through evolutionary perspectives in particular ecological settings and biological foundations that culture has its best possible justification. They argue that the "built-into configuration" has made a form of culture "too intricate and too close to our eyes for us to cope with it successfully" (Benedict, 1961; p. 39).

In contrast to this camp of "cultures as adaptive systems", following Keesing (1974), are cognitive systems, structural systems and symbolic systems. Unlike the former, these three, which are labelled as "cultures as ideational systems", see culture as more open, fractionous and discoverable. To them, the peculiarity of culture does not mean that culture is entirely *homo sapiens* like "molecular". Culture, they believe, is learned and not from replication (e.g. Goodenough, 1981). "Standard", "good taste", "*bienséance*", "correct expression" or any culture demonstration, explained Ray (2001),

are kinds of self-realization and social triage. This is the reason why “culture exists in the trading post, the hill fort, or the sheep run” informed Geertz (1973; p. 16).

In the process of knowing however, cognitive systems, structural systems and symbolic systems do not share the same epistemological stance. The first group, commented Keesing (1974, also 1979), perceives culture mainly, like language, “as a body of distinctive things about a community that were transmitted by learning” (Goodenough, 1981; p. 49). The problem with this conception is that some of the very linguistic facts may not be manageably rendered (Keesing, 1979; LeVine, 1986) and like a speech, are vulnerable to spontaneous grammatical fault. A status of cultural heritage with no particular sound rules in cognitive systems seems to be “unproductive and inadequate in the face of the staggering richness and complexity of human knowledge and experience” (Keesing, 1974; p. 78).

The second group, which was popularized by Lévi-Strauss, originated from cultural domains - myth, kinship, marriage and art – sees to “define phenomena under study as a relation between two or more terms, real or supposed, construct a table of possible permutations between these terms, and make this table the general object of analysis which, at this level only, can yield necessary connections” (1962; p. 16, quoted in Scholte, 1966; p. 1194). For the benefit of cognitivists, structuralists suggest that “if cultural systems are treated as languages and are systematically analyzed through methods borrowed from linguistics, then the covert meanings of the systems may be made explicit” (Pace, 1978; p. 283). This non-linguistic conception demonstrates conditions, patterns, and to some extent power, so that culture could be visibly comprehensible in society, organizations, bureaucracy and any mechanism of

ideologies. However, from a broad perspective of knowledge, this “philosophical rationalist” (Scholte, 1966) position of structuralism is confining as it appears to have an “interest in the syntax rather than the content of culture” (ibid; p. 1194) and in the great deal of “what is-what ought to be” distinction (Nutini, 1971; p. 540).

The third group, which is of interest to this thesis, is from a Parsonian view of Weber but in the language of hermeneutics, phenomenology, semiotics and literary criticism. The foremost figures in this conception are David Schneider and Clifford Geertz. Both of them remark on culture as having symbols and meanings. Their particular stances are actually the addition of the premises offered by the former cognitive systems and structural systems. In symbolic systems, the general doctrine is cultures are “symbolic” in the sense that they are socially constructed, produced and reproduced and for this they have the “meanings”, not to bind, but to explore. As symbols and meanings are subjective and borne in the minds of systems of thinking, Schneider and Geertz have different explications about culture. Comparison between them can be found in Keesing (1974) and Feinberg (1979) to a lesser extent but both have been enlightened, as argued by Turner (1975), “the source of some of the most powerful theoretical ideas in contemporary anthropology” (p. 147).

In this study, I will, instead of terms such as “units” and “rules” in the Schneiderian language, speak about symbolic systems in the view of Geertz in his *The Interpretation of Culture* (1973). Although Schneider is “the driving spirit and movement of this movement” (Turner, 1975; p. 147, also quoted in Feinberg, 1979; p. 541), I have an interest in venturing my “process of knowing” illuminated not by

“definition” but, by following Geertz’s suggestion, “to cast light on one another” (Geertz, 2000a; p. xi). As for accounting, as Gruneberg (1950) claims

Even though accountants may have made a mistake and continued this mistake throughout many years, the accounting principle of consistency - in most cases - will require the *continuation of this mistake* for the future since being consistent in the field of accounting is usually much more important than being right (p. 161-162, emphasis added)

Geertz’s conception of culture is neither rigid nor loose but a semiotic one. Unlike Lévi-Strauss, Schneider, and other predecessors, for Geertz, culture is “a matter of *interpretation*, not decipherment” (Keesing, 1974; p. 79). Although standards, rules and beliefs define culture, it is the meaning of the said symbols that Geertz believes provide such understanding.

3.3 Geertz’s Conception of Culture and the Process of Knowing

Amongst the many culture theorists, Geertz has been classified, to quote a few, “as an introducer of sources of theoretical stimuli” (Marcus & Cushman, 1982; p. 37), as “the anthropologist most often embraced” (Roseberry, 1982), and as “the first and only anthropologist in the prestigious *Key Contemporary Thinkers* series, rubbing shoulders with Derrida, Barthes, Lyotard, Baudrillard, Chomsky, Foucault, Bauman, Habermas and Popper” (King, 2001; p. 228). Similar acknowledgements which are shared by his fans and his opponents represent their interest in the works of Geertz. It is known that they agree instead of on anthropology itself, the major impact of Geertz’s works

[h]as actually been on practitioners and students of other academic disciplines - the social sciences, literary studies, philosophy, and beyond (Sewell, 1997; p. 35, also Roseberry, 1982; p. 1013)

For this celebration of Geertz's works, in *A Note on Geertz as a Cultural Essayist*, it was conceded by Rosaldo (1997) that "Geertz's method is to enlarge the sense of human possibilities and the conceptual range of central terms simultaneously" (p. 32). This explains that Geertz's purpose, as Rosaldo observes, is to see "the problem of the integration of cultural life becomes one of making it possible for people inhabiting different worlds to have a genuine, and reciprocal, impact upon one another" (Geertz, 1983; p. 161). To this extent, such effort sustains Geertz not in the finding of knowledge *per se* but in the act of the process of knowing.

Geertz's quest is "in an attempt somehow to understand how it is we understand understandings not our own" (ibid, p. 5). His ideology for culture is through interpretation inspired in focus and perspective not in specifics (Micheelsen, 2002). For this conceptualization, his methodological practices are therefore not unambiguous and are subject to criticism, particularly from materialists, realists, positivists and to a lesser extent from critical rationalists (cf. Sewell, 1997; p. 36-37; see; Roseberry, 1982; Shankman, 1984). This is not surprising as he persistently maintains that

But one will not find very much in the way of "the theory and methodology of interpretation" (to give the dictionary definition of the term) in what follows, for I do not believe that what "hermeneutics" needs is to be reified into a para-science, as epistemology was, and there are enough general principles in the world already (Geertz, 1983; p. 5)

There are a number of reasons behind this non methodological rigour but among the many descriptions that he implicitly inscribes in his essays to those of his critics was the declaration that he had made previously, viz

I take culture to be those webs, and the analysis of it to be therefore not an experimental science in search of law but an interpretive one in search of meaning (Geertz, 1973; p. 5)

It is in these ways, espousing the interpretation and relying on the “methodological sleight of hand” (ibid; p. 23), that Geertz “sees” culture. Implicit in this conception is the fact that culture is “a strange science” (ibid, p. 29) and hitherto Geertz understands that “meaning”, which is the wellspring of culture, “was not locked away in actors’ heads but was embodied in publicly available symbols” (Sewell 1997; p. 39). This notion which is enacted from the idea “culture is public because meaning is” (Geertz, 1973; p 12) at the same time reflects consequently the method of the interpretation. For Geertz

You can study different things in different places, and some things – for example, what colonial domination does to established frames of moral expectation – you can best study in confined localities. But that doesn’t make the place what it is you are studying (ibid; 22)

On the grounds of this conception, Geertz’s aim is to explicate the meaning of culture to be inscribed; it is not that “establishing rapport, selecting informants, transcribing texts, taking genealogies, mapping fields, keeping a diary, and so on¹” (ibid; p. 6) like Malinowski’s “a get-it-all-in approach to ethnography” (Geertz, 1988; p. 84), but, self realization and contextualization - the notion where it should be related to interpretation - the process of knowing of Geertz. To quote Blumer

Reality exists in the empirical world and not in the methods used to study that world; it is to be discovered in the examination of that world and not in the analysis or elaboration of the methods used to study that world (1969; p. 27)

¹ Interestingly, although Geertz is claimed as the most prominent anthropologies and being the source of many ethnographic studies, the fact is, there are no particular sections on these *modi operandi* in all his books.

3.4 Geertz's Interpretation of Culture and Being

Interpretation is often accused of being designed to “create an individual’s own environment” (Putnam, 1983). In a literary meaning, interpretation could be regarded either as the language of “reason” (Habermasian approach), or, as the language of “being” (Gadamerian approach). While both are interconnected, just as with the “reason” and “being” themselves, both have different epistemological implications (see; How, 1995; Chapter 7) for the way culture is viewed. Unlike many of his critics, Geertz, following the notion of Gilbert Ryle’s “thick interpretation” (Geertz, 1973; p. p. 6) and Paul Ricoeur’s concept of “inscription” (Geertz, 1983; p. 31), preferring to adopt the latter one. This is shown in his “way” in what he terms “interpretive anthropology” (ibid; 7). As Rosaldo (1997) observes

In “Blurred Genres: The Refiguration of Social Thought,” Geertz explores the analytical analogies of gaming, staging, and reading. In relation to gaming, he discusses Erving Goffman; to theatre, a synthesis of Victor Turner and Kenneth Burke; to reading, Paul Ricoeur, Alton Becker, and himself (p. 31)

These notions of life, gaming, staging and reading are Geertz’s “attempt to come to terms with the diversity of the ways human beings construct their lives in the act of leading them” (Geertz, 1983; p. 16). In this he disagrees with cultural adaptationists (refer the first section of this chapter); Geertz’s view is not limited strictly speaking to beings as the primitives, tribes or groups that we observe. Instead, he refers to the being-in-the-world concept, the “world” that is not but the meanings that are attached with the self. This is understandable as his most basic view of interpretive anthropology is from the concept he borrowed from Heinz Kohut, and called “experience-near” and “experience-distant” in contrast to becoming or mimicking natives (Geertz, 1973, p. 13).

Both concepts Geertz illuminated in his drawing of the “being” of Javanese, Balinese and Moroccan in *From the Native’s Point of View: On the Nature of Anthropological Understanding*. For experience-near, he used to portray the “*alus*” in Java, “first, second, third-born” and “Brahman” in Bali, and “Nisba” in Morocco; in respect of experience-distant, “*batin* and *lair*”, “birth-order names” and “genealogy” respectively². Under these concepts, Geertz explains

An experience-near concept is, roughly, one that someone - a patient, a subject, in our case an informant - might himself naturally and effortlessly use to define what he or his fellows see, feel, think, imagine, and so on, and which he would readily understand when similarly applied by others. An experience-distant concept is one that specialists of one sort or another - an analyst, an experimenter, an ethnographer, even a priest or an ideologist - employ to forward their scientific, philosophical, or practical aims (Geertz, 1983; p. 57)

Clearly, this interpretation as “being” is to argue that culture is discerned as “a context, something within which they can be intelligibly - that is, thickly - described” (Geertz, 1973; p. 14) and “they are, thus, fictions; fictions, in the sense that they are “something made,” “something fashioned” - the original meaning of *fictiō* - not that they are false, unfactual, or merely “as if” thought experiments. . . . But the one is as much a *fictiō* - ‘a making’ - as the other” (ibid; p. 15-16).

For this sense of free will and choice in interpretation (methodology), and by treating the temporal concepts of experience (near and distant) as the common reference of culture, Geertz is seen to espouse the notion of “culture-as-text”. It is not that text *is* culture but the conditions which are uncovered in which human beings have had their cultures. This is apparent in his most controversial work in *Deep Play: Notes on the*

² Those concepts of experience-near and experience-distant however, admitted Geertz, are a matter of “relationship”, subjected to illuminating exercising. As an example, “‘fear’ is experience-nearer than ‘phobia’, and ‘phobia’ experience-nearer than ‘ego dyssyntonic’” (cf. Geertz, 1983; p. 57).

Balinese Cockfight (King, 2001; p. 229; Marcus & Cushman, 1982; p. 38; Roseberry, 1982; p. 1017; Schneider, 1987; p. 814).

However, this does not mean that Geertz has grossly ignored the “culture fact”. Although Roseberry “calls into question the metaphor of culture as text” (1982; p. 1019), and also from others who assert his novelties as the seduction and destruction of anthropology, the fact is

Culture is not “there, “waiting demurely to be discovered. Instead, culture - an explicit conceptual orientation that provides the purpose and rationale for doing ethnography - gets there because *the ethnographer puts it there* (Wolcott, 1995; p. 86, emphasis in original)

Underlying this conceptualization of culture as a text is the position of symbolic systems for which Geertz had a long explanation in *The Interpretation of Culture* as a source of his illumination, but which I hold for a moment³. I do this purposively in order to develop, in the remaining sections, a coherent view of the penetration of accounting in an interpretive mode of thinking and as a cultural system.

3.5 Accounting and Interpretation

A view that accounting and interpretation are interconnected has been obliquely depicted in Chapter 2 for what I see as “an alien setting in which meanings [of accounting] are unclear and a ‘reading of the situation’ is required” (Boland, 1993; p. 125; also 1989; Francis, 1994). As I illustrated, the eminent position accorded to accounting is different in Employee Commitment Fund (ECF), Darul Islamic Bank (DIB) and Road-Way Care (RCARE). The capacity of the self (of mine) to engage is in

³ Note that the position of symbolic systems in culture I mentioned but discontinued in the first section *Culture and the Process of Knowing* of this chapter.

the game of contextualization (Geertz, 2000a; p xi), situating and re-negotiating. All of this, to repeat the same concern, implies the self realization and the contextualization which are the essence for the interpretation of accounting.

Doing “accounting” is a kind of self realization (see; Fischer, 1996; Hines, 1988; 1991; Lavoie, 1987; Manicas, 1993; Morgan, 1988; Preston *et al.*, 1996; Preston & Young, 2000; Warren, 2005). Although it is accepted as a kind of knowledge of disciplined practice (Porter, 1992), accounting itself is not “a purely technical discipline” (Merino, 1993; p. 163). Accounting can reach beyond the contexts in which it originally arose. It is understood that the existence of accounting by its very nature is not in an unattached form, but as knowledge, in the companion⁴. All too frequently, the complex interlinkages of accounting are found in many guises of representations (Boland, 1989; Davis *et al.*, 1982; Hayes, 1983; Morgan, 1988).

One way of grasping this banal idea is symbolic systems, the epistemological import of Geertz’s conception of culture. Symbolic systems seek to accommodate self realization and contextualization with the meanings which are central for human beings. It is understood, according to Blumer, that “human beings act toward things on the basis of the meanings that the things have for them” (1969; p. 2). Understandably, this, of course, is not done and cannot be done without acknowledging that

But meanings can only be “stored” in symbols (Geertz, 1973; p.127; also Blumer, 1969)

The insight of this dictum is important. The fundamental point is that “symbolic interaction involves interpretation of the action” (Blumer, 1969; p. 8) and this applies to

⁴ Below, I detail this point.

accounting also. Interpretatively accounting is a set of symbols. To detail, it is observed that

The word *symbol* derives from Greek roots which combine the idea of sign, in the sense of a mark, token, insignia, means of identification, with that of a throwing and putting together. A symbol is a sign which denotes something much greater than itself, and which calls for the association of certain conscious or unconscious ideas, in order for it to be endowed with its full meaning and significance. A sign achieves the status of a symbol when it is interpreted, not in terms of strict resemblance with what is signified, but when other patterns of suggestion and meaning are “thrown upon” or “put together” with the sign to interpret it as part of a much wider symbolic whole. Symbols are signs which express much more than their intrinsic content; they are significations which embody and represent some wider pattern of meaning (Morgan, Frost & Pondy, 1983; p. 4-5)

Although perhaps unintentional, this description of “symbols”, in itself, is aptly referred to as accounting. In *A Systematic View of the History of the World of Accounting*, Lee acknowledges that “the process of representational development in the world of accounting in the earliest civilizations appears to have been based on symbols with a designated meaning” (1990; p. 79). Much can be said about it as allegoric and metaphoric, albeit a more careful analysis can be gleaned as earlier as the history of pre-writing⁵.

The person to whom we can fittingly refer for this claim is archaeologist Professor Denise Schmandt-Besserat (see; Ezzamel and Hoskin, 2002; Mattessich, 1989; 1994). Mattessich (1994) has shown that in olden times, according to Schmandt-Besserat’s works, of the thousands of prehistorical tokens, tablets, and pictographs in the Near

⁵ It is understood from the historical point of view that “writing” is amongst the first technologies (Franklin, 2002), amongst the first structure (Foucault, 1970; Goody, 1986), and amongst the first construction (seeing that the “text” in writing is “given”) of knowledge. Writing is presented either as voice, action, myth, epic, tragedy, conversation, etc. These demonstrate that writing is appropriately celebrated as “symbolically meant”. Admittedly, by this epistemological position, in line with foregoing consideration to perceive accounting as symbolic, the history of writing and pre-writing I relate to be therefore as a mean of the discussion.

East, there is a sign of writing and accounting constitution. This discovery began with the appreciation of the “three evolution phases of counting”; the *one-to-one correspondence*, the *concrete counting*, and the *abstract counting* that Schmandt-Besserat has insightfully sketched from her 8,000 BC to 3,000 BC materials. Extending these points “from an accountant’s point of view” (ibid; p. 17), from those materials, Mattessich then drew on the genesis of “double”, “entry”, “recording”, “debtor”, “creditor”, “resource”, “owner”, “input”, “output”, “equivalent”, and “unit” - those significance symbols⁶ of “accounting” – the physical reality and social reality (cf. Mattessich, 1989). These inscriptions, and potential future discoveries, were fortuitous in Schmandt-Besserat’s works. In her involvement with the pre-writing history she “was originally not searching for but rather stumbled on *the origin of accounting*” (Mattessich, 1994; p. 7).

Acknowledging this finding as informative but “perspectival”, Schmandt-Besserat’s discovery is subjected subsequently to Ezzamel and Hoskin’s theoretical inquiry, “to re-ask the age-old question: what is accounting” (Ezzamel and Hoskin, 2002; p. 334). Arguing from the works of Foucault and Derrida they found that those ancient tokens represent as well the technology of naming, counting and valuing objects, which interiorly emerge in the “practice” of accounting but are mixed somehow in the writing and its allegories. This pragmatic view is the result of their extension of the “supplementing” function of accounting from writing (as in the previous view of Mattessich) to money. In the conclusion they remarked

⁶ For the modest but concrete analysis of accounting and symbols inextricability see Craswell (1978).

This is why it is within *accounting* that intrinsic value lies, since it is accounting as naming and counting practice and as a visible sign which identifies the possibility that there is *a value to be signified* in the first instance. But once this money of account emerges, it becomes the “currency” through which definable value is expressed (ibid; p. 360, emphasis in original)

Although they observe that “there is no prior presence, e.g. the invisible *arche*-writing, behind signs, such as tokens, as the guarantee of meaning”, nonetheless they agree that a first form of accountability was enacted from these tokens (ibid; p. 346). Implicit in this premise is the fact that “the accounting record is then always open to revision and reinterpretation, so long as it survives, and thus partakes in a process of valuing and revaluing” (ibid; p. 359).

Seen from the outcomes of this research, by theory, practice and technology, the view that accounting is peripherally symbolic is not opposed but supported. For this, Geertz’s conception of culture and interpretation of symbols and meanings are thus applicable. However, further tests on this assertion are needed. The argument that inasmuch as it is symbolic, accounting hence entails interpretation, which by no means nonetheless indicates that for accounting the “making visible is akin to merely shining a light on something that was simply there but hidden” (Boland, 1987; p. 271). In his discussion of Miller and O’Leary (1987) Boland (1987) points out that in the conception of cost accounting we inevitably bring the domain of power in our life to the idea of “invention” that is present and should be noticed therefore. The preceding analyses of Mattessich (1994) and Ezzamel and Hoskin (2002), to my understanding, have most appropriately referred to what Boland means. While Mattesich expresses “*in knowing* [reading: the accounting perspective] we bring *object* into *being*” (Boland, 1987; p. 271, emphasis added), Ezzamel and Hoskin recognize that “*in knowing*

[reading: the accounting perspective] we also bring them into a power *relationship*” (ibid; p. 271, emphasis added, also Chua, 1995; p. 114).

Such concerns of “object”, “bring into being”, and “relationship” indicate that the enterprise of “the interpretation of interpretations” (Lavoie, 1987; p. 602) that is employed in accounting, in essence, *does imply the form of knowing*. More explanation is needed therefore as it is from these implications that this thesis has drawn the meaning of “Accounting, Knowing and Being”. However, since they are “situated” in the concept under the symbolic systems (where interpretation comes from), an explanation on this is only able to be properly understood by looking back at the notion of the symbolic systems they themselves purportedly used to serve as the way of seeing the world “as a cultural system”.

3.6 Accounting as a Cultural System

The foregoing analysis has shown that the concept of culture of Geertz and the interpretation of meanings are derived from symbolic systems. However, when the discussion of symbolic systems takes place, we can see then that in the process of knowing, it is understood that “object”, “bring into being”, and “relationship” are also included and should be realized. This is how I had illustrated accounting in its discussion as symbolic systems. This gives an impression that in the idea of Geertz, as a model which is to be used in this thesis, “object”, “bring into being”, and “relationship” should not be out of discussions therefore; Geertz’s conception of culture should have these. Not being able to ignore this as the essence of cultural analysis, Geertz details

Culture is most effectively treated, the argument goes, purely as symbolic system (the catch phrase is, “in its own terms”), *by isolating its elements*, specifying the *internal relationships* among those elements, and then characterizing the whole system *in some general way*” (1973; p. 17, emphasis added)

The view of this treatment, for the benefit of discussion, is given in Table 3.1. Note that, the above three clauses that I have underscored; “by isolating its elements”, “internal relationships” and “in some general way”, are on one side, while “objectivication”, “internalization” and “externalization and socialization”, which are from Berger & Luckmann (1971, see; Fisher, 1996) are on the other side.

In the process of knowing	Geertz’s Conception of Culture	Berger & Luckmann’s Conception of Social Construction
Object	By isolating its elements	Objectivication
Bring into being	Internal relationships	Internalization
Relationship (e.g. power, politics, etc.)	In some general way	Externalization and socialization

Table 3.1: Conceptual Schemes for the Analysis on “Accounting, Knowing and Being”⁷

The above table’s (Table 3.1) function is to clarify the rationality of Geertz’s conception of culture in employing symbolic systems in this thesis. My comparison of Geertz’s with Berger and Luckmann’s conception of social construction is ideal for two reasons. First, Berger and Luckmann’s concern is with knowledge, the “being” of the self, which is aptly relevant to the subject of this study. Second, they are both epistemologically similar. Both see that social construction is inevitable, and, although

⁷ It is important to make clear at the outset that this study will be construed largely based on the works of Geertz and not Berger and Luckmann. Although the latter have inevitably influenced the presentation of the ideas being written here, the concern of the thesis however is not on the discussion of the theoretical treatise in the intricacies of “reality” and “knowledge” but on an account of interpretation in the empirical settings. The sense of “being” is according to the “knowing” process, that culture embodies. This can be discerned in the discussions of ECF, RCARE and DIB, which are the subjects of the study, in Chapter 7.

one is in sociology and the other is in anthropology, both agree that their approaches are interpretive.

3.6.1 “by isolating its elements”

Understanding accounting as culture as Geertz understands, involves interpretation. In a treatise on culture, interpretation is necessary as culture itself involves social constructions and multiple translations. The whole point here is culture according to Geertz is “an interpretive one in search of meaning” (1973; p. 5). In making interpretations, Geertz seems to believe in no absolute methodology. For him, the “most effectively treated” version of culture is “purely as symbolic system (the catch phrase is, “in its own terms”)” (ibid; p. 17). This, in the first place, creates this concern: “by isolating its elements”.

Arguing from the process of knowing perspective and from the social construction of reality (or being) of Berger and Luckmann’s thesis, such penetration is justifiable. As they observe

An important element of my knowledge of everyday life is the knowledge of the relevance structures of others...[as] I do not share my knowledge equally with all fellowmen, and there may be some knowledge that I share with no one. I share my professional expertise with colleagues, but not with my family, and I may share with nobody my knowledge of how to cheat at cards (Berger & Luckmann, 1971; p. 60)

The rationality of “by isolating its elements” is “objectivication”. It is understood that as with other human sciences, accounting is produced and reproduced (Arrington & Francis, 1993). To this extent, to repeat, interpretation is necessary (cf. Boland, 1993; Boland & Pondy, 1983; Chua, 1986b; Hopper, Storey & Willmott, 1987; Jönsson, 1987;

Lavoie, 1987; Morgan, 1988; Tomskin & Groves, 1983). However, for interpretation to be done it “should not be regarded as a *mere automatic application* of established meanings but as a formative process in which meanings are used and revised as instruments for the guidance and formation of action” (Blumer, 1969; p. 5, emphasis added). There is no interpretation without the “extrinsic sources of information” (Geertz, 1973; p. 92). Before he or she comes to imaginations and ideas, someone has to establish the “index of subjective meanings” (Berger and Luckmann, 1971; p. p. 50, also Searle, 1995), which is, “objectivication”⁸.

3.6.2 “internal relationships”

One aspect that we have to realize is that objectivication could not be done totally outside common sense. There are two reasons at least to support this fact. First, in making objectivication one will relate that “within which these make sense and within which everyday life has meaning” (Berger & Luckmann, 1971; p. 35-36). Second, within the clusters of objectivications one has sensitivity more towards the society (or world) to which he or she belongs. Such, observed Geertz, is credible since

[t]he notion that there are some things that all men will be found to agree upon as right, real, just, or attractive and that these things are, therefore, in fact right, real, just, or attractive-was present in the ...and probably has been present in some form or another in all ages and climes. It is one of those ideas that occur to almost anyone sooner or later (1973; p. 38-39)

This same common sense implies that culture is public. This sentence “culture is public” is not identical however with “public is culture” as *the* public to which culture is

⁸ It should be remembered, nevertheless, that objectivication is not the same as an “objective view”. Such conception is a serious mistake as objectivication here is not limited to the object *per se* but as Blumer defines, “an object is anything that can be indicated, anything that is pointed to or referred to” (1969; p. 11).

referred, there is still room for individual expression, for example, “in the trading post, the hill fort, or the sheep run” (ibid; p. 16). To this extent, “public” is common but diverse. As Geertz describes

Common sense is not a fortunate faculty, like perfect pitch; it is a special frame of mind, like piety or legalism. And like piety or legalism (or ethics or cosmology), it both differs from one place to the next and takes, nevertheless, a characteristic form (1983; p. 11, emphasis added)

This view, common sense but in a special frame of mind, is not inconsistent. Indeed it contains the basis of culture, as Ray examines

“Culture” thus articulates the tension between two antithetical concepts of identity: it tells us to think of ourselves as being who we are because of what we have in common with all the other members of our society or community, but it also says we develop a distinctive particular identity by virtue of our efforts to know and fashion ourselves as individuals (2001, p. 3)

Although objectivication sets the scene and introduces the ideas and imaginations as common sense, implicit in this view is one definitely has to get “inside” the defining process of the object to know what it is. This knowing process entails “internal relationships”, the relationship that “takes us into the heart of that of which it is the interpretation” (Geertz, 1973; p. 18).

The rationality of “internal relationships” is “internalization”. Accounting, it has long been argued in the previous section, is a self realization discipline. Not only that, because accounting is also the reference for symbolic interpretation (refer Ansari & Bell, 1991; Covalski & Dirsmith, 1990; Ezzamel and Hoskin, 2002; Lee, 1990; Mattessich, 1989; 1994), it is through internalization that notions emerge; such as “debtor”, “creditor”, “resource”, “owner”, etc. Without the minds and hearts of human

being (i.e. internalization) those thousands of prehistorical tokens, tablets, and pictographs in the Near East are no more than just “bereft of subjective reality” (Berger & Luckmann, 1971; p. 93; also quoted in Scott, 1995; p. 41). The key point of this internalization is: knowledge is for humans and only humans (that having a self) are able to give a “value” to such notions as “standard”, “morality”, “spirituality”, “ethicality”, “rationality”, and the like - as knowledge (see; Arrington & Schweiker, 1992; Merino, 1993; Neimark & Tinker, 1986). This, argued Berger and Luckmann, is because, in a general way

There must first be ‘knowledge’ of the roles that define *both* ‘right’ *and* ‘wrong’ actions within the structure. The individual, say, may not marry his clan. But he must first ‘know’ himself *as* a member of this clan (1971; p. 111; emphasis in original)

3.6.3 “in some general way”

Human being is impossible in a closed sphere of quiescent interiority. Human being must ongoingly *externalize* itself in activity (Berger & Luckmann, 1971; p. 70; emphasis added)

According to Geertz, “man is an animal suspended in webs of significance he himself has spun” (1973; p. 5). In his *The Interpretation of Culture*, the “webs of meaning”, “thick description”, “deep play”, “the confusion of tongues”, and the “said of social discourse”, are all that he had inscribed and were “to cause them to cast light on one another” (Geertz, 2000a; p. viii-xi), not in a specific but “in some general way”.

The view of “in some general way” is with the premise “the understanding of understanding” (Geertz, 1983; p. 5). Culture for Geertz is not to find the straight meaning as “knowing how to wink is winking” (Geertz, 1973; p. 12), “but to make

available to us answers that others” (ibid; p. 30). This mode of treatment indeed I had mentioned in the first page of this chapter in Geertz’s quotation of Wittgenstein’s remark, prescribed as, “in the actual use of expressions we make detours, we go by side roads” (Geertz, 1983; p. 92; also p. 6). It is from this way of thinking that “interpretation” exists in different concrete settings, in different positions, and in different analytical elements. As, in an ongoing life, Geertz argues

But if the view is settled, the way to bring it to practical existence and make it work surely is not (ibid; p. 5)

In accounting treatises, it has long been argued that the “rules are not based on logic and scientific methods but are derived from experience and reason” (Gruneberg, 1950; p. 162) - “in some general way”. The example of this we can see in such constructs like “depreciation”, “entities”, “profit”, or “methods”, which certainly reflect “a growing body of beliefs”. To make any sense at all of these ways of “defining accounting realities”, argues Churchman (1971), is not to come to grips with them (like straight-line depreciation method) but “in some ways to make a difference”. In “accounting”, the practices are not rigid as one can struggle against it or can turn back and start over in some other ways. Admittedly, this is the reason, explained Brief (1990), for the extent of “accounting error as a *factor* in business history”.

The rationality of “in some general way” is “externalization and socialization”.

From such an approach, Geertz advocates a person that sees himself as an object from the “outside”, from the position of “others, as he informed:

Looking at this way, the aim of anthropology is the enlargement of the universe of human discourse (Geertz, 1973; p. 14)

By viewing himself from the outside, Geertz is making objectivication from externalization and this initiates socialization as he sees himself through the way in which others see or define him (see; Blumer, 1969; p. 13). By doing so, Geertz does not limit what he himself internalizes in thinking but also how he externalizes the everyday life, the ongoing production of knowledge. This certainly will build up the joint actions from someone who regards that as information on what he wants, or at least generates the interest of others⁹.

3.7 Concluding Remarks

This chapter continues the search for accounting and the process of knowing from the enterprise of culture. It opened the discussion with the recognition that culture has offered many versions of the process of knowing including adaptive systems, cognitive systems, structural systems and symbolic systems. It is shown however that the symbolic systems approach is more satisfactory and more prospectory than the others in the process of knowing - “the understanding of understanding”.

This claim I view from Geertz’s conception of culture and his interpretation of symbolic systems. Geertz’s penetration of symbolic systems is epistemologically relevant to the subsequent discussion for at least four reasons in this study. First, to meet the idea of seeing culture as being “as public as marriage and as observable as agriculture” (Geertz, 1973; p. 91) which is in contrast to the traditional realist camp that believes culture is something that is essentially “made”, not “created”. Second, symbolic systems are an attempt to keep our eyes on a particular lot of companion pieces of cultural facts which “may be social and ideological as well as material”

⁹ This is evident from the discussions of Geertz’s works in many fields.

(Goodenough, 1981; p. 51). They are the door for the self realization and contextualization in the process of knowing the intention of which is for understanding the meanings not in finding the objective view under a specific methodology. Third, accounting, which is the subject of this study, is ideally regarded as symbolic in that it has an instance of the subject engaging in a process of interpretation. Symbolic systems offer a number of basic ideas for accounting, catalogued as “by isolating its elements”, “internal relationships”, and “in some general way”. And fourth, extending the argument on these ideas, symbolic systems describe our being-in-the-world rationality - “objectivication”, “internalization” and “externalization and socialization”, the work that this thesis is aimed to do in “Accounting, Knowing and Being”.

CHAPTER FOUR

STATE IDEOLOGY, SOCIETY AND ACCOUNTING: A CASE OF THE EMPLOYEE COMMITMENT FUND (ECF)

Generalized, the “who are we” question asks what cultural forms – what systems of meaningful symbols – to employ to give value and significance to the activities of the state, and by extension to the civil life of its citizens. Nationalist ideologies built out of symbolic forms drawn from local traditions – which are, that is, essentialist – tend, like vernaculars, to be psychologically immediate but socially isolating; built out of forms implicated in the general movement of contemporary history – that is, epochalist – they tend, like *lingua francas*, to be socially deprovincializing but psychologically forced. However, rarely is such an ideology anywhere purely essentialist or purely epochalist. All are mixed and one can speak at best only of a bias in one direction or another, and often not even of that

- Clifford Geertz

After the Revolution: The Fate of Nationalism in the New States, 1973

4.1 Introduction

In all organizations that I was “being in” there are significant elements that could make a “cultural analysis in my own case” (Geertz, 1996; p. 44). This chapter is the first of my efforts to bring towards a focus that in which I sense the particular images of knowledge *of* accounting and knowledge *about* accounting that is distinctive in Employee Commitment Fund (ECF). In order to significantly look at the context in which ECF forms part, I have limited the specificity. On this basis, the content of the current chapter is essentially about ECF and its relation to the State at the general concept level of ideology. There is a cogent justification for this as ECF is an organ of the “State” - populated by “people”, ruled by “acts”, run by “regimes”, and united by “nationalisms”. All these people, acts, regimes and nationalisms, lead ECF to be vulnerable to the ideology of the State. This is particularly true to the extent that the

legitimization of ECF exists as not only a compulsory saving scheme but as the mark of socio national economic planning.

The fact is “ideologies are selective” (Claessen & Oosten, 1996; p. 15). In this chapter my inscription of them will simply be limited to the point where I will be able to associate with ECF as a government-sanctioned statutory body. Hence, to apply this is neither to scrutinize radically distinct forms of ideology such as Marxism, Darwinism, Utilitarianism, Idealism, Freudianism, Behaviorism, Operationalism, nor to engage in a “dark secret”, “false consciousness”, “self-contradiction” of which the ideologies themselves lay hidden (Gouldner, 1974; p. 17), but to pose in a central utopian manner¹, the very-formalized-way of ECF and the State.

4.2 State Ideology and Society Exemplified in “Employee Commitment Fund”

Outside Masri’s room there was no seat available. As I came about fifteen minutes earlier than the appointment time² I was then advised by one of the female staff there to wait on the only sofa available in front of the Senior General Manager’s secretary’s place, which was to the left of the business wing. Although the room of Masri, a Senior Manager³ of the Accounts Section, was at the end, on the right side of the office space, the glass wall of the room allowed me however to catch the sight of him from where I was sitting. The majority of Masri’s staff and their work I could also see. I noted that, from the main door of the Finance Department, between the distance of the rooms of

¹ The case of this utopian ideology was inspired by Arrington (2005).

² It was my first meeting with Masri on the first day in ECF. The “meeting” had been arranged to be at 8.30am over the phone by Norhayati, a Deputy Manager of the Manpower Planning Division in Human Resource Management Department, a week in advance.

³ 8 days afterwards I was informed by Tashirah, an Accounts Officer of the Subsidiary Ledger Unit that Masri had just been promoted to General Manager. On my latest visit to ECF on 24 July 2005 Masri was found temporarily holding the task of Acting Senior General Manager replacing Chok Kim Chew who had just retired.

Senior General Manager and Senior Manager, no specific counter or waiting room was located for “visitors”. As such, while waiting, I could easily observe the immediate presence of objects that appeared on the scene. The ringing phones, the chatting workers, the printing documents, all of these of which I reckon could be the social order of ECF.

I could not claim, however, that the above overview is monumentally ideologized, or to quote Berger and Luckmann’s illustrious remarks: “the zone of everyday life that is directly accessible to the reality *par excellence*” of ECF. For Eagleton (1991) ideology involves a kind of deception. These similar conditions are not unusual, especially in most Malaysian government-sanctioned statutory bodies. The ideological artifact in expressing ECF’s uniqueness is not “exhausted with these ‘here and now’ immediate presences” (Berger & Luckmann, 1971; see p. 36). The reading of ideology “demands a diagnosis” (Geertz, 1973; p. 204) as at the “initial level”, the conception of ideology according to Mannheim is with “no inherent ontological significance since it originally denoted merely the theory of ideas” (1966; see p. 63). Hence, in the case of ECF, in the analysis of ideology and its relation with the State I rather deal with a mode of thinking which ECF is designated in the social vocabulary of society and is embedded in the recollections of Malaysian economic and political ideology.

To draw a simple illustration I will focus instead to the “background” of the universal struggle that the State and ECF seem to emerge. In my view, the conception of ideology is symbolized in the “location” of ECF that is stationed in the central city of Jalan Raja Laut. This is because just about two hundred-metres from the ECF building is the place where the seeds of the spirit of Malaysia as an independent nation were

sown. Called as *Dataran Merdeka* (Independence Square), the place was a cricket ground for the colonial administrators that fronted the Royal Selangor Club, Malaya's most exclusive club. It was at the *Dataran Merdeka*, at midnight on 30 August 1957 that the first Malayan flag was raised when Tunku Abdul Rahman, the Father of Independence and the first Prime Minister of Malaysia, uttered the cries of “Merdeka”. Since that historical day the Malaysian flag has been hoisted on buildings, fields, and vehicles, and has become a symbol of Malaysia as a “sovereign, democratic and independent” nation.

Through causal-cultural-integration, I see there is a “monumentality rhetoric” for me in inscribing the “extrinsic sources of information” (Geertz, 1973; p. 218) about ECF. The simplest reason for such a claim is that most frequently invoked of ECF’s symbolism - its twenty-six-floor building. The building, attached with the nostalgic episode in *Dataran Merdeka*, is frequently used as landmark by Malaysians, especially those who are visitors to Kuala Lumpur. It has happened to me many times such as once when I was having an interview at Darul Islamic Bank (DIB) ten years ago. At that time the DIB head office building⁴ was adjacent to ECF, and as it was among my first “journies” in Kuala Lumpur, like most Malaysians, I used to use “*Jalan ECF*” to delineate my course. Referring to *Jalan ECF* as a surrogate for *Jalan Raja Laut* (which is stated in the address of DIB) indicates a sign that ECF has been unanimously accepted as a kind of organization that has been “roaded-in” into Malaysians’ hearts. To this point, ECF brings up the context in which the relation of ideology to the rest of

⁴ Since 2001 the title “head office” has moved to new Darul Takaful building in Jalan Sultan Ismail. This “symbolic information” I discuss in Chapter 6.

history in reconsideration. With a logo that has the same stripes of the red and white of the flag of Malaysia⁵, ECF's horizon is made in union with the Malaysian ideology.

Although ECF is not the earliest government institution, it is the organization that has significant grounds for the “establishment” of Malaysian society, in the sense of building the nation, “the State”. Its constitution constantly refers to “employee” as given in its name. Ricoeur once said that “ideology is readily expressed in maxims, in slogans, in lapidary formulas” (1991; p. 250-251). Hence, I would say that for ECF, its particular conception of ideology is subsumed under a broader banner, the words of its appellation - “Employee Commitment Fund”. Some time ago, Malaysia was a dream palace, a palace for Portuguese, Dutch and British Colonialists, a palace for imported employees; Chinese in tin mines, Indians in rubber plantations, and to the lesser extent Sumatrans, Javanese, and Arabs as business sea-merchants. All of them were employees, government-employed or privately-employed. In this context the term “employee” broadly has some coherence to a view of Malaysian ideologies. These are illustrated by two aspects central to ECF: the aspects of “trust” and “security”. Within these two nations rest the idea of the inception of ECF. Both, as their internal dialectic indicates, have a bearing on the fundamental accounting practices in ECF.

4.2.1 Trust

For the Malaysian community, as a “plural society” under colonialism for centuries ago, trust is the crucial base of State ideology (cf. Teik, 1971). It would be almost certainly impossible for a State to build a nation, have a language, and live with

⁵ One difference is that ECF has 13 whereas the national flag has 14 stripes which is due to the Federal District of Kuala Lumpur having seceded from Selangor in 1974 to become a Federal Territory (Wilayah Persekutuan). There is no intention to add a stripe to the design of the ECF's logo so far nevertheless.

one identity without trust. Trust as cooperative exchange is seen as a social resource. It is in the very essence of society, constructed in the taken-for-granted conditions to the ultimate personal rational thought. It is the substructure of “social reality” (Lewis & Weigert, 1985). As for Malaysia, trust was the rise of the major ideological system. It was known that trust was the basis in the introduction of elections in 1955, where the United Malays National Organization (UMNO), the Malayan Chinese Association (MCA), and the Malayan Indian Congress (MIC) formed what came to be called the Alliance, which thereafter, from 1957, became the largest party that came into power as the Malaysian government.

The degree to which trust was the ideological doctrine of Malaysia can be insightfully demonstrated in a comprehensive analysis of ECF. As an organization that resembles the Malaysian people and represents the multiplicity of the whole community, trust is internally coherent to ECF. This can be seen in all categories of ECF’s contributors; *agriculture, forestry hunting & fishing; agricultural products requiring processing; mining and quarrying; manufacturing; construction, electricity, gas water & sanitary services; commerce; transport, storage & communication; services; and government services*. With the “population” included and the “mutual faithfulness” among themselves, ECF is manifested in the network of trust.

According to Tomkins (2001), fundamentally, trust, is “an assumption of functional continuity of that with which we are familiar” (p. 165), “enables us to adopt schemas which leave us free to contact without trying to process more information about the world than we are capable of doing” (p. 165), and that “can exist without a

calculative frame of mind” (p. 167) at the utmost level. Trust, therefore, in the broad sense is a sacred duty rather than a material one.

In this case, ECF fits this description. At an ideological level, to the more perceptive (of the term trust), ECF has become involved at a very personal level indeed. Under the code of “201” at the deduction side in a personal salary slip, ECF structures the myths the “class” to which the individual belongs and the “status” of the organization at which the individual is employed (see; March, 1984). My brother-in-law, Zakuan, who is a broker in Arab Malaysian Unit Trust, to give an example, often uses the size of the ECF deduction, as shown in the below Table 4.1, to calculate the “position” of his customer before he prolongs his explanation with the “available” products and schemes. As an Unit Trust agent who constantly meets and talks with the public, engages in business investment “performance evaluation” (Johansson & Balvinsdottir, 2003), deals with peoples’ “expectations” (Neu, 1991a, 1991b), bespeaks the “long-term” portfolios (Seal & Vincent-Jones; 1997) - all the alliances of trust (as these authors maintain) - Zakuan continually regards ECF as the most trustful prescription to “account” for the individual and the most practical way to assess the business plan.

It is not the concept of the time-value of money that is of concern to Zakuan and also others as neither dividend nor the limit amount of the account has been fixed under any formulae of investment by the government. Rather, as shown in Table 4.1, it is a reservation of members' resources (i.e. wages) from where the employee and employer responsibilities have been partitioned. At its inception in 1952, the contribution rate was 10 percent whence both employee and employer shared the same proportion of deduction. This rate has since been revised eight times over the years and the last revision was in June 2004. The current contribution rate recently is 23 per cent where the rate of deduction for both employee and employer has virtually been doubled since December 1980. As noted, an employer still has been given responsibility to contribute half of the account on behalf of his or her employee account.

This indicates that ECF to a certain extent portrays the social liaison between employer and employee. Hence, the "real work" of ECF is not legitimated by the relationship of employer and employee as ethically illuminated in contract law theory which focuses on theory-choice problems (Lavoie, 1987) and assumes both independently the "utility maximizer" (see assessment by Sterling, 1990; also March, 1987) but rather, through their "consensus beliefs" (Gambling, 1987) that ECF is "our account". Rather than contract as predominantly assumed in most of the time value of money's theses, ECF is enacted "on the grounds" of trust (Armstrong, 1991). This is parallel with the contention that "trust and co-operation must exist *prior* to contract" (Seal & Vincent-Jones, 1997; p. 406, also Neu, 1991a; p. 197, 1991b; p. 243), not after.

4.2.2 Security

In the case of ECF, as “trust” symbolizes “those who believe and obey”, it is “security” where the charge about ECF has mainly been executed by “those who think and reason” (i.e. economic watchdogs) over the years (Abdul-Samad, 2003). It is a matter of security for more or less that which “appears to be a metaphor or at least an attempted metaphor” (Geertz, 1973; p. 210) to ECF recently as implied in its mission - to be a “provider”, “source”, “investor”, “financier”, and “promoter” that provides socio-economic contributions to the nation (*The ECF Yesterday Today Tomorrow*, 2001).

While I was on the ground floor of the Wilayah Persekutuan branch, I saw an excerpt: “ECF’s Primary Duty is to Keep the Nest Egg Safe” (*The Sun*, 27 September 2002) in a corner form completion counter. I realize the word “nest-egg” is intentionally ideologized to ECF as it has frequently being referred to. This word is the focus around which an ordered realm for ECF is formed. In the launched-book *The ECF Yesterday Today Tomorrow*, in conjunction with its 50th anniversary on 1 October 2001, terms such “safety net”, “lump sum needy earnings”, “source of comfort”, “pay-as-you-earn scheme”, “trustee”, “custodian”, “steward”, I found have been incessantly mentioned. I believe, therefore, the fact that I was always reminded by my informants to glance at the “number of accounts” held by ECF, was indeed rendering such “nest-egg” depictions (for e.g., see; Appendix 4: *The ECF in the News* - 1950s, 1960s, 1970s, 1980s, 1990s, 2000/2001).

This belief was determined in effect by Saadiatul, an Accountant in the Property Department. In the discussion, she disagreed with my opinion that ECF should emulate

banks in the business operation and systems application⁶. Instead, she emotionally asked me:

Where can you find the number of housing loan customers in any bank (equivalent) with the number of contributor employers in ECF?

Saadiatul's message, and others, are the symbol of the uniqueness of ECF that were conceived in bearing the utopianism of "nest-egg". Implicitly, it is able to be easily discerned in Table 4.2. In the table, both columns of age and income groups, which were produced in separate pages in the *ECF Statistical Bulletin*, are reproduced. Across the information given, collectively, is the general notion of the ECF.

⁶ At that time, I personally thought the issue of ECF-bank was relevant to question, as like banks in its operations ECF performs mainly saving and withdrawal schemes.

As shown, almost “all types of age groups” from an initial working year to an ultimate retirement period appear to have a correlation with ECF despite the amount of the income they have earned in a month. Of the “thirty-four-wage range-row”, is included the “more than RM50,000” and the “less than RM100” rows. In a more explicit way, these two kinds of “infinite” members; the *less than* and the *more than*, in “text” (not in “number”), provide an insight that ECF itself has had a lengthy relationship with Malaysians. The first row “less than RM100” under the Wage Range (RM Monthly) column is not an exemption even. By means of this information, this reflects the “main idea” of the setting up of ECF, the far-reaching society organization, which is being colonized into the concern that “everyone should be able to become a contributor” despite their age and income.

This *age-income* pair, especially the latter, has very great economic, political and spiritual importance. Behind its granular image lies “the story of the story” of Malaysian postcolonial social life, the ground that insightfully determines the meaning of the term “State” (Miller, 1990). To begin, it was narrated in the history that

Private owners of leading *rubber plantations* began to establish simple saving schemes for their workers, as a form of old-age protection and security. Contributions were not uniform but these provident schemes become popular not only amongst plantations but also in the *mining industry*. The subject of a compulsory saving scheme was first mooted in 1949, by the then Labour Department...Under the scheme, contributions from employers and employees, initially those from the lower-income group, would be managed for future use by a fund. These various initiatives led to the enactment of the Employees Commitment Fund (ECF) Ordinance by the Federal Legislative Council of Malaya on 1st October 1951 which set the scene for the creation of the ECF (*The ECF Yesterday Today Tomorrow*, 2001; p. 9, emphasis added)

Note that, the above two industries that I have underscored, “rubber plantation” and “mining industry”, were among the very first members of ECF. In respect to Malaysian economic history both were the world’s largest producers that “have constituted the main sources of Malaysian economic growth over recent decades” (Rudner, 1983; p. 413). In conjunction they initiated the importation of Chinese and Indians migrations which was massively embarked upon in 1850 and 1880 (Govindasamy & Da Vanzo, 1992; p. 246; also Hirschman, 1987) when Malaysia was under the British colonial period. The result of these immigrants, as a result of both industries, is the creation of Malaysia’s identity today; the multiethnic society.

Despite the fact that both industries have helped Malaysian economic development, it also assisted politics with the intermingling between local Malays and the Chinese and Indians newcomers. This happened as a result of British policy, in order to reduce the tension between them, to maintain that “Malays continued to live off the land in a subsistence economy, while the Chinese and Indians worked for wages in a cash economy” (Govindasamy & Da Vanzo, 1992; p. 246). As Kaur observes

The Chinese and Indians lived in the town area. Single Chinese lived in *kongsi* houses provided by their contractors, while married Chinese lived in attap squatter huts fringing the property. The Indians lived in single-storey barrack-style accommodation (1990; p. 89)

These distinct ethnic divisions have intensely affected the Malaysian political environment. For many years, in rural areas, the leader or *ketua kampung* was inherited by a Malay and the clerk or interpreter was given by the British to an Indian Muslim, also known as *Jawi Peranakan*, as a result of Indian-Malay intermarriages (Hirschman, 1986). In urban areas, majorities were still immigrant Chinese and Indians who had

been permitted to gain control in the location of mining collieries (Case, 1993; Kaur, 1990). Due to incessant complaints by feudal factions of Malay rulers and to appease them from prolonged anger, the British, “in order to safeguard their commercial interests” (Govindasamy & Da Vanzo, 1992; p. 246; also Lin-Sheng, 2003; p. 32), accepted the “special rights” of Malays as *bumiputeras* (“sons of the soil”). This however was not readily accepted by the Chinese (Lin-Sheng, 2003) and to a lesser degree by the Indians who have seen this as a threat in the long run.

Scott, in *Political Ideology in Malaysia: Reality and Beliefs of an Elite* (1968), has claimed that

The best known “ideologies” are socialism and communism, each of which refers to a highly organized system of beliefs and values about society as it is and as it should be (p. 31)

Exasperated by the ethnicity issues and since “Malaysia and all countries in Asia live under the looming menace of Communist China” (cf. Tunku Abdul Rahman, 1969; p. 9), the great influence of Mao Tse Tung’s thought radiating from Peking has been seemingly seen as “a voice” of disenchantment of the radical Malayan Chinese community at that time. Lead by Chin Peng, who was born in Kampung Koh, in Sitiawan, Perak, “the rural Malaysian Chinese poor have traditionally been a source of support for the communists ideas, and it was documented that roughly 90 per cent of communists in Malaysia are Malaysian Chinese” (see; Stubbs, 1977; p. 251 & 253; also Lin-Sheng, 2003; p. 27). Although the ethnicity and bumiputera special right issues were not the reason for the establishment of communism, they did contribute to the transplantation of patriotic emotions (see; Gungwu, 1970; Tunku Abdul Rahman, 1969).

The main issues were about securities - security of Malay supremacy, security of equality of Chinese and Indians migrations, security of wealth.

It is clear that the above post revolutionary period is a basis for the Malaysian ideology⁷. In this chapter, it is a dawning realization for me to relate with the setting up of the “State” and ECF. As “the oldest provident fund schemes in the world” (cf. *The ECF Yesterday Today Tomorrow*, 2001; p. 10, 29; Thillainathan, 2002; p. 1) that developed under the period of “poverty, inequality, exploitation, and great power politics” (Geertz, 1973; p. 237), this recall is reasonable. It is understood that from the excerpt “private owners of leading rubber plantations began to establish simple saving schemes for their workers, as a form of old-age protection and security. Contributions were not uniform but these provident schemes become popular not only amongst plantations but also in the mining industry” (*The ECF Yesterday Today Tomorrow*, 2001; p. 9, underline added), that the constitution of ECF was among the first attempts to bring diverse communities, including Chinese and Indians migrants, into the spirit of nationalism. As has been stated

Records show that the ECF came to being at a time when Malaya was going through a period of insurgency caused by communist activities. The government saw the creation of a workers’ fund as an important vehicle to give people a sense of greater security (ibid; p. 10)

Since security is the matter, ECF therefore is “a requirement”. There are offences and penalties under the ECF Act 1991 that authorize ECF to proceed with the legal action to the employers who fail to pay within 15 days to the Fund (ECF account) any contributions on behalf of their employees. According to the Act, the employer will be

⁷ It becomes also the connecting sources for RCARE and DIB.

liable to imprisonment for a term up to three years or to a fine up to RM10,000 or both (The ECF Act 1991, Section 43[2]) for failing to pay for the remuneration of

Ordinary wages, arrears of wages, wages for maternity leave, wages for study leave, wages for half pay leave, directors' salary, bonuses, allowances, commission, payment in lieu of notice of termination of employment, payment for unutilised leave, and other payments under the contract of service

As an example, recent internal news published in www.ecf.gov.my/ on 2 September 2004 have quoted that a total of RM72,800 was charged from thirty seven employers from June to August 2004 due to failing to fulfil their obligation to the ECF (Appendix 5). Ideologically, under this image of security, it is seen that ECF has constructed "a social myth of managerial significance" by encouraging organizations to maintain reputation and performance so that they are able to provide reassurance to their employees (March, 1984). In Malaysia there are strong kinship ties and this point seems profoundly to have a visual sense. Further, it can be expressed also that ECF has ingrained "commitment values" in the family sector as in the event of the death of the member.

4.3 Accounting and "the ECF Way"

As the foregoing review has shown, ECF is ideologically driven by the State in an attempt to penetrate "a proper 'nationality' in the modern manner" (Geertz, 1973; p. 239) in the process that it "ties together the resource mobilization system and labour consumption market" (Richardson, 1987; p. 343). Traditionally, on account of this structural-functionalist legitimation, "loyalty", "solidarity", and "commitment" are the grounds (Parsons, 1977; p. 366; cf. *ibid*). This "institutional-based" approach reconfirms that for ECF, trust comes "to be accepted as social facts - the way things are and have

always been” (Neu, 1991b; p. 248). Both, trust and security, are the intertwining core in the very locus of ECF.

Seen from this perspective, it is seemingly inevitable to admit therefore that the focus by ECF on the schemes “50 years”, “55 years”, “periodical payments”, “annuity”, “housing”, “medical”, “education”, “incapacitation”, “leaving the country”, and “death”, are basic human needs collectively - on the principle of security and trust. As such, the schemes largely advocate that the positions of ECF, if to comply with the Maslow’s Theory of Motivation, are

[t]o maintain their equilibrium by avoiding everything unfamiliar and strange and by ordering their restricted world in such a neat disciplined, orderly fashion that everything in the world *can be counted on* (Maslow, 1987; p. 19, emphasis added)

Although Maslow indicates that a human has a hierarchy of needs which must be met accordingly in order to reach the highest needs, Maslow, argued economist Seeley (1992) “was not a utilitarian nor interested in the economist’s assumptions of maximizing behaviour” (p. 304). His ideology in theory of motivation according to Seeley is affected neither by income nor by price (as in contract law theory) but rather by “any of the other emotional and physical requirements that we accept as human needs” (p. 304). Maslow’s theory, and his stresses on “can be counted on”, has intrigued me to have “second thoughts” (to borrow Chambers’ term, 1970) that “how big is the nest to cover the eggs?” is of no more importance than “how many eggs are there for the nest to cover?” since I believe it is not the nest but *the* egg that make sense to ECF. This is understandable since the concerns with “security, stability, dependency, protection, freedom from fear, anxiety, and chaos, need for structure, order, law, and limits,

strength in the protector, and so on” (Maslow, 1987; p. 18), argued Maslow, are determined in effect

[w]hen there is plenty of bread and when their bellies are chronically filled (ibid; p. 17)

As the above phrase implied, it cannot possibly be denied that it is the “quantity” rather than “quality” of transactions that is of concern to ECF - “the ECF Way”. It is not difficult to comprehend as unlike in banks and financial institutions, transactions in ECF have no conjunction with any great investment plans. The main *raison d’être* of savings in ECF is “for survival after retirement” (Abdul Samad, 2003), which is very dissimilar in concept with banks that would consider that savings from contributors should be in the most profitable situation. As a matter of fact, it is understood that contributors or members, if in the case they have the chance to make investments, prefer to do elsewhere outside the ECF account. Recent news on 22 June 2004 reveals that RM461 million was withdrawn from ECF in the first three months of the year 2004 for investment purposes. Referring to this, Datuk Aziz Zaidi, Chief Executive Officer of the ECF has been reported as saying:

The increase, both in number as well as value (of withdrawals), is indicative of a strong economy, leading members to opt to *invest on their own* (Appendix 6, emphasis added)

This phenomenon results because ECF is not in the best position to place itself as a good platform for investment for contributors (cf. Gunasegaram and Tham, 2002; Thillainathan, 2002). This is evidenced through the fact of a dividend of below 10% for the rest of ECF’s life since its incorporation year in 1952⁸. Albeit with unsatisfactory

⁸ Specific discussion about the weaken of ECF’s investment strategy is given by MTUC (Malaysian Trade Union Congress) especially pertaining of the declining of its dividends from the mid-1990s (cf. Thillainathan, 2002; p. 2)

investment packages, ECF is still one of the best provident funds of its kind in the world and has the largest assets (*The ECF Yesterday Today Tomorrow*, 2001; p.29; Thillainathan, 2002; p. 1). This supports the view that for ECF, “in this way of the development of money”, exemplifies “the importance of *quantity*” (Robson, 1992; p. 699). The below conversations which were taken serendipitously in different places but had been voiced by different levels of “accounting authorities” were given as evidence of the outlook of the ECF Way:

1. I can see from here. I joined ECF in early 1996 from the government sector. To me, the accounting process in ECF is not really complicated, only the volume is our problem (Masri, General Manager⁹)
2. By nature of ECF accounting systems, the general ledger itself is not that big but the volume of transaction is very very big (Mohilal, Deputy Chief Executive Officer)
3. At ECF, the volume is really huge (Tashirah, Account Officer)
4. It is the volume that so influenced our systems (Taufiq, Senior Account Officer [this point of view was addressed in coincident with the “accident” that happened in front of the photocopying machine at Budget Unit, 18th floor. During that time, I was lending my hand helped him getting out his papers that had stuck])

Below, I detail the core of this, the ECF Way of quantification, from the significance found in ECF’s accounting practices.

⁹ See footnote no. 3.

4.3.1 “Writing of Money”

In the middle of the 17th floor at the Ledger Unit, there were several tables lined-up on which were placed different kinds of printed reports. A great number of reports and the way they were grouped indicate that the tables had been used for quite some time. They were used mainly by the Duty Clerks to manage, sort and reconcile the financial reports. In this environment, I was told by Norazizah, the person that led the Ledger Unit that:

It’s difficult to get paperless here. As craftsmen (accountants), we (in the Finance Department) care about peoples’ *money*, we ourselves don’t have *money* except the income which we invested from the savings of people. In future, what (we should do) if the members said “we don’t receive our *money*” (in the cases of withdrawal)?

In ECF a “mountain of papers” is unpreventable, sometimes indispensable. This term “mountain of papers” was coined straightforwardly by Chok Kim Chew, a Senior General Manager and a Head of the Finance Department, in a Monday morning discussion, in relation with the above “difficult to get paperless” condition. As an outsider and also a contributor to ECF, in comparison with a customer of banks and financial institutions, I agreed with the justifications of Norazizah and Chok Kim Chew. This is because ECF’s members never see the actual money except in a “personal salary slip” and in a “contribution statement” once a year or when it comes to the time where there is a withdrawal. All those inscriptions materials: “papers”, “figures”, “charts”, “tables”, are to function therefore as ECF’s “action at a distance”, allowing it to congregate “mobility”, “stability”, “collectibility”, “examinability”, and “combinability” (Chua; 1996; Robson, 1992). Ceremonially, in so doing, they provide great reserve on trust to members in the long term relationship (Seal & Vincent-Jones, 1997).

When seen in this context, it might appear that the paperless-explanation of Norazizah's is the "intrinsic concept" of ECF. But, to understand the connection of ECF to the State ideology, as previously described, is to judge on an utopian basis. Therefore, the trick is to see it in a much broader context. In this sense, the three utterances of "money" of Norazizah are considered "universal struggle" for ECF, ideologically.

To explain this, I understood that the title of Senior Accountant requires Nurazizah to be fully responsible to all sections in the Finance Department - Accounts Section, Budget Section and Collection Section. Since Senior Accountants like her at ECF are among those (besides the Managers and above) to whom all the reports in the Finance Department should be handed to be authorized, and because of her three utterances of "money" above, I would consider it reasonable to indicate the ideology of the business of ECF in general. Moreover, the point that her major assignments are to take care of all the reports of "warrant cheques, standing instructions, foreign bank drafts, and telegraphic transfers" (for e.g., see; accountant description job - under priority, no. 2; Appendix 7), I consider once again as an indication hereafter that accounting in ECF is manifestly restrained to be as "recording mechanisms for such monetary forms". It becomes apparent when planning, managing and the restructuring of ECF's business activities such as Malaysian government securities, money market instruments, loans and debentures, equity, and properties, that all aspects are sanctioned under the supervision of the Investment Operation Department independently. In all these "writing money" tasks, the Finance Department has no authorization to meddle.

4.3.2 “Managing of Money”

Polanyi (1960; p. 11) once observed that “ideologies are fighting creeds”. This statement I found in character with the version of the ECF Way which is “conditioned by” the State more than of its members or contributors. The intensity to do the best to correspond to the State ideology, to being a “local” of the government, has influenced the “self-management” (Jönsson, 1992) among its departments. This is apparent in the two departments which are commissioned in the money enthusiasm activities: Finance Department and Investment Operation Department.

It is not accounting *per se* that differs between the Finance Department and the Investment Operation Department since accounting, as discussed earlier, is not undertaken in isolation. It is the conceptualization of the notion of accounting under which money is concerned between both departments. Recall that “trust” and “security” are the crux of the ECF’s notion, it is money rather than dividend or share which is the main concern of ECF. Notwithstanding, as previously explained, ECF is not, however, in the true spirit of “making money”. This, as Thillainathan (2002) argues, is because of “the investment performance of the ECF is seriously constrained by the nature of the provident fund scheme, by the regulations imposed upon it and by financial markets that are under-developed” (p. 2). Herewith, in the case of the Finance Department and Investment Operation Department, whilst the former is considered to be where the “writing of money” is done, the latter is appreciated as being where the responsibility of “managing of money” lies.

Unlike the Finance Department (and other departments), the feeling that the Investment Operation Department is the “only” responsible department that oversees the

income (i.e. money) for ECF is symbolized in the splendour of the varnished wood counter and soft sofas for waiting guests, next to its front door on the 24th floor. With its additional “own” receptionist (although on the ground floor visitors or members were asked by the security guards to register and pick up the electronic card for the department to which they would like to go), the Investment Operation Department has portrayed that even in the same organization, “culture is not something that can ever be the same” (Ray, 2001; p. 55). My first presence in the Investment Operation Department was at a meeting with Kassim, a Manager of the Supervision Unit in the Equity Investment Division. At the very first he told me that:

In this department you have to get permission from our head, Dr Romzi¹⁰. Other departments I don’t know. Here, get permission first although you have already got consent from *Encik* Waizuri (as stated in my letter of confirmation to carry a research, see Appendix 1)

Since with Waizuri’s consent letter I was well-received in many departments and units in Head Office including other ECF entities; the ESSET (ECF Social Security Training Institute) at Bandar Baru Bangi and Computer Department at Jalan Gasing, Petaling Jaya, I thought it might be Kassim himself that had responded to me as he was occupied at the time I went. However, in the following days, when one of his female staff told me that “this department is different to others” it proved compatibly. I am sure that the business perception from the “working actor” does reflect the flag of the “landholder’s territory” (cf. Rasyid and Gaffikin, 1996; p. 10-11).

“It is the Investment Operation Department where employees are thought to be the most important” said Shahrol, an Assistant Manager of the Payment Unit in the

¹⁰ Formerly he had been a staff member of Universiti Putra Malaysia (UPM) in the Faculty of Economics and Management but prior to my years. I never knew him before therefore.

Accounts Section, Monday afternoon before the lunch time. According to Shahrol, the Finance Department is not really popular in ECF as many consider it as merely the place where all the documents and reports are deposited for the final account. It is different with the Investment Operation Department, which is regarded as the place where the strategic, vision and direction of ECF are of concern. In relation to that, furthermore, Roslida, an Assistant Manager of Administration and Recruitment Facility Division in the ESSET confirmed to me that the Investment Operation Department staff so far have been championed in applying to attend most of the “outside” conducted educational training. According to Roslida, although the ESSET has conducted series of training sessions and workshops, since most of the trainers are “local”, the quality of current knowledge is therefore hardly identical compared with the outside courses. She continued:

In some cases ESSET also approves an application to go for overseas training¹¹ as far as the applicant department can successfully prove that the course is really needed by its staff member

Although Roslida gave a reason that the numerous applications from the staff of the Investment Operation Department were “merely because they are the ones that realized the training should not be necessarily in the ESSET”, my presumption at that time however was mixed. I personally thought that it may be because of the nature of the job that the Investment Operation Department staff felt that they are in “better position” than others. Such a feeling was getting stronger as I found although the Finance Department is responsible for presenting the “amount of money” of contributors to the Parliament members, it is under the premise of the Malaysian government for the Investment Operation Department to be attached within the

¹¹ At that time she was seen preparing an approval form, a bank draft, and a winter clothes allowance for a staff member that is going to United Kingdom.

“administration scope¹²” of accounting activities. This can be viewed from the insight of the rejoinder by Dr Romzi, a Deputy Chief Executive Officer of the Investment Operation in response to the writer of “ECF Should Follow Accounting Norms” released in *The Sun*, 15 October 2002. Although the central issues from the report were exclusively about the current ECF’s accounting disclosures which could be well answered by Chok Kim Chew, a Fellow of the Chartered Certified Accountants, as none of them were focused on investment activities, nevertheless, Dr Romzi did that six days later under the title “ECF Follows Approved Accounting Methods” (Appendix 8).

4.4 Accounting and Local Management Control: a Selective View

“hello, I’m Tashirah” (answering the phone)
 “emm...can you give me a *code number*?” (asking the caller)
 “this is for Mohilal, am I right?” (asking again for the confirmation)
 “the amount is ...” (pausing as she realized I was sitting in front her)
 “sure you don’t have that amount?...I’ll check first” (holding the phone)

The above phone conversation happened serendipitously in front of me while having a talk with Tashirah on Friday afternoon. Her query on “code number” is the means of “action at a distance” (Robson, 1992, also Porter, 1992; p. 640-643) in the way that “quantity”, moulded by trust and security, is of the concern of ECF. Such calls I personally noticed were prevalent especially on both the 17th and 18th floors where the Warrant Unit and Collection Agent Unit were placed. Most of the calls were about the withdrawal information as the Warrant Unit is the unit that is responsible to issue the bank cheques to members and the Collection Agent Unit is the unit that is liable for the updating of the members’ accounts as a result of the clearance of those cheques. From

¹² The Investment Panel comprises 8 members, including 2 representatives from the Ministry of Finance and 1 from Bank Negara Malaysia (Central Bank) (ECF Annual Report, 2004).

Wani, a Senior Account Officer, I understood that one of the major contributions for “this environment” is due to:

State(s) has the authority to endorse the withdrawal applications only. In terms of printing cheques, which types of account are involved, debit or credit, transfer to bank, we all do. The State(s) has no authority

Wani prolonged the explanation that at ECF all 14 Federal Territories have their own state office. As its function is as the “overseer”, one of the jobs of the state office, according to Wani, is to collect daily Manual Journal Vouchers (MJV)¹³ from its branches’ deposits and withdrawals activities. The reasons are for the confirmation, reconciliation, auditing, and finally for the keying-in into the financial reporting systems. However, recently the Federal Territory Johore, which is the third largest and one of the most developed states in Peninsular Malaysia situated close to Singapore, had been given authority by ECF management to accept one of its branches, Muar, to become one of the MJV collectors¹⁴. This has made ECF have 15 suppliers of MJV outside of the head office.

In ECF, the issues resulting from MJV were many. To illustrate, on 5 February 2003 while I was informally interviewing Norazizah, two staff members came and asked her respectively; “do we need to add another MJV?”, “the sum of dividends does not tally, so how?” In more or less than 15 minutes another staff member came and asked her, “how should we do with the outstanding MJV?” Such a condition I could feel is normal for Norazizah. However, since, at that time, I was engaged with her on another issue, it was impolite to abruptly change the topic of discussion while she was

¹³ The number of branches under the state office is not identical and varies in different Federal Territories. For example, Melaka has 2 branches, Pulau Pinang has 5. In 2004, it has been recorded that including branches, state offices, and head office the number were 66 (ECF Annual Report, 2004).

¹⁴ I did not ask anybody however when it was actually in effective.

briefing me. Nevertheless, as I was once told by Saudah, a Senior Account Officer in the Ledger Unit, that “only she alone here is responsible to approve the MJV from state offices”, therefore, instead of seeking additional information about it on an other day from Norazizah, who was always busy, I considered Saudah’s experiences as sufficient for my understanding. In summary of her tasks, Saudah told:

One of my main jobs is to check all MJVs that have been sent by these 15 suppliers. How they send an MJV to me, for your information, is by post. My jobs are, first, to make sure the account code, net amount, description of the account, narration, debit-credit, are all correct. Second, to give an approval and to put the reference number. And third, to forward to Duty Clerks to be keyed-in in SAGA software¹⁵

Saudah also informed me that the issuance of MJV does not exclude the other departments and units in head office, and the ESSET at Bandar Baru Bangi and Computer Department at Jalan Gasing, Petaling Jaya. But, for the good reason, the responsibility for handling them is given to Norzaidah, an Account officer, also from the Ledger Unit. From Norzaidah, I was told that the processes taken are the same as explained by Saudah except for the reference number that she has to put in the MJV before handing to Duty Clerks. Both of them are basically engaged in the very same work procedures.

At ECF, the specialization of jobs of Saudah and Norzaidah in handling MJV I see as having a “gestural form” of accounting and local management control. It was recorded that there were 6,628 MJVs from January to September 2002. The detail is

¹⁵ SAGA is a stand-alone accounting software which stands for “Standard Accounting System for Government Agencies”. In 1996, Malaysian government had issued “Pekeliling Kemajuan Pentadbiran Awam Bilangan 1” (“Circular of Progress on the Administration Civil Number 1”) and ordered ECF within the coming 5 years to use SAGA software under the consulting of Konsortium Jaya Sdn Bhd. SAGA has the full support for use in Statutory Bodies by MAMPU (Malaysian Administrative Modernisation & Management Planning Unit) and the Accountant General Department of Malaysia.

given in Table 4.3. With this figure it is seen that ECF is mounted up with MJV. Paradoxically, also, with this figure it is seen that most of the transactions of ECF are voucher narrative accounts: narrative about what department, unit and state office had been doing and what they would be up for reconciliation.

Department & KWSP States		No. of MJV
1	Finance Department	1,073
2	Members Services Department	276
3	Property Department	122
4	Investment Department	525
5	ECF Johor State	255
6	ECF Kedah State	178
7	ECF Kelantan State	203
8	ECF Melaka State	160
9	ECF Negeri Sembilan State	224
10	ECF Pahang State	129
11	ECF Pulau Pinang State	276
12	ECF Perak State	551
13	ECF Perlis State	81
14	ECF Selangor State	420
15	ECF Terengganu State	174
16	ECF Sabah State	705
17	EPH Sarawak State	350
18	ECF Wilayah Persekutuan State	904
19	ECF Muar	22
Total		6,628

Table 4.3: Statistic of the Issuance of Manual Journal Vouchers since January to September 2002

Needless to say, this dependency on voucher narrative *à la* MJV has created a dilemma for ECF. One thing I am so sure is that it remains a myth for the Finance Department in legitimating its discursive entity. ECF's order is transformed into a matter of the MJVs claiming trust and security benefits. It is always a "prerogative" for the Finance Department thus to coordinate and manage the department, unit and state office in accordance to the reference numbers, costs, assets and liabilities classifications, and rationalities.

One important interpretation is, in so doing, it indicates that accounting in ECF is being trapped however in the activities of managing those “incorrect accounts”, “wrong figures”, “ambiguous amounts”, etc., as these are “the major reasons”, as I was told, that lead to the issuance of MJV. It is most obvious during the time of closing account; the time at which “pensions or social security are paid, and when or whether the rates are to rise, to calculate according to complex indices” (see; Rose, 1991; p. 674). As revealed below:

In the month of October 2002, applications for the issuance of MJV for the *closing account* of September 2002 are 201 cases. 59% of them are directly from the Finance Department itself (Remark No. 1, Monthly Statistical Report - Finance Department for the month of October 2002, prepared on 13 November 2002, emphasis added)

Given the scenario, in the long run, this dependency on the MJV and the sphere of its influence have lead to the situation where “more people were employed in counting and in analysing numbers, more things were counted, more numbers were published” (Rose, 1991; p. 688). This certainly epitomizes the working of the accounting in ECF. As impliedly reported below, as shown in Table 4.4:

Due to the mount usage of MJV, up to closing account of September 2002, it happened the time where the allocation reference number of MJV has been virtually finished. The solution was done through the creation of the Set 2 Code for each state office (Remark No. 8, Monthly Statistical Report - Finance Department for the month of October 2002, prepared on 13 November 2002)

ECF State		Code (Set 1)	Code (Set 2)
1	Johor	01	17
2	Kedah	02	18
3	Kelantan	03	19
4	Melaka	04	20
5	Negeri Sembilan	05	21
6	Pahang	06	22
7	Pulau Pinang	07	23
8	Perak	08	24
9	Perlis	09	25
10	Selangor	10	26
11	Terengganu	11	27
12	Sabah	12	28
13	Sarawak	13	29
14	Wilayah Persekutuan	14	30
15	Muar	16	31

Table 4.4: New Issuance of Code (Set 2) to the Issuance of Manual Journal Vouchers since January to the State Office

On the surface, both Wani and Saudah's messages, and the above tables, so far, have provided three significant points for me to crystallize. First, accounting is not really complicated, as Masri and Mohilal suggested, as most of "the jobs of accounting" (in the means of the Finance Department - "Writing of Money") such as "account code", "net amount", "description", "reference number", and the like, start impressively after the MJV has been issued to the head office. This work, according to Saudah, "is to scrutinize the internal control as any errors we will able to identify and make a necessary adjustment". I view all these kinds of "control", "the handling of defaults", "dispute resolution", to return to trust and security (see; Seal & Vincent-Jones, 1997, also Fligstein, 1998), are the praxis of the practice of ECF's "action at a distance".

Second, such kinds of problems or matters obviously come to being before the approval and the reference number of the MJV has been allocated. It shows then that from the insights of Norazizah's previous commentary and the questions pertaining to

MJVs that are always posted to her, the main role of accountants in ECF, as Wani and Saudah jointly confirmed, “emerge [when] if the report is seen as illogical, the figures too big, printing problem, and errors¹⁶”. Seen from this perspective, the accountants’ functions are rather plainly constrained to oversee “the characteristic of combinable inscriptions” and “the process of *translation* through which this combinability is achieved” (Robson, 1992; p. 698).

Third, to relate to the above preceding observation, this “local management control” practice of the Finance Department provides an insight as to why, at an ideological level, its “self-management” and the Investment Operation Department’s (and also others) vary in different incentives. Both intensively use MJV as the technical rational means, focus on decentralization, but proceed with a great deal of “transactions across them”. In a logical sense, the rationale of this is more on self-definition. The aim is to maintain the integrity and trust given. As Jönsson (1992) observes

The local units, *if they are to effectively observe, act, and learn interactively*, should have a new level of autonomy. It should be characterized by their integrity as a responsible local unit, and by a mutual trusting relation among local units and the center. They should become centers of integrity and trust. Centers of integrity and trust, as opposed to “cost centers,” develop in an organizational village where *there are fences and differences between households but plenty of transactions across them* (p. 102, emphasis added)

4.5 Concluding Remarks

Note that in this chapter I have demonstrated the relation of ECF and the State in the literary culture of utopian ideology. As a government-sanctioned statutory body,

¹⁶ This information came from Wani but the message was very same with Saudah’s. The question that I asked them was about the frequency they discussed the problem with their accountant.

ECF in symbolic terms is where the connective ideology of Malaysian economic strategy is given shape. ECF has provided plans and sources for future security platforms under a saving prudent mechanism but although it has been filled with an extremely large amount of funds, most of its investment activities for particular “reasons” however have been sterile due to the mandated policy. This is because ECF has reconciled itself to represent the “mark”, the “sign”, and the “expression” of the labour force, national industry and population. To the extent that it exists, ECF has been establishing the cognitive power of “unity”, “community”, “harmony”, “safety”, all of which tend to bring the “State” into an articulate ideological form.

Seen from this context, accounting is seen to present a “rational” and “objective view” into the content of the ECF. The analysis of trust and security suggests that accounting is being used to specific government rationality (Miller, 1990), to designate the class of “201” which is mythologically considered as the employee-employer jointly collaborating, to infiltrate the quest of democracy (Rose, 1991) against communism, and to enhance organizational appearance and reputation as a result of the necessity of ECF’s contribution payments.

These are shown in the ECF Way and different visual metaphors to elucidate it are given in the two accounting dominant regimes: a “writing of money” in the Finance Department and a “managing of money” in the Investment Operation Department. As a result of this practice, ECF incurs significant costs in managing each separate local management control in standardised rules and formulae to meet the rationality. As illustrated by the MJV, each seems to be structured as a self-contained system of ideas to its logical conclusion of “action at a distance”, advocated by the pursuit of the

quantification. Each likes to relay and aligns the exercise of the “ECF trust and security”.

Nonetheless, as the State experiences and changes, so does the ideological revolutionary. In the near future, it may one day be not accurate to behold ECF in such utopian terms. Martens and Murphy (2000) have remarked that the Social Security in United States had been used to finance the war in Vietnam. Such, and other public money used by the State, argued Sikka (2000), are the result of a “new market” grounded by individualism and supremacy focus. It is on this issue that I am going to continue in the next chapter.

CHAPTER FIVE

POLITICAL INSTITUTIONALISM, CORPORATE HEGEMONY AND ACCOUNTING: A CASE OF THE ROAD-WAY CARE (RCARE)

...politics is not coups and constitutions, but one of the principal arenas in which such structures publicly unfold

- Clifford Geertz

The Politics of Meaning, 1973

...politics will have to be targeted, tailored to circumstances, to times, and places, and personalities. But, like any other politics, it must develop, nonetheless, certain commonalities of diagnosis, of strategy and direction, a certain unity of intent

- Clifford Geertz

The World in Pieces: Culture and Politics at the End of the Century, 2000

5.1 Introduction

This chapter continues the interpretation of knowledge *of* accounting and knowledge *about* accounting in a different cultural perspective. As the contextualization is unavoidable in order to present particular substance in meaning making, therefore, in contrast to the preceding chapter, in this chapter there will be a concentration on institutionalism from an advanced capitalist view. The content will be structured within the political context in order to advance the analysis. It is hoped that greater understanding can be achieved as a result of viewing culture as not as homogeneous and in harmony as previously believed.

It is from this perspective and objective that the current chapter analyses the case of RCARE. It is known that RCARE is among the few organizations that were established under the cultural elitism of Renong and UEM (United Engineers Malaysia Berhad), both of which are hegemonic in the Malaysian corporate world. Renong and UEM are the complicated cross-holding organizations instituted under UMNO (United Malays National Organization), the dominant political ruling party. Financially, both are choking under a pile of debt but still stand as amongst the biggest and the most influential conglomerates. This is because they are the UMNO's investment vehicle. In principal, both entirely accept the view that UMNO has not only the right but has also the duty to meet their greatest performance in the corporate institutionalization process.

In this case, the study of RCARE is compelling. RCARE is an organization which has an outstanding economic position. It is a "significant commercial minority" among the many subsidiary companies of Renong and UEM. In this peculiar capacity RCARE exposes the corporate regeneration undertaken by Renong and UEM. Due to this, to anticipate this characteristic is therefore to sketch RCARE within the political scene, which views ideology as a locus of power, in a revolutionary form, and in the concept that may oppose public rationality. It is from this perspective that the context of RCARE is not similar to that of ECF.

5.2 Political Institutionalism, Corporate Hegemony and the “Value” of RCARE

If we notice, in BSKL once Renong had 14 listed companies. It was a very huge group. Each listed company may have around 10 to 15 companies which were not listed, for e.g. highway, property, banking and etc. If someone talks about Renong activities, it starts with the border of Singapore in fact. Let see, when you cross the border (from Singapore) you'll see “Linkedua”, a gateway to Malaysia. When you have passed it, you'll then see “north south-expressway”. After reaching Seremban, you'll see “Kualiti Alam”, and after that “Bukit Jalil Stadium” at Kuala Lumpur, which was presented by UEM to the government. All of these belong to the UEM and Renong group. Even if you don't follow the road, you can still use us; “KTM” train or “Parkmay” and “CityLiner” buses to go everywhere in Malaysia. You could go up to the end of northern region using these properties and *you'll of course see us everywhere*. We are very huge group¹

The above comments² were made by Marzuki, a Senior General Manager, in his “Head of Corporate Finance Department” room. It was the only room in this department. Just three steps from the room's door, on the right side, was the place of his secretary; Marlina. Deeply impressed with the information addressed by Marzuki about how big was his “organization”, I realized however, this was not so of the department. It was obviously, as Marlina said to me, “small and crowded”. Marlina had no partition to shield her work. For others - Senior Manager, Manager, Senior Executive, Executive, Supervisor and Clerk - everyone had the same type of divider, a bit different in size, and very close to each other. Next to the front door was a big wall cabinet used to keep files; most of them were debit notes, credit notes, and sales vouchers. The department was cramped with eighteen staff although according to the department chart given by

¹ For example, see Appendix 9 - the UEM/Renong Group of Companies.

² This was not my first meeting with him. In fact this was the last one, at the second end day of my time in RCARE. I perceive the statement of this speech as “critical and important” since from Marzuki's side I believe he personally thought that the “information” contain in his speech was extraordinary relevant as a “conclusion” of what I had understood about RCARE so far. As a matter of fact, he allowed me to tape-record this speech. However, I use it as an “introduction” in order to bring to readers the causal-affect of the RCARE's primordial issues in the light of the title of the chapter.

Lailawati, a Senior Executive Human Resource in the Staff Development & Employee Relations Unit, the number was twenty one (Appendix 10). Two of them, Tajagopal and Shazman, both from the Procurement Unit, were placed in the Human Resource & Admin Department instead. Aznan, an Account Supervisor in the Account Payable Unit, described the situation:

In Corporate Finance Department we are many but the place is under-sized. To tell you, my working freedom sometimes is not emotionally quite pleasant

Notwithstanding, since the Corporate Finance Department is located on the 13th floor of the Faber Tower, and since the tower is the *only* skyscraper in the locale, my “view” of the outside was not restricted and bound fortunately. While listening to Marzuki, I could vividly see the neighbourhood from his window. I realized this area is not industrial as there were very few small business premises such as grocer’s shops, restaurants, agencies, stores and food stalls inhabited. Most of the people here are seen with their “out-of-office” activities, such as sending children to school, buying newspapers, and smoking and drinking under the food stalls’ umbrellas. To note that, as indicated in the map of RCARE (Appendix 11), this area is surrounded mostly by residential houses and apartments. Just about ten metres from the tower is the *Sekolah Menengah Taman Desa* for which the children from the nearby “*desa*” communities (villages) are schooled.

I had a question to ask Marzuki about this head office location of RCARE and the “interrelationship” with its business in “expressway-building-mechanical engineering”, but I could not. I considered the question may not be of concern or even of significance to him since he had just hinted that “you’ll of course see us everywhere”. The other

thing, it seemed to me that Marzuki's idea, related more to Renong and UEM than RCARE itself. Anyhow, listening to the "story" of Renong and UEM from the "voice of RCARE" was really anecdotal to me. Although my body was "here" my thinking was "out". Marzuki preferred to dwell on the past. I noticed I was not in the property but rather in the memory of RCARE.

5.2.1 Renong, UEM and the Redefinition of the Corporation

To my knowledge, for over a decade Renong was at the top of the business regimes of the conglomerate infrastructure since its incorporation. Being developed to carry numerous governmentally projected environments in 1980s, Renong had the advantage of owning UEM, the most profitable construction company that was founded in 1966 by the UMNO nominee group previously known as United Engineers (Malaysia). Surprisingly, during the economic crisis in the gloomy year of 1997, as the most favoured contractor that won most of the prized projects in the country, Renong was publicly declared however as having an amassed debt of RM26 billion. Regarding this, Loone from Malaysiakini (July 2001) had openly commented that the amount literally

[a]ccounted for roughly 5 percent of total loans in the Malaysian banking system at the time (see also The Star, Monday September 13, 2004; Rabindra Nathan Shearn Delamore & Co from InsolvencyAsia,?)

In conjunction with that, in November 1997, UEM, as a "cash-rich" organization (cf. Spaeth from TIME, 1998), had been sacrificed as a "scapegoat" (cf. Tharmaratnam and Behrmann from Singapore Business Times 1997) to bail out its parent to the tune of a 32.6 per cent stake. Shockingly, the transaction happened intentionally at a value of more than twice the market price. Whether or not that was a way of preventing the

possibility of takeover of Renong by rivals, this irregular “deal” was not known to minority shareholders, and for this reason, the Malaysian news media covered the deal exhaustively. In most of the discussions, they were accused provokingly of offering an unpleasant environment to the capital market (Shimomoto, 1998; p. 85-86), in corporate governance (Aziz & Leifer, 2001; p. 6; Lemmon & Lins, 2003) and in the globalisation (Ram, 2001) of Malaysian industries. For some, Renong and UEM are illustrations of the corporation mismanagement syndication; for others, they are the models of Malaysian listing and share trading incompetence; for a few, they are the exemplars of the capitalist crony protectionism.

5.2.2 Politician as Entrepreneur

A wise man makes his own decisions, an ignorant man follows public opinion
(Anonymous Chinese Proverb)

Neither the market nor shareholders in reality have the absolute power in the Renong and UEM story. Rather, they are under the reign of one particular person, Tan Sri Halim Saad, a protégé of former Finance Minister Tun Daim Zainuddin. To his fans, Halim Saad is an idol and the most influential tycoon in Malaysia, but not to his opponents. Named as “the \$1.3 Billion Man” by Asiaweek (Ranawana, Nov 2000), Halim Saad became a legend when his instruction as UEM’s Executive Vice Chairman to buy one third of its overvalued “debt-laden” parent company’s shares (i.e. Renong) of which he was an Executive Chairman, resulted in serious repercussions for Malaysia’s financial market. Like a magic poison sword, the cancer evaporates to “all places” (as from the above speech of Marzuki “you’ll of course see us everywhere”) since most of the Malaysia industrial backbone concerns Renong, UEM and their subsidiaries.

Since Renong was the former investment arm of UMNO party, miserably, nothing much could do. With regard to this extraordinary affair of the Renong and UEM deal, punitive measures have so far been inconsequential. Malaysians have seen despite the penalty of a fine of only RM100,000 on UEM and not on its responsible directors (cf. Shimomoto, 1998; p. 86), both UEM and Renong in addition were just suspended by the Kuala Lumpur Stock Exchange (KLSE) for two months (Appendix 12, Appendix 13).

Contrary to that, however, remedy plans have already been designed to help Halim Saad, Renong and UEM. Some of them have already been proceeding under the Corporate Debt Restructuring Committee (CDRC, run by the Central Bank), Khazanah Nasional Berhad (fully funded by government) and UEM Group management plans (some of them were chronologically discussed in Asiaweek, 2001 by Ranawana from the November 1997's plan to sometime in 2002). The result of such plans for a "rocky road to health" so far nevertheless are not promising. Accordingly, on 23 July 2001 the government announced the spending of RM3.8 billion (US\$1 billion) to buy out UEM Group's share in order to make the government the largest controller (McMillan from CNN, 2001; Gomez, 2001). It became reality for the government when, in October of the same year, Danasaham Sdn Bhd, a wholly-owned subsidiary of Khazanah Nasional Berhad, succeeded in owning 97.7 per cent of UEM. At this juncture, the government also acquired Renong as a result of the complicating cross-holdings between the two organizations. In the end, in November 2003, using the new flagship "UEM World Berhad" (Appendix 14), the organization was listed on the Main Board of the KLSE. By right, with no doubt and further comments from public, the government has the prerogative to formally and publicly interfere with both of them under the new corporation.

5.2.3 United Malays National Organization (UMNO) and New Economic Policy (NEP): Hegemony and Survival

At RCARE, I realized most of the staff are in a social-political mindset. The signs can be seen in number of sources. And, one of the most precious images that they had always brought to my attention, in order to connect to the cloying hand of politics, was UMNO. I was once told by Hisyam, an Account Officer in the Account Receivable Unit, that:

Our Van(s) was used last year by UMNO to carry the Malaysian General Election missionary. The RCARE sticker was removed and the van was filled with rice to procure the vote

UMNO is not the only Malay party in Malaysia, there are some others. But, unlike PAS (Pan Malaysian Islamic Party), Parti Keadilan Nasional³ (National Justice Party) and Parti Rakyat Malaysia (Malaysian People's Party), UMNO, like MCA for Chinese and MIC for Indians, is fully dedicated to ethnic Malays. Under one flag UMNO, MIC and MCA are called Barisan Nasional⁴. The president of each component party is the Vice-Chairman except UMNO who automatically becomes the Chairman of the Barisan Nasional. Historically, Barisan Nasional was initiated in a formation of the Confederated Malay State called the Alliance. At present they are still the biggest ruling party in Malaysia.

Historically, UMNO was grounded with the motto of *Perjuangan Kami: Hidup Melayu* (“we strive for Malay survival”) espoused by the youth spirit (Nagata, 1980; p. 409). It “has been the strongest Malay political party since its foundation in May 1946;

³Parti Keadilan Nasional was formed by Dr Wan Azizah Ismail, a wife of Anwar Ibrahim, on 4 April 1999 after about 6 months Anwar was arrested. The party's motto is to oppose cronyism, nepotism and corruption and to build a more just, moral and upright society. Latest news on 3 August 2003 has shown that Parti Keadilan Nasional and Parti Rakyat Malaysia formally merged to form a new Parti Keadilan Rakyat (People's Justice Party).

⁴ There were 11 parties joined as Barisan Nasional. But, 5 of them are from Sabah and 4 from Sarawak.

its leaders placed in pre-eminent positions in the history of Malay nationalism and Malayan independence” (Stockwell, 1977; p. 481). It was based on the vision to protect, educate and promote Malays, who were almost entirely ignored in the “business world” during the British colonial period. According to Mahathir in *The Malay Dilemma* (1970), “independent Malaya opened up for Chinese businessmen more and better avenues for the acquisition of unlimited wealth” (see p. 42; cf. Milne, 1976; p. 237). Not only in Kuala Lumpur and other coal mining establishments, by the end of 1957, Penang, as one of the wealthiest states in Malaysia, was said to reach a population of 340,000 which included 230,000 Chinese, 60,000 Malays and 40,000 Indians (Snider, 1968; p. 964). UMNO in this case was the “shelter” of Malay supremacy.

However, the “actual” spirit of Malay, and the need for UMNO’s hegemony peaked when the Malaysian largely Chinese opposition DAP (Democratic Action Party) with Gerakan (Chinese Liberal Party) won the elections on 10 May 1969 which provoked⁵ the “13 May” riot tragedy. For Malay politicians, it was a time they saw the fall of the Malays’ dignity as “sons of the soil” and the first time the Chinese would “lead the country” (see the immediate report from Tunku Abdul Rahman, 1969 after the election).

In the aftermath of the 13 May incident, in reflecting on this black episode in modern Malaysian history, the Malaysian government immediately implemented the Second Malaysia Plan 1971-1975 under the NEP (New Economic Policy) “in an attempt to redress the racial imbalance in the economy. It sought to correct the hitherto

⁵ There were several socially inappropriate incidents especially in Selangor and in the centre of Kuala Lumpur. This led to a response by Gerakan Party’s Yeoh Tech Chye, the President of the Malaysian Trades Union Congress who openly apologized in the Press on 13 May (Tunku Abdul Rahman, 1969; p. 78-79).

Malaysian-Chinese domination of the economy of the country by encouraging the increased participation of Malays and other indigenous people in economic activities of all kinds” (Stubbs, 1977; p. 254, also Milne, 1976; p. 239). The riot was regarded as the most dramatic events in the recent history of Malaysia between ethnic communities, and was the impetus for the intellectual thinking and economic development (see; Jomo, 1991; Stubbs, 1977). This was also the start of the emergence of the “new” self-defined ideology of UMNO.

The above introduction is important in order to understand “the abstract rule systems that supposedly ‘generate’” (Geertz, 1983; p. 12) RCARE generally, and the history of modern Malaysia particularly. To reiterate, Renong and UEM are among the products of the UMNO and NEP. Although the target launched by NEP 35 years ago of having 30 percent of Bumiputera participate in economics has yet to be achieved⁶, UMNO argues it has successfully brought a few Malay names to the business world map. The power that the UMNO has enables it to govern and maintain the most valuable State assets in an inherited dominion. It is UMNO that hoped that the call “Malays Laziness” (Hirschman, 1986; p. 345-346; Mahathir, 1970) or the so-called “*Melayu*” (which has double meanings: first, the Malay, second, the “wilt”) will change to a “successful Malay profile”. And this was one of the foundation reasons for the establishment of UEM in 1966.

⁶ Critics such as Jomo (1991), Milne (1986), and other Malays parties notably PAS, Parti Keadilan Nasional dan Parti Rakyat Malaysia have incessantly argued that UMNO has created a Malay politician “business class” at the expense of NEP, not a Bumiputera community. Daim Zainuddin (before he joined the cabinet), Halim Saad and Tajuddin Ramli (Malaysia Airline System chairman) are some examples. Since the 13 May incident, so far, according to Jomo, “[n]o particular party in Malaysia, except the Pan Malaysian Islamic Party (PAS), explicitly rejects the NEP” (1991; p. 472).

At RCARE, the result of the NEP implementation driven by the “new”⁷ UMNO institutional ideology can be seen in the sort of “achieving communion”. As Geertz states

Peoples everywhere have developed symbolic structures in terms of which persons are perceived not baldly as such, as mere unadorned members of the human race, but as representatives of certain distinct categories of persons, specific sorts of individuals. In any given case, there are inevitably a plurality of such structures (1973; p. 363)

That is, besides in the company’s profile, it can be seen by virtue of its “staff perspective” and “management endeavour”. One of the ways to catch sight of this point is through language which “is created from a network of historical struggles” (Cooper, 1995, p. 183). Conceptually, at the most fundamental, language is always ideologically constructed (cf. Woolard & Schieffelin, 1994). At RCARE, I have seen language as the reification of the creation of a new stratum of intellectuals. Not a long time ago the Malay language was espoused to become the universal language of education under the slogan “bahasa jiwa bangsa” (“language is the soul of the people”) (see; Nagata, 1980; p. 409), but not anymore⁸. This is demonstrated in RCARE as one good example. Besides English as a formal medium of communication, I was informed by Kamaluddin, an Account Executive in the Financing Unit, that RCARE has had *The Toastmasters Club* in providing staff with public speaking, critical thinking and leadership skills. It is

⁷ During the early stages of Malay nationalism, under the NEP, UMNO has seen to strengthen Malays ranging from more intensified and widespread rural development projects through to the creation of a number of specific government sponsored bodies such as Pernas, Mara, U.D.A but now, “it is invoked most often by Malay politicians and politically connected businessmen” (Jomo, 1991; p. 476) through the establishment of a number of specific organizational sponsored bodies. Since these Malay elite (refer to footnote no. 7) have close connection with Chinese and Indian capitalists such as Ananda Krishnan, Arumugam, Jeffry Cheah, Ting Pek Khiing, Yeoh YTL, Vincen Tan, Lim Goh Tong, Erik Chia, Quek Lian Chan, and Loy Hean Heong (some of them were listed in Johnson & Mitton, 2003, Table A1; p. 378-379), UMNO is accused in return as being detrimental to Malays.

⁸ The Malaysian government imposed “bahasa baku” (standard pronunciation of Malay) by Anwar Ibrahim in 1988 but this was abolish on 2000.

a high prestige non-profit international club that not many “Malaysian established companies” have offered to their employees.

Language in some form is the root of the identity. As we undertake the forms of “spelling”, “authenticity”, “simplicity”, “grammar”, language preference inevitably reflects its substantial traditionalist base, which is called “*adat*” (“custom”). This language and *adat* relationship has been drawn by Geertz elsewhere (see; 1996; p. 44; 1983, Chapter 3). In RCARE, there are some significant conceptions that I could draw. One of them is the pursuit of quality of RCARE. In the “*bersama RCARE*” (“together RCARE”) quarter-yearly bulletin, there are continual expressions of “quality policy” and “quality objectives”. Practically, the former has been ordered as a “language” that was put on the notice board of the Corporate Finance Department, and the latter is for the Human Resource & Admin Department, as I found on the block of the tables next to the door of its Head. On the front door of the department, there were two certificates; Management System Certificate ISO 9001:2000 and Occupational Health and Safety Management System Certificate OHSAS 18001-1999 conferred by Det Norske Veritas⁹, an international consulting firm which is based in Oslo, Norway. For RCARE, the concept of “RCARE” is within the language of world quality. This quality image is pronounced further through the appearance of the staff. Following the company’s dress-code ethics, from Tuesday to Saturday every category of executive male staff has to wear a tie. On Monday, for every single male staff it is compulsory to wear the white short sleeve RCARE uniform.

⁹ Det Norske Veritas recently has about 300 offices in 100 different countries. Its products can be seen word wide in www.dnv.com.

These are few of the signs behind the reality of “RCARE’s institutional definition”. More can be said but it is enough to say that they are the result of the “politico-intellectual” (Gramsci, 1971) that has been brought into prominence under UMNO’s social hegemony.

5.3 Accounting and the Destiny of RCARE

The foregoing review is not irrelevant to this study. There are strong reasons for understanding the above accounts of UEM, Renong, UMNO and NEP, and the implication for identifying the nature of the practice of accounting in RCARE. From the very first days, I was “introduced” not to RCARE directly but very indirectly. Indeed, as a matter of fact, before the speech by Marzuki, my first impressions of RCARE confirmed this. To recall, it was from Hisyam, who was just sitting directly behind me.

As narrated in Chapter 2 the story started with the place that I was given in the printing area. Eventually, this I saw as my advantage. It was because initially my presence was “uncomfortable” for almost all the staff in the Corporate Finance Department. That is uncomfortable in the “ceremonial form”, “from either a moral or an aesthetic point of view” (Geertz, 1973; p. 135). The staff might have thought that the process of printing jobs from their computers would bother me. And, my presence would seem as checking up on them since I could see, one by one, the printing output. However, to cater for this discomfort, as I had been permitted to be there by management, instead of ignoring me they transformed into friendly and warm characters. This benefited me and in return themselves also as they could not ignore my being part of them.

Hisyam was amongst the first to greet me. I consider him a smooth-tongued person. Within seconds, he was seen to be too friendly to me. In his talking, Hisyam, a Perak born, the father of two children and the husband of a DIB's Shah Alam branch staff member, however, seemed to enjoy telling me about his working experience in Time Engineering, a subsidiary of Renong¹⁰, more than anything else. From him, I was told that he had spent six years there. Despite this period of service he believed he had a good reason to leave. As he said:

I already know the company (Time Engineering) wouldn't be around long. In the annual report they did say this project and that project, but, in fact they were only exaggerating

Recently Time Engineering recorded the fourth highest debt among the Renong Group's debt with RM4,069 million (as of end-June 2000, Barclays Capital/*The Asian Wall Street Journal*, January 2001), even though its subsidiary, Time dotcom, has much potential in capturing a large subscriber project base in Malaysia. According to Hisyam, this was the reason why Zalina, a Senior Manager of the Corporate Affairs Division, also from Time Engineering, was in RCARE too.

After quite some time then I asked Hisyam about RCARE in order to get his comparison with Time Engineering. There may have been some betterment for him in RCARE that he might want to share with me. In addition, information about RCARE at this stage was not from him. To my surprise he said "wait!" I then saw him go to the Corporate Finance Department notice board, take something, and with a short but intense voice stated: "if you want to know about RCARE, first read this Press release!"

¹⁰ Hisyam had the same way of coining his ideas as Marzuki (Compare footnote no. 2). This suggests that I am not misreading and presenting RCARE from these reflections.

The report titled “UEM Renong finalises revamp” (*The Star*, 28 March 2003) that Hisyam gave to me is indeed “the door” to my central research issue. But not for Hisyam and the staff of RCARE. It is regarded as the outward expression of “their future”. I was very sure that most of them could remember the below four sentence-lines from the fifth paragraph of the excerpt:

The Five-step plan would also see the UEM Group ending up with about 60 per cent of UEM World and Intria Bhd becoming a core engineering and construction company, taking over Road-Way Care (RCARE) which would later be de-listed from the KLSE (Appendix 15)

The important events of how the de-listing took place are provided in detail in Table 5.1. They have been scheduled in the Annual Report 2002 which was given by Marlina to me about a month later (from my first day in RCARE), soon after its release¹¹.

¹¹ The Annual Report was released, as I realized, on 06 Jun 2003 prior to the dates in Table 5.1. Note that the words included in the table are written not in the Simple Present Tense.

As “one of the *most stable companies* that had a good balance sheet with very little borrowings” (Chin in The Edge Daily, 2001, emphasis added), the fact that RCARE is going to be de-listed as a result of “a ‘total solution package’ for the entire UEM/Renong Group” (line 35-37, bracket in original, Appendix 15) was really surprising. Historically, RCARE was incorporated as a private limited company on 2 July 1988, became a public limited company on 9 November 1993 and made its debut on the KLSE on 15 August 1994. It was too recent therefore for RCARE to be taken out of the KLSE (compare Appendix 16).

In addition, RCARE is financially strong. For the year of 2000, the “Revenue” was RM172,650,782 and the “Cash and Cash Equivalents” was RM9,026,336. For 2001, under the same column, they increased to RM193,247,965 and RM47,770,689. And for 2002, a year before the de-list year, the figures escalated to RM241,604,707 and RM67,182,822 respectively (Annual Report, 2000, 2001, 2002). Out of this, I was also informed by Kusni that the market share price of RCARE is much higher than of the Intria Bhd (the proposed parent of RCARE). Moreover, among very few Malaysian organizations, during the peak economic crisis in the year of 1997, it was recorded in the annual report that RCARE was a top performer. As in the chairman’s statement:

1997 has been another excellent year for RCARE. RCARE recorded *its best ever result* despite having to deal with the harsher reality of an unexpected premature economic slowdown towards the tail end of the year; thus, reflecting the strength of the company” (Appendix 17, emphasis added)

To me, the decision to de-list might result in the loss of some potential benefits. First, as a public listed corporation RCARE has the privilege to disseminate information on publicly listed companies in daily newspapers which carry stock market reports as

regular features. Second, investors have always felt obliged to force RCARE to maintain its current reputation and credibility since as a publicly listed company RCARE would have to first fulfil the stringent listing requirements of Bursa Malaysia to maintain its position on KLSE. Third and most important, RCARE will be in a better position for expansion or for new projects internally or in operations overseas. This is because RCARE has greater recognition as there would be more publicity of their activities. At the commencement of the year 2004, RCARE had already been rewarded with two contracts for maintenance works in India with UE Development India Private Limited for the operation and maintenance of Indian Highways from Tuni to Anakapalli (in the state of Andhra Pradesh) and from Tambaram to Tindivanam (in the state of Tamil Nadu). As stated in their annual report 2002 (p. 81), the offer was made on 28 June 2002.

This suggests to me that the reformation of RCARE had something to do with the foregoing literature on political institutionalism. In this case, as rightly suggested by Tinker (1980), the “income statement” is not the place from which to observe the condition of RCARE but “income distribution and market conditions” in RCARE’s industrial society (ibid; see p. 158). For this, I will turn to the main discussion of RCARE looking at the significance of particular affairs within these structures.

5.3.1 “Network of Contracts”

A “contract” is central to the sense of being of RCARE. Contract in this case is not viewed from the single proposition of agent-principle-normality but as the “manner” in which RCARE “is ordered” in society. It can be observed localized in RCARE’s officially homogenized political life. But to turn the meanings of contract in which the

politics formed and crystallized into a “general everyday term” is to reflect with the “common sense” (Geertz, 1983). This follows Geertz’s advice that to consider contract in “a matter of conceiving of cognition, emotion, motivation, perception, imagination, memory” etc. (ibid; p. 153).

According to this description, I was introduced to the commonality of contract from the very beginning, before I was with RCARE. As I mentioned in Chapter 2, in the official acceptance letter, I had been reminded that

[a] draft copy of the report needs to be submitted to RCARE prior to its release. This is for us to check and approve the contents that relates to the Company

After the contents, below the undersigned name of the letter is the tear-off column of “Receipt of Acknowledgement” with my name printed, ready with signature and date “fill-in-the-blanks” lines (Appendix 3). My feeling at that time was mixed. Any how, I had a strong feeling that the instruction to “agree to the above condition” was reasonable in respect of the nature of its activities. The purpose is to make a written or spoken agreement intended to be enforceable by law - the contract.

During my stay in RCARE, the some common-denominator concept of a contract was also the “metaphor” of the dynamic of RCARE’s activities. Herein lie the elements that disclose the interpretation of RCARE. One example is the filing system. According to Kusni, due to the space problem the more than two years documentation was transferred to a third party, Brambel Recall, a storage company. This was the “agreement” between RCARE and Brambel Recall. Another is the work processes of the departments and units of RCARE. From Marlina I was informed that all have been

compacted onto CD-ROM, which is only valid for a “certain period” under the approval of Managing Director. To respect my request, I was given approval to print *Purchasing Process & DAL* (Discretionary Authority Limit), *Asset Management manual*, *Account Payable & Payment*, and *Policies & Procedures IT* of the work processes of the Corporate Finance Department, year 2002. Both “agreement” and “certain period” nature of works in RCARE are images of the underlying characteristic of RCARE - a contract. Contract seems very influential. To illustrate, I was told by Marlina after lunch time that:

In RCARE when the contract finishes, marketing is disbanded. Marketing is seconded to departments that have to deal with the contract only.

The above justification made me agree that the contract appears as “the value-laden nature of the subject matter”, and “no matter for how pure a purpose”, the contract is yet the “most frequently invoked” (Geertz, 1973; p. 195). As such, it is fitting therefore to say that my way of seeing a contract as “the most primal metaphorical activity” (Walters, 2004; p. 162) of RCARE is for the construction of the business nature I sought to understand. Associated with this acknowledgement is the need to extend the concept of contract in “territorial relationship” or, in economic terms, “RCARE’s income distribution”. This is presented in detail in Table 5.2.

Road-Way Care (RCARE)

As seen in the given table, RCARE is “filtered” in the industry through its contract activities. Such words as “work order”, “repair”, “replacement”, “project”, “maintenance”, confirm this. From the table, the total figure is RM234,361,940 (following Table 5.3), only RM7,242,767 less than the stated total Revenue 2002. Of

¹² The year is relevant as it is the “latest year” before the de-listing. Meaning to say, it is the current information of “RCARE” (before a new RCARE) that is the *subject* of this study.

this amount, the contract is considered weighted to RCARE. It is the contract that is so material to RCARE.

Under the column “relationship”, a supplementary interpretation in light of such a large complex of contracts, can be made. Note that UEC (UE Construction Sdn Bhd), Linkedua (Linkedua (M) Bhd), KA (Kualiti Alma Sdn Bhd), ELITE (Expreeway Linkaran Tengah Sdn Bhd), PBSB (Penang Bridge Sdn Bhd), PLUS (Projek Lebuhraya Utara Selatan Sdn Bhd), PUTRA (Projek Usahasama Transit Ringan Automatik Sdn Bhd), PLB (Pengurusan Lebuhraya Bhd), TIME (TIME Engineering Bhd), and TT dotCom (TT dotCom Sdn Bhd) are those organizations that were “established”, more than just “formed”. Their member-regulated entity is fully “owned”. If we notice, RCARE is found to be “in a privileged relationship to the sources of being” (Geertz, 1983; p. 121) of UEM¹³. Each of the organizations is under the trade zone of RCARE as the “related party” more than merely as a commercialized party. This implies that accounting in RCARE has been “captured” by a particular group “to legitimate the world view supported by that group” (Richardson, 1987; p. 350). RCARE is held substantially as a “community”.

Literally, it is in this way that the income of RCARE is distributed. Based on the information provided, it may be sufficient to argue so far that accounting in RCARE emerges to produce order and regularities¹⁴. However, to explore further the uses to which accounting is put and is coterminous with this “network” of political institutionalism, especially considering the fact that RCARE was “instructed” to de-list, the argument should then be extended to the “market conditions” in which RCARE is

¹³ At that time it was not yet UEM World Berhad.

¹⁴ I will develop this argument later in the final section of the chapter.

legitimated. The concern is to understand the “intellectual honesty” of the stratum of the foregoing construction (O’Leary, 1985). It is argued that such understanding will provide a significant picture of the way accounting gives “value” to RCARE.

Table 5.3 is the summary of the above Table 5.2. It lists the amount of the total contracts for each of the related parties that RCARE has engaged with. As seen, the highest is PLUS with RM115,671,857 which is virtually 50% of the entire figure. This shows PLUS is the main “contributor” to the revenue of RCARE. This fact is not surprising since PLUS recently held the concession to operate and maintain a total of 966.5 km of inter-urban toll highways in Peninsular Malaysia, hence becoming the largest of its kind in Asia. And since typically “maintenance is the core business of RCARE” (Appendix 18), these sizeable services rendered by PLUS entail RCARE therefore to be in working order. As proudly told to me by Hasnol, a Manager and Head of Productivity & Quality Management Unit:

PLUS has a backbone running from North to South, but we (RCARE) are the one who gets hooked to their backbone. PLUS has stuff that they never utilize

As the major contributor of RCARE's revenue, PLUS, can be seen to provide an insight into and to help unpack the concrete elements in an analysis of RCARE. Since "contract" is the nature of the work, the fact that PLUS is elemental to RCARE raises the question of the rationality of the going-concern when I juxtapose the phrases "the service *of* PLUS *is* for RCARE" with "most of the revenue *of* RCARE *is* from PLUS" in order for me to seek the difference. Both phrases provide different justifications. The latter I openly exposed in the above table which is seemingly occupied with the mere contractual mind. The former I put as the "basic condition" of the latter, as in the words of Hasnol, but through the extension of the explanation of Kusni (follow below). The latter I associate with "contract", the former with "trust". Recall that in Chapter 4 (in the case of ECF) I have demonstrated that "trust and co-operation must exist *prior* to contract" (Seal & Vincent-Jones; 1997; p. 406, also Neu, 1991a; p. 197, 1991b; p. 243), not after. It is through this fact, "the service *of* PLUS *is* for RCARE" rather than "most of the revenue *of* RCARE *is* from PLUS", in respect of trust that the view of market conditions for RCARE is further understood.

The above realization was suggested to me by Kusni, a Senior Account Executive in the Account Receivable Unit. Significantly different from Hasnol's positive statement, Kusni informed me that "PLUS is for RCARE as long as it is decided *for* RCARE". According to Kusni, "RCARE is relying on PLUS to sustain itself, not vice versa". His statement was pessimistic but very real. For Kusni, RCARE is best regarded as in the state of "no absolute monarchy", the same as in Machiavelli's time (see; Gramsci, 1971; p. 130). For evidence, the existence of RCARE is strongly dependent on

the contract “given” not “taken” from the related party. And later, I recognized how different is my interpretation of RCARE subsequent to the statement provided by Kusni.

In a Press statement of CDRC released on 8 March 1999 by the Central Bank titled *The Renong Group Debt Restructuring Plan*, it was stated that:

The centrepiece of the debt restructuring proposal revolves around Projek Lebuhraya Utara-Selatan Berhad (PLUS), a 100% subsidiary of UEM. PLUS is the strongest company in the GROUP based on the CDRC review and would have the ability to raise the necessary funds. Broadly, the scheme will see PLUS raising a new bond issue and the bonds/proceeds will be utilised to settle the claims of Renong and UEM creditors...The Proposal requires PLUS to raise approximately RM8.4 billion, based on present day value, via a new bond issue (“PLUS bond”) to settle the claims of Renong (RM5.4 billion) and UEM (RM3.0 billion) creditors. Approximately RM7 billion will be offered for cash, while the remaining RM1.4 billion will be used as part settlement of existing liabilities (Appendix 19)

Note that, this statement clearly states that PLUS will be the next scapegoat for UEM and Renong. This is certainly a big threat to RCARE which is embedded in institutional trust relations. Undoubtedly in regard to PLUS’s position in RCARE, the latter will surely be affected by this “divestment” agenda. This is the fundamental relevance of Kusni’s statement. As a matter of fact, RCARE has already foreseen the consequence from a similar case. Although from a different perspective, a similar result had occurred to RCARE-Johnson Controls (M) Sdn Bhd, a 51% owned subsidiary of RCARE, whose operations were stopped as a result of the non-renewal of the contract by Faber Medi-Serve Sdn Bhd for the Hospital Support Services Contract that ended on 31 December 2001. As a result, as stated in the Annual Report, 2002, RCARE had “lower revenues in 2002 compared to the previous year, with RM245.7 million against RM403.8 million in 2001” (p. 53). For my information, Kusni told me that Ridhuan, an

Account Clerk and Rodhi, an Executive, were originally from RCARE-Johnson Controls (M) Sdn Bhd. They are among the few that were rescued by the UEM and Renong group.

Shaped by this world view, it seems clear that RCARE and other subsidiaries of UEM are tied closely with “responsibility”, a kind of trust¹⁵ (Jönsson & Macintosh, 1997; p. 369), which is politically connected with the purpose of maintaining the hegemony. To boot, the relationships among themselves become deeper as they are interlinked with the problem of the debts of Renong and UEM, which the hegemony is all about. This is true, as, at the end of June 2000, the “network” to compensate their debts include Putra, Time Engineering, Faber Group, Prolink Development and Park May with the breakdown of RM4,170 RM4,069, RM1,019, RM845, and RM142 millions respectively as reported by Barclays Capital/*The Asian Wall Street Journal* (January 2001). And in the near future, this “robbing Peter to pay Paul” list includes PLUS.

Characteristically, under the capitalist umbrella, in this kind of relationship, “to stay in power”, each is to remain in the network, remain in one economic foundation, and remain in the same ongoing flow of cooperation. As Gramsci puts it

¹⁵ This essay will not turn however in detail to the discussion of trust and its categories. It is suffice to admit, as Luhmann says, that “historically as well as materially, trust takes on many various shapes. It has a different character in archaic social systems from what it has in civilized social systems; it can be trust which arises spontaneously, or which is personal and built up in a tactical- perspective manner, or it can be trust in general system mechanisms” (1979; p. 93).

[I]t is incongruous that the concrete posing of the problem of hegemony should be interpreted as a fact subordinating the group seeking hegemony. Undoubtedly the fact of hegemony presupposes that account be taken of the interests and the tendencies of the groups over which hegemony is to be exercised, and that a certain compromise equilibrium should be formed-in other words, that the leading group should make sacrifices of an economic-corporate kind. But there is also no doubt that such sacrifices and such a compromise cannot touch the essential; for though hegemony is ethical-political, it must also be economic, must necessarily be based on the decisive function exercised by the leading group in the decisive nucleus of economic activity (1971; p. 161)

This is what is mixed-up in RCARE now. In the face of the debt struggle it was stated that in the report that UEM itself “is RCARE’s largest trade debtor” (Annuar, 2001). As of 31 December 2000, UEM owes RCARE RM163.3 million and UEM’s subsidiaries and associate companies also owe RCARE RM11.46 million (ibid). Further, the report adds:

UEM’s debt has not been significantly reduced because RCARE had continued to accept new projects, which again increased the company’s debt

Since the issue of this chapter is about politics and something that is related to politics, ideologically, it should be said that there is another way of seeing insofar as politics is concerned (Eagleton, 1991). Under the rubric “network of debts”, as far as the politicization of a trust mechanism is concerned, the strategy to de-list RCARE in certain other ways might significantly “deal with the causes of intellectual error” (Geertz, 1973; p. 197), or, what it calls “false consciousness” in the words of Friedrich Engels as in the thought of Marxists. To say it politically, if I am right, the decision to de-list may also be seen as no more than to “clear” the debt from the public news. This is because being a publicly listed, RCARE has to “advertise” reciprocation and

procedures that UEM might want to impose on it. By de-listing RCARE, UEM is able to continue its debt in goodwill.

5.4 Accounting and Local Management Control: a Selective View

Accounting itself basically is the language of business. Meaning to say if we “do” business, since RM (Ringgit Malaysia) is the business language, therefore accounting is inasmuch as RM

These words come from Marzuki. The sign of his idea for accounting as “Ringgit Malaysia” in RCARE is manifest from the fine amount of “Cash and Cash Equivalents” in every Annual Report. It was more obvious when, in the year of 2002, RCARE was shown for the first time to have a nil balance in the columns “banks overdrafts” and “amount due to associate company”, although in the year before the figures were RM679,218 and RM60,820 respectively. With such a background Marzuki has a reason to be proud. However, not to his subordinates. From Aznan, I was told that:

There are no housing, car and even motor loans for the staff. The computer loan that we have however is only for the executive level, not for supervisors like me

From Abdullah, an Assistant Manager in the Performance Monitoring Unit, the complaint is more earnest.

In my case, there was one time, since the course of visual basic programming was not covered in the policy, I had to directly apply (for funds) to the Managing Director. However, I was asked, “why do you want to go there” (to attend the course). Look, I only asked for RM2000 for five days training but RCARE bound me for six months

These voices of Aznan and Abdullah were the result of the stringent internal accounting controls. Their discontent, and that of others, is readable. The

implementation of this policy was actually incongruous with the fact that RCARE is financially strong. Moreover, Wenxian, Chenhung and Weifu (2002) have argued that the major principle for maintaining a balanced development of employee-employer relationship is through this kind of generosity - salary, loans, learning courses, and the like. These are the way the staff enjoy the spirit of “ownership”, the way to promote loyalty, interest, and the well-being. According to them when the company becomes an “enterprise” the resources turn into “manpower capital”. “There are several differences between ‘distribution according to work’ and ‘distribution according to manpower capital’” (ibid; p. 888).

Essentially, “manpower capital” includes education as the main element¹⁶ (see; Bourdieu & Passeron, 1977; Gramsci, 1971). Education is seen functionally as producing and reproducing the principles of the cultural arbitrariness of a group or class in the practices it generates. It serves to “routinize” the expression of the intellectual innovatory or revolutionary aspects (ibid). All too frequently the organization is confronted with the dynamic dimensions of constructions. For this reason, “man himself must specialize and direct his drives” (Berger & Luckmann, 1971; p. 70).

At RCARE, education is defined as an asset but in a manner to meet the “distribution according to work” of certain departments. This I took from the example of Ridhuan’s case, who, after being transferred from RCARE-Johnson Controls (M) Sdn Bhd., obtained his degree in Information Technology (IT) from Universiti Kebangsaan Malaysia (National University of Malaysia). According to Kusni, his knowledge of IT and the interest that he has shown had intrigued Azdie, a Head of

¹⁶ Unfortunately this is out of discussion of Wenxian, Chenhung and Weifu (2002).

Operation Support in the Maintenance Operation Department, and he recommended him as an Executive. Unfortunately, Azdie's request followed no formality and it has since been declined by Marzuki with the excuse that he had in mind an "appropriate" job for Ridhuan in the near future. Yet, after many months, although Ridhuan has submitted the certificate of his degree and his application letter to Marzuki for the "consideration" to upgrade his position from Account Clerk to any IT related job Executive, "until now there nothing has happened" said Kusni.

Kusni's concern with Ridhuan's application is with reasons. First, Ridhuan has shown an interest to educate himself about the systems of RCARE. About this, I was told by Aznan that Ridhuan had spent his spare time and on several occasions came in on Sundays. Second, the "condition" in the Corporate Finance Department itself is in a need of an IT coordinator, and by qualification Ridhuan is the best candidate. From my observation I (at first) agreed that Kusni was right that Ridhuan had the right to forward his application. I had seen during my stay in the Corporate Finance Department that Kusni many times cried with such words:

Whoever is using FACT now please logout for few minutes. I
need to reset the system back

My logbook has recorded them. As an example, in the month of May 2003, the same problems happened on 5th at 2.47pm, on 20th at 2.20pm, on 21st at 1.50pm (the number is likely to be more as there were many similar incidents happening but I did not jot down the time and date as I initially thought they were not going to be in my data). I was told by Kusni that no solution had come so far from the management

unfortunately, neither was there any contact with the vendor of FACT¹⁷, nor to buy the other software, and even to add to the capacity of the local server¹⁸. Moreover, RCARE policy in IT, under the Productivity & Quality Management Unit is limited to “application for user ID, email, internet browsing”, “application for hardware and software repair”, and “notification to remove or change the user ID, password and e-mail account” only (see; Appendix 20 - sections A, B, and C). The best way to mitigate the problem is for staff to emulate Aznan’s example, such as:

[t]o use the system during the lunch time. So, when it needs to reset I could do without affecting other staff works

I realized that the silence from the management over the welfare of employees and the information systems was very helpful indeed for me to see the relationship between management and staff, thus to connect it with the nature of accounting in RCARE. It was because accounting in RCARE as previously discussed is influenced by its collective responsibility. The concept of control is “a collection of games”, and the policy espoused by RCARE implies a governing elite of UEM “as a grand plurality of accepted conventions and appropriate procedures” (Geertz, 1983; p. 25-26) that form the environment of working in RCARE. As UEM and Renong face big problem of debts, RCARE is shouldered to bear its part of the responsibility.

There are number of insights from this view that I can link to accounting in

¹⁷ FACT software is fully specialized to accounting transactions. Its company, FACT Software International Pte Ltd is based in Singapore and is a wholly owned subsidiary of Vedika International Pvt Ltd, India. One of the major constraints of FACT is most of the designers and technical persons are Indian and mainly from India. In 2000-2001, Universiti Putra Malaysia used to teach FACT to final year accounting student for the subject ACT3171 (Accounting Information System). During these years, I was one of the FACT Educational Partners – International (Malaysia) (cf. www.fact.com.sg/partner/epp_int.htm - n/a however since 2004).

¹⁸ I was told by Hasnol there are many factors that cause the problem of hanging in FACT software. These are not about FACT alone but include the memory space, the usage of old computer, and the server problems.

RCARE. To associate, due to the stringent control policy, I easily noticed that there exists a gap between Marzuki and his staff. During my stay I never witnessed Marzuki go around and talk in the cabinets of his staff even for a while. His relation with his staff is strictly as in the relation between “superior and subordinates”. From Norhaizan, a Manager in the Accounts Division, I was also informed that:

One time ago we had regular meeting with staff and since the beginning of year we used to have monthly meetings. But somehow, it has stopped at the moment

To me, Marzuki is a nice guy, a very experienced and a well educated Senior General Manager. Although he was busy he always found time to greet me sometimes with the question, “do you get cooperation from the staff?” I believe this kind of treatment that Marzuki exercises on his staff is characterized by the nature of accounting in RCARE. This feeling in fact became stronger when Hisyam told me that “our Managing Director never comes to our department and to tell you the truth, until now, I have never had a chance to talk with him here”. And, “this is true even though the door of the Corporate Finance Department has been changed twice”, added Kusni.

It is the nature of the business of RCARE which I believe has influenced these working orders. I never saw any “problem” pertaining to accounting work that required the interference of the superior with his/her subordinate. On the notice board of the Corporate Finance Department, the only memo that I found pertaining to the work was under the title: “Priority + High”. The concern was about the “Revised Timeliness” and the contents include the following subheadings: 1. Debit Notes (DN) and Credit Notes (CN), 2. Payments, 3. Salary Listing, 4. Closing of Accounts - Figures Only, 5. Additional Information – Key Operational Performance Indicators, and 6. Full

Management Report. All staff in the Corporate Finance Department seem to understand very well their jobs even without supervision. Their transactions are not difficult, such as a matter of “contracts” and “debts”. And, I believe this justification is not unreasonable. On 11 Jun 2003 I had an appointment with Nazri, a Manager and Head of Internal Audit Department at 10.30am, but when I was there neither he nor his four staff were there. When I asked Suriati, a Secretary of Hasnol (the Productivity & Quality Management Unit was just next to the Internal Audit Department), she told me:

Today, the Internal Audit Department “tutup kedai” (“is closed for business”). *Kak*¹⁹ Murni, a secretary is on MC (Medical Leave). *Encik* (Mr.) Nazri has got to go to Soil Centralab Sdn Bhd. Other staff I’m not really sure. I think they may go auditing “outside” elsewhere

The above messages are clearly enough to support my argument: the ignorance of Marzuki in respect of Ridhuan’s application and the problems faced by the staff of the Corporate Finance Department in dealing with FACT. I noticed, from my observations, the most important part of FACT in RCARE is only the module of Account Receivable and Account Payable. This is justifiable. Informed by Kusni, before the setup of FACT software in 1998, the amount of debtors and creditors were being used as “the opening balance” of RCARE. Since the income of RCARE is virtually from “contracts”, the rest of the work of preparing the financial reports is not laborious, just a matter of reporting the transactions. As a matter of fact, on 18 Jun 2003, I was informed by Kamaliah, a Senior Account Executive in Consol Unit, that the Profit and Loss accounts for the month of May had already finished. Surely, this achievement is exceptional for a publicly listed company which has several subsidiaries²⁰. Behind this performance I was

¹⁹ This is the respect title of female who is older than the speaker. Literally, it means “sister”.

²⁰ In structure, RCARE has four subsidiary companies namely; Soil Centralab Sdn Bhd (100% owned), RCAREMalindo Sdn Bhd (100% owned), Projek Penyelenggaran Lebuhraya Mauritius Pte Ltd (100%

informed by the users that FACT had yet to be fully utilized. From the management perspective, I was told by Kamaluddin that for decision making and “management” reports, since the major problem of RCARE is “debt”, which by nature is difficult to forecast when payment should be received, it is an Excel spreadsheet, and not FACT, that is more important. As he aptly described:

In a bank reconciliation, let's say that in the book balance we have RM50,000. It is not necessarily RM50,000. There must be several cheques that we have issued but have yet to be cleared. So, [if] plus all the incoming cheques, in “actual” bank account, we have indeed more than RM50,000, let's say RM1 million. To me, it is not a problem to issue another cheque amounting RM200,000. However, from an accounting point of view (following FACT), we can't as we have only the positive balance of RM50,000. My boss *Puan* (Mrs.) Rozita has argued many times and has asked why we have to exercise our fixed deposit in bank and lose interest for this problem. Since, as a matter of fact, in reality, our account is “still” positive!

All this aside, and the story included, to sum up, are of course quite definitely the result of the hegemonic activity undertaken by UEM. The conception of accounting in RCARE is acting essentially in the interests of a group in the community. The policy, the budget, the information systems uses, all reflect the notion that UEM has “structure”, “concept”, “opportunity”, “transaction” for RCARE to standardize and ritualize. On another visit to RCARE on 22 August 2003, Kusni, in summary, informed me:

Currently, the morale of the staff is dropping. Sharozan, has sent his application to another UEM group since his job pertains to listed companies such as “announcements” and “procedures of KLSE” are no more relevant to RCARE. Ridhuan has done too since in RCARE (so far) he has not benefited from his IT certificate. To boot, this year there is no increment at all for the staff of the Corporate Finance Department. This is the first time for us as, on average for every year, we had had not less than 7%

5.5 Concluding Remarks

The story in this chapter is written to accompany the set of particulars of the market in the context of a picture of the politics. It starts with the importance of UMNO in the priorities of Renong and UEM, the country's biggest industrial group. The latter was the healthy subsidiary of the former but, unfortunately, became the parent in return for bailing out of the former from its unexpected massive debts. A series of rescue plans have been designed and processes have been taken by the CDRC and the Khazanah Nasional Berhad under the consent of the Central Bank, activities that are influenced by UMNO, the ruling party.

The story of RCARE comes as a reflection on the political and ideological changes in UMNO especially after the launch of NEP as a result of the 13 May riot tragedy. Being established under the theme of protecting Malay interests, UMNO's effort to save Renong and UEM, is made up of the conceptions of particular individuals in the pursuit of economic performance recognition. The attempt is to exhibit the intellectual existence in "parameters constraining the individual's scope of actions" (Bhimani, 1994; p. 639) as efficiency in advanced capitalism is positively referred to as a "specific" economic player (Miller & O'Leary, 1987) who has interest, spirit and means to carry the message. To affect these dual hegemonic concerns, a party, and a "related" individual, accounting is bound to have priority which is based on maintaining the "rules of the game" of the established community. As illustrated, in RCARE, accounting is defined as becoming *property* metaphorically caught as "contracts" and "debts" rather than *privilege*. This consideration produces the rigid control of employees in order to make sense of the preference of the absolute monarchy (Bhimani, 1994).

The RCARE story, like that of ECF's, is simply one part of many stories. For all the peculiarities it involved it set the scene for another story. Of course, the study is limited but with potential. For one thing, RCARE has offered us that "herein lie the implications of this study for those concerned with corporate accountability" (Tinker & Neimark, 1988; p. 70). It is what I am going to discuss in the next chapter.

CHAPTER SIX

RELIGIOUS CONCEPTION, CORPORATE ACCOUNTABILITY AND ACCOUNTING: A CASE OF THE DARUL ISLAMIC BANK (DIB)

Islam came, in any case, by sea and on the heels not of conquest but of trade. Its initial triumphs were consequently along the coastal areas rimming the tranquil Java Sea and its approaches - the bustling ports, merchant princedoms actually, of northern Sumatra, southwest Malaya, south Borneo, south Celebes, and, most important of all, north Java

- Clifford Geertz

Islam Observed: Religious Development in Morocco and Indonesia, 1971

6.1 Introduction

This chapter is the remaining essay of the three different interpretations of my culturally determined explorations. It expands the view of knowledge *of* accounting and knowledge *about* accounting from the particular frame of religious authority. The purpose is to confront the need to relate social issues that are caught in the state ideology and political institutionalism discussed above.

The content of the chapter is obviously about Darul Islamic Bank (DIB). As in chapters 4 and 5, there are reasons for the space devoted to DIB. First, DIB is the first bank and the first kind of registered organization that operates in Malaysia under a religious constitution. Its “religious system” is of interest to many Muslim scholars, both local and international. Second, Malaysia has been declared an Islamic country in which Islam is the national religion of Malaysia. Amongst others, DIB is the one organization that symbolizes this identity. During its existence, DIB has so far

contributed to the launch of a series of significant constitutions such as *The National Syari'ah Advisory Council on Islamic Banking and Takaful* (NSAC) on 1 May 1997, *The KLSE Syariah Index* on 17 April 1999, *The Malaysian Accounting Standards Board on Presentation of Financial Statements of Islamic Financial* (MASB i-1) on 12 December 2001, and the *Guidelines on the Governance of Shariah Committee for the Islamic Financial Institutions* known as BNM/GPS 1 in December 2004. To neglect this religious development, especially that of DIB, certainly is to limit the cultural analysis of Malaysian society.

In this chapter, the context of interpretation is located with the religion inquiries, focuses on the Islamic belief. This chapter is about “conception” that influences the economic activity of an organization in the discourse of religious requirements based on *Shari'a* and collective responsibility or *fardhu kifayah*. The focus of interpretation lies in the organizational setting from the concept of accountability which is primarily directed to the moral and socio-moral aspects. Since Islam is motivated by moral motives and obligations, the scope in principle therefore is not ideologically utopian or politically hegemonic but with complete commitment to faith. It is from this perspective that the current chapter is different to those on ECF and RCARE.

6.2 Religious Conception and the Substance of DIB

It was on Monday, 10 March 2003 and the time was 10.15am. I was not in the Head Office in Jalan Sultan Ismail but in a place that is significant to the “development” of DIB, especially during the period of its constituency. It is in Jalan Raja Laut, the street that is historical in the setting of Malaysian identity; the street that builds up the corpus of ideological consciousnesses, the street that sowed the seed of “organizational

activity”¹. At the time, I thought it was appropriate to be at the main counter operation of the DIB’s Jalan Raja Laut branch. Besides the relief from the “Monday” massive traffic jam, the time is that when Malaysians commonly leave their office chairs - to have morning tea, to read newspapers, to pay telephone and electricity bills, and also deposit and withdraw money at the bank.

Here, at the Jalan Raja Laut branch, there were four counters serving and seventeen customers waiting. Every time when the queuing system popped, a new number was called out and the customers looked at the screen. Behind the counters, there were three officers. One, at the end of the corner, in the special space accommodating trays and a money counting machine was the ATM Officer-cum-Chief Cashier, and the other two, placed just back from the counter tellers with tables, were an Executive Officer and a Senior Officer. Their jobs are authoritatively different but the scope of responsibilities is the same. They are known in general as Saving-Current-Investment Officers. On the right side, close to the “push and pull” gate was the place of the Deputy Manager who has the responsibility to assist the operations of the counters, especially in the opening of the current accounts, stopping the payment of both local and banker cheques, transferring overseas Telegraphic Transfers, verifying financing and loans and other investment proposals. Next to his place was that of the Secretary and at the back was the Manager’s office.

While waiting, customers were heard reciting the *Qur’an*². The seats separated men (muslimin) from women (muslimat)³. Female staff were seen wearing the *hijab*

¹ See Chapter 4 for the significance view on the connection of “organizational activity” and Jalan Raja Laut which I arbitrarily relate to the “ideology”, “State”, and “nationality”.

² However this picture does not represent DIB as a whole. Some of them use *nasyid*, a form of religious singing that is based on Islamic teachings and stories.

("veil"). At the back of the seats was a glass cupboard, filled with books and video CDs about the theory and practice of *ibadah* ("worship") and the learning of the *Qur'an* with *tajweed* ("the rules of reciting the *Quran*"). Below the cupboard, a few of DIB's souvenir products - shoulder-bags, watches, t-shirts, pens, and mugs - were displayed. Over the deposit-withdrawal counters, and the form filling counters, were the stands of pamphlets of products and services. On the main door was the business operation schedule: Monday to Thursday, 9.30am to 4.00pm; Saturday, 9.30am to 12.00pm; and Friday, 9.30am to 12.30pm, reopen 2.30pm to 4.00pm, functioning to inform customers. The difference between the time of "Monday to Thursday" and "Friday" is for the particular religious performance. Between 12.30pm and 2.30pm is the time for the *Jumaah Prayer*⁴.

The above unpacking view of the "here and now" presences at Jalan Raja Laut branch, to quote Berger and Luckmann, is to set up "the *realissimum* of my consciousness" (1971; p. 36). Resourcefully, it is from this I contextualize the story. It is in the context of reading these symbols of the scene-setting of discourse-presenting at the so-called "counter" and "branch" that I have seen rich engagement within the meaning with reference to DIB. Personally, in my experience in DIB for four years, I found in some sense that they are the ceremonial with the institutional environments (Meyer & Rowan, 1977), hence they are apt for the starting-points⁵ of my analysis of DIB.

³ This is also not in the practice of all DIB branches.

⁴ *Jumaah Prayer* is the weekly congregational Prayer, performed on Fridays, and obligates all men who are not sick, elderly, or in any harm to attend. The Prayer is preceded by a sermon called a *khutbah* which can be on moral, social, political and any other content. During the time of prayer all kinds of businesses are to be temporarily closed as this is a chance for the whole community to get together, feel united in the cause of God and recommend to one another to perform all kinds of good deeds that God has ordained and abstain from all kinds of sins and evil deeds that God has forbidden (The *Qur'an*, 62: 9-11).

⁵ To use Geertz's words, "[B]ut they are starting-points only. To move beyond them we must place them in a much broader context of contemporary thought than they, in and of themselves, encompass" (1973; p. 88). This is what I follow then.

To justify this, to begin, the “counter” is “my introduction” to the fact that Islam in Malaysia was established from the “business door” (Andaya & Andaya, 1987; p. 51-55; Geertz, 1971; p. 12). Islam is said to have been introduced during the era of the Malaccan Empire under the reign of the first king, Parameswara, or to use his Muslim name, Sultan Iskandar Shah in 1414. When the fourth king, Raja Kassim, took over the monarchy in 1446, under the name of Sultan Muzaffar Shah, he declared Islam as the national religion for Malacca. Malacca, a northern state of Peninsula Malaysia, was the most prosperous state for Javanese, Indian, Arab and Chinese sea-merchants. It is from the sea trading activities that Islam widened to all states in the Malay Peninsula. This piece of information can be extrapolated to the fact that business is not external to the way of Islamic life⁶ and *ipso facto* to DIB.

In addition, “branch”, a collective name for the counters, in my pictorial is the place that is ritualized in “essence”. It is the place that provides the view of the “practice of DIB” on a daily interaction basis. As discussed by Goffman (1972) in the *Interaction Ritual: Essays on Face-to-Face Behaviour*, the imagery of the branch as the ritual-aesthetic place is apt since it connects anger, stress, shame, etc., in the self-challenging mood. Moreover, the obligation of individuals in the branch is a highly specified, task-embedded and ceremonial idiom. The issuing of a “monthly bank statement”, the offering of “special services for special customers”, the making of “*aqad*” (“the contract”), the keeping of “signature” on the specimen card, and the like, are such illustrations.

⁶ Note that the society of Mecca in which Prophet Muhammad (peace be upon him) was born was a centre of trade. Observed Turner, “Mecca was strategically placed on the trade routes between the Mediterranean and the Indian Ocean; Muhammad’s own tribe, the Quraysh, had achieved a dominant political position based on their commercial strength in the region. The Prophet himself had been employed on the caravans which brought Byzantine commodities to the Meccan market. The Qur’an itself is steeped in a commercial terminology” (1974; p. 238, the last sentences of Turner’s were based on Torrey, 1892).

Following Geertz, in his study about ritual, and in the study about religion, these metaphorical thoughts of “counter” and “branch” I theoretically use, to mean

[t]he kind of integration one finds in an organism, where all the parts are united in a single causal web; each part is an element in *a reverberating causal ring* which “keeps the system going” (Geertz, 1973; p. 145, emphasis added)

In this sense I have placed DIB in the *causal-functional integration* (cf. *ibid*). However, strictly speaking, from the social construction perspective, the fact is “institutionalization is already present *in nucleo*” (Berger & Luckmann, 1971; p. 74). At this stage, I need to scrutinize the power of connection somehow that confronted DIB’s birth in “legitimizing formulas” (*ibid*; p. 79) which is a core to the ritual-religious analysis. This could be done “more explicitly”, advises Geertz, through the understanding of the existence of the *logico-meaningful integration* element that visualize the special “cultural aspects of the ritual pattern” (Geertz, 1973; p. 146). If the *causal-functional integration* characterizes the model of DIB, the *logico-meaningful integration* characterizes the model for DIB. They are conceptually separable but mutually interdependent. In the context of DIB, the former I refer to the foregoing symbols of “counter” and “branch” which are “in a reverberating causal ring” (*ibid*; p. 145, see underscored above), the latter I refer to as the specific “Islamic canons”. This is important since “all cultural performances are not religious performances (*ibid*; p. 113).

At the Jalan Raja Laut branch, my reflection on the latter is to be reified as the dominant forms of thought on the way DIB “routinizes” specific standardization and ritualization. It should be from the more doctrinal world-view. Above my observations were two advertisements “*Halal dan Haram Bukan Pada Makanan Sahaja*” (“*Halal and Haram is not Only on Food*”) and “*Bank Untuk Semua*” (“*Bank for All*”) that I found

on the wall of the waiting hall, which I found religiously embedded, and which I found relevant to this. Both invoke religion. The first is about Islamic *Shari'a*, the source for the religious authority of DIB, and the second is *Fardhu Kifayah*, the collective responsibility of Muslims. Both are the “conception” that envisages the institution of DIB.

6.2.1 “*Halal dan Haram Bukan Pada Makanan Sahaja*” (“*Halal and Haram is not Only on Food*”): *Shar'ia*

This message of “*Halal dan Haram Bukan Pada Makanan Sahaja*” (“*Halal and Haram is not Only on Food*”) was pronounced throughout its eighty four branches⁷. On my first meeting with Dato' Fuad, a Senior General Manager in the Legal and Human Resource Department, it was also seen outside his room in the middle wall over the partitions of his staff. By the way it was presented - in front of the “counters”, in the “branch”, in the “Legal and Human Resource Department” - I understood the message is essentially ultimate and has an authentic value.

I was intrigued that this advertisement used the word “Food”. Why food? And what is the relationship with DIB? We, customers, are not all nutritionists or dieticians. Yet, it is not a source of energy and of nutrition but the source of the “value” of DIB in a sacred import. In 1825, Jean Anthelme Brillat-Savarin, a renowned gastronome wrote that “tell me what you eat, and I'll tell you who you are”⁸. Simply stated, food here is treated as well-being, in spiritual language not in the physical health sense. Rather than

⁷ During that time, excluding Jalan Raja Laut, there were other 69 branches supported by 12 mini branches and 2 service outlets (Annual Report, 2003).

⁸ Source: http://www.pbs.org/opb/meaningoffood/food_and_culture/, visited dated 25 November 2005.

demonstrating rationality as such, food serves as to round out the picture of the distinctive feature of DIB.

There are five pillars of Islam: witnessing that Allah is one and Muhammad is his messenger (Shahada); prayer; concern for the needy (the fast), self-purification (the Zakah); and the pilgrimage (hajj). These pillars should be accompanied with the six articles of faith, which are: belief in one God Who has absolutely no associate with Him in His divinity; belief in God's Angels; belief in God's Books and in the Holy *Qur'an* as His Last Book; belief in God's Messengers (peace be upon them), who include among others, Adam the first man, Noah, Abraham, Moses, David, Jesus and Muhammad, the Last of the Prophets; belief in the Last Day, the Resurrection of the dead, the Day of Judgment, and the Eternal Life Hereafter; and belief that every thing that happens here whether good or bad are within the knowledge of God.

Within this framework there is a clear indication for Islamic economics to interact. It is faith that is the principle (Mannan, 1986). The close link between faith and particular economic activities is comprehensible as shown by “the ethics of Islamic economics sought to reduce man’s present excessive material needs in order to release human energy for spiritual pursuits. Inner development, rather than outward expansion, was held out to be man’s highest ideal in life” (ibid; p. 45). As in the case of “food”, the outward expression of the DIB’s advertisement, is stated in the *Qur'an*:

And eat of the things which God has provided for you, lawful and good, and fear God, in whom you believe (The *Qur'an*, 5:88)

My explanation is drawn from this description. The usage of the term food by DIB is understandably an analogy. It is a straightforward slogan that it is best to articulate the inner development, that is, the faith. One of the good points to elaborate is fasting, the third pillar of Islam. Fasting is considered as faith as it is an act of deeply personal worship to exercise self-control and self-denial whereby one learns to appreciate the pangs of hunger that the poor often feel. And, fasting is considered as an inner development as it refrains not only from food and drink but includes cursing, lying, cheating, abusing or any bad deeds (The *Qur'an*, 2: 183-185, 187; 33: 35).

Certainly, this interlinks the food and the inner development (or the faith) is ecologically not unreliable. As contained in Geertz's phrase

The taste of a banana is its *rasa*; a hunch is a *rasa*; a pain is a *rasa*; and so is a passion (1973; p. 135)

Implicit in this description is "*Halal* and *Haram* is not only on Food" is the piece of indication that the establishment of DIB is "with the mandate to carry out their transactions in strict compliance with Islamic *Shari'a* rules and principles" (Karim, 2001; p. 172). In Islam, *Shari'a* is based on the *Qur'an*, the revealed words of God and the *Sunnah*, the deeds and saying of the Prophet from the inspiration of God. Both *Qur'an* and the *Sunnah* are the basic two sources of *Shari'a* which permeate the code of behaviour for Muslims including commercial activities (Hamid, Craig & Clarke, 1993). In the case of DIB, in this faith (as put into words of "*Halal* and *Haram* is not only on Food"), there are *haram* ("Unlawful") among *halal* ("Lawful") business activities that are prohibited. They include the taking of *riba* (usury), *gharar* (speculation) and the investing and financing of certain activities, such as, among others, the production of liquor, pork, tobacco; the entertainment activities of brothels and night clubs; and the

distillery and gambling houses. They are the grounds for the DIB's "corporate mission".

As stated:

[t]o seek to operate as a commercial bank functioning on the basis of Islamic principles, providing banking facilities and services to Muslims and the whole population of this country, with viability and capability to sustain itself and grow in the process (DIB's Corporate Mission, Appendix 21)

It is worth noting that adherents of this faith need to be obedient to God in carrying out *Amr-Bil-Ma'rūf* ("commanding what is good") and *Nahi-Anil-Munkar* ("forbidding what is evil") in the "best way" that one can afford to perform. In so doing, it is believed to be a reason why in the corporate mission of DIB the words of "to seek", that I have underscored, are added. As a human being who in nature "will never agree upon what is wrong" as said by the Prophet Muhammad (peace be upon on him), Islam acknowledges *Ijma'* and *Qiyas* to function as a lesser source of the *Shari'a* law. The former is the consensus among *Ulama'* (Muslim scholars) who study the Islamic law and have authority to discuss the issues that are not explicitly mentioned in the *Qur'an* and the *Sunnah*. The latter is the analogical deductions from the *Qur'an*, the *Sunnah*, and the *Ijma'* that deal with contemporary issues that are not directly mentioned in the *Qur'an*, the *Sunnah*, and the *Ijma'* but have similar characteristics to those that existed in the past (Zaid, 2004; footnote no. 7). It is important to note that as for DIB which exists in and around western-style organizations, and under the auspices of the Central Bank which is institutionalized not in accordance of the Islamic Law but significantly influenced by the capitalist system (see Chapter 6, in the case of RCARE), the case for ambiguity and uncertainty are possible. In this situation, *Qiyas* and *Ijma'* are needed⁹. As it is periphrastically described in "*Halal* and *Haram* is not Only on Food".

⁹ In the Quranic view, knowledge is divine. According to Khan (2002) "Allah has created man like other natural beings as a growing entity, bound up by the evolutionary natural process of (a) death, (b) life, and

6.2.2 “Bank Untuk Semua” (“Bank for All”): *Fardhu Kifayah*

We should be proud to be in DIB. Beside helping ourselves and our family in getting some money, and working in the *halal* business environment, we can also preach to others about the Islamic banking system. This is our *ibadah*

The above words¹⁰ are the prevalent “welcome” messages given to a number of new staff who are enrolled in the first “Islamic banking” course conducted by the Training and Development Human Resources Unit. For every new staff member, the course is necessary. It runs for a couple of days and the major trainers are seniors in DIB especially from branches and members of the *Shariah*¹¹ *Supervisory Council*. The meaning of the message is simple but with the theme: “Islam is the religion that does not separate the activities of *ibadah* (worship and obedience to Allah) with the everyday life” (Gambling & Karim; 1991; Mannan, 1986; Triuwono, 1995). At whatsoever levels there will be kinds of *ibadah* provided that are performed in the cause of Allah and within the Islamic code of conduct. These include eating, sleeping, intercourse,

(c) regeneration (*mawtan wa hayatana wa nushura*). That is to say, in such as in a process of starting to exist in (a) seeding state of death, (b) a continual state of growing life, and (c) the state of death and reproduction, which is the process of nature *par excellence*. Allah has, therefore, given man a growing, processual knowledge to match with the growing human consciousness for right guidance through the thick and thin of the everchanging space-time situation of his life” (p. 27, emphasis in original, underline added). Both *Qiyas* and *Ijma*’, in the context of knowledge within the limits of human beings, provide an insight into the complete, perfect, fundamental, eternal and universal guidance of life of *Qur’an* in addressing every single thing, at every level of condition, at every level of understanding, and for every nation. As Allah Himself declares:

With Him are the keys of the Unseen. None but He knows them. And He knows what is in the land and the sea. Not a leaf falls but with His Knowledge, not a grain amid the darkness of the earth, nothing of wet or dry but (it is noted) in a Manifest Book (The *Qur’an*, 6: 59).

¹⁰ They were once addressed to a number of staff intake-1995 of which I was one. Although the words that I use here may differ from the original spoken, the “messages” are in parallel with the time they were delivered in the special briefing given by Naim, a General Manager of the Human Resource Division. In 1998, Naim was transferred then to the Finance Division and remains as the head of the division at present.

¹¹ The word *Shariah* here is a Malay vocalization from a word *Shari’a*. According to Adnan, “There is no uniform spelling of this word. Some spell it as Shari’ah; Shariah; Shari’a; Sharia, or even Syariah” (1996, footnote no. 1). The word therefore should be treated as the same.

learning, and other self-fulfilment activities¹². Thus, within this description, it is the aim of the management of DIB that the slogan “Bank Untuk Semua” (“BANK for All”) in all branches is intended to be read by the public in unison with the word “DARUL ISLAMIC BANK for All” as in the vein of “Islam includes All”. It is to emphasis that DIB is instituted in the mood of the “collective responsibility”, in the model of *Fardhu Kifayah*.

Actually, there is a connection from Malaysian history that I could add in my effort to anticipate *Fardhu Kifayah* in this symbolic expression of “BANK for All” *inter alia* “DARUL ISLAMIC BANK for All”. It is because this essential idea involves the understanding of Islam as the formal religion in Malaysia. Anyone who wishes to sample the literature of DIB should be aware of this.

It was noted that Islam in Malaysia was explicitly inaugurated with no rejection of any kind of authority (Lin-Sheng, 2003). It was formalized during the British colonial period from the legitimation of the concept of “Malay Ruler” or “King”. On their strategy to legitimize colonial rule, the British had avoided coming into contact with the matters that are strictly pertaining to “Malay Religion and Custom”. This was in respect of the Malay dictum that “a people cannot exist without a King” (Milner, 1991; p. 109). Since it was Islam that was the religion of Rulers, and, the Rulers themselves were portrayed as the source of the religious performances, Islam became recognized as “part of the definition of Malay identity” (cf. Lin-Sheng, 2003; p. 144). As stated

¹² The Prophet Muhammad (peace be upon him) once told his Companions that they would even be rewarded for having sexual intercourse with their wives. The Companions were astonished and asked, “How are we going to be rewarded for doing something we enjoy very much?” The Prophet asked them, “Suppose you satisfy your desire illegally, don’t you think that you will be punished for that?” They replied, “Yes.” “So,” he said, “by satisfying it legally with your wives you are rewarded for it” (reported by Imams Muslim and At-Tirmithi).

[t]he Malay Rulers had their prerogative powers circumscribed by the British system of “indirect rule” they devoted more time to ceremonial and religious matters. As a consequence, Islam became more institutionalized and codified into the laws governing Malay society (Means, 1978; p. 385-386)

This condition has made Islam, as it has been accepted as such by Malay Rulers, as the “formal religion” of Malay. It was said once that to “masuk Melayu” (“to enter [the fold of] Malay”) means to “become Muslim” (Andaya & Andaya; p. 1987; p. 55) as stated in the constitution that a “Malay”, among other things, means “a person who professes the Islamic religion, habitually speaks the Malay language, and follows Malay custom or *adat*” (Means, 1972; p. 33; 1978; p. 393; Nagata, 1974; p. 335). After the independence on 31 August 1957, the Malay Rulers remained the “Head of the Muslim Religion” in every state. About a year after the “13 May” riot tragedy, then on 31 August 1970 the Principles of Nationhood or *Rukunegara* were formulated. Since “Kesetiaan Kepada Raja dan Negara” (“Loyalty to King and Country”) is one of the principles in the *Rukunegara*, Islam is seen to grant recognition from the non Malays which is the majority group of non Muslims. Although in the constitution, Malaysians are given freedom in religion, but “with a rather strong religious Islamic connotation in national ideology” (Means, 1972; p. 56), “Kepercayaan Kepada Tuhan” (“Belief in God”) was put as the “first principle” in the *Rukunegara*. Underlying this statement is the rejection of communist ideology and the pledge to maintain a united wealth society that is oriented to consensus and good morality.

Given this sort of historical information, Islam is seen as “part” of Malaysia. Since then, under such conditions, therefore, the meaning of “Bank for All” for DIB is relieved from any racial ideological conflict. Therefore, implicit in this point, to say, “Bank for All” is not purely for the eyes of the banking industrial agency *per se*. This

materialistic conception is not the best definition. Rather “Bank for All” here, as historically mentioned, is translated into the collective responsibility in the development of society - the *Fardhu Kifayah*. It is from this view, as I will detail below, that the literature of the institution of DIB is apt to draw.

It is to the collective responsibility or *Fardhu Kifayah* that the setting up of DIB is attributed. The actual rise of DIB started with the need to keep the money to perform the pilgrimage, the fifth pillar of Islam. It was associated with the establishment of the “counter” of Pilgrims fund Board or Lembaga Tabung Haji (LTH) in 1963. The purpose of the counters was to collect and save the money for the pilgrimage. There were however Muslims that perceived it as an alternative place that offered no *riba* to keep the money to fulfil their other needs such as buying a car and a house. Since at that time no Islamic bank existed, it needed too long a period to save for items such as a car and house, given that the money kept in LTH was available for withdrawal after the amount was enough for the pilgrimage purpose in a certain saving period. Realizing this as a long term benefit for society, therefore, in 1980, the *Bumiputera Economic Congress* proposed to the Malaysian Government that it allow the setting up of an Islamic Bank in the country, and this was followed by the formation of the National Steering Committee in 1981 which was responsible for undertaking a study on all aspects of the setting up and operations of an Islamic bank including the legal, religious and operational aspects. Finally, on 1 July 1983, DIB was set up with an initial paid up capital of RM80 million.

Again, the above brief early history of Islam and DIB in Malaysia is with a purpose. It is to demonstrate that in the literature the view of DIB from an “individualistic performance” perspective (for e.g. Abdul Hamid & Mohd Nordin,

2001) is therefore inaccurate, since the definition of the *Fardhu Kifayah* as one of the features of Islamic banking was beyond discussion. Although, in 1997, as argued by these authors, a report from the Central Bank indicated that “DIB only captured 1.06 per cent (RM 3.2 billion) of the total depositors, while the commercial banks captured almost 98.9 per cent (RM300.6 billion)” (ibid; p. 4), it would be argued that looking at the total number of banks and financial services institutions at that time, standing individually and struggling with the volume of RM 3.2 billion, spiritually, DIB is significant and can be recognized as successful. Admittedly, due to its promising performance over a couple of years, many commercial banks and financial institutions had emulated DIB’s concept in Islamic banking in the form of *Skim Perbankan Islam* (SPI) (“Islamic banking windows”) which was introduced in March 1993 by the Central Bank. DIB has also become a model for the establishment of an Islamic bank in the ASEAN region, specifically, in Indonesia in 1991, in Brunei Darulssalam in 1993 and in Singapore in 2004. Another “achievement” for DIB was when Bank Muamalat, a bank with combined assets and liabilities from the SPI activities of the conventional Banks of Bumiputra Malaysia Berhad, Bank of Commerce (M) Berhad and BBMB Kewangan was brought into the constitution on 1 October 1999. In this sense, two years later, BNM reported that “the share of Islamic banking assets and deposits increased to 8.2 percent and 9.5 percent respectively, surpassing the 8 percent targets set for the year 2001” (Central Bank, Annual Report, 2001). Besides DIB and Bank Muamalat, for SPI transactions, there were 132 branches and 2,065 counters that were available in 14 commercial banks, 10 finance companies, 5 merchant banks, and 7 discount houses (ibid). As a result, Bank Rakyat, after being in operation for 48 years announced in 2002 that it was to be a third, fully fledged Islamic co-operative bank.

In another sector, DIB has also established an Islamic Insurance company known as Syarikat Takaful Malaysia Sendirian Berhad in 1984 (now known as Syarikat Takaful Malaysia Berhad after listing in 1996) to manage Islamic mutual funds and Islamic stock broking. Now, to date other banking and financial institutions have also introduced such activities. Then the DIB Institute of Research and Training Sdn Bhd (BIRT) was launched in August 1995. Services include research and development services, consultancy services, in house training, seminars and conferences, educational programmes, publications and library services. On 7 August 1997 at Universiti Utara Malaysia “Seminar Kewangan Islam” (“Islamic Finance Conference”), Wan Azhar, a Chief Executive Officer¹³ of BIRT has concluded that:

BIRT has provided consultancy and advisory services to more than 50 financial and nonfinancial institutions and trained more than 10000 people under the seminar and inhouse training programmes locally and abroad. The ministry of finance through BNM and ministry of education have approved BIRT's application to establish a private college known as Kolej Perbankan dan Kewangan Islam (College of Islamic Banking and Finance)

6.3 Accounting and the Conception of Accountability in DIB

The foregoing review has shown that DIB is an anticipated religious organization that is based on *Shari'a* and centred on *Fardhu Kifayah*. The former is grounded on faith and the latter is on collective responsibility. Note that this perspective of DIB is both appropriate and important. The principal argument is that DIB is legislated under the enactment of the Islamic Banking Act 1983 and as stated in “the objectives” of its establishment, the idea is:

¹³ Currently, he is the General Manager of Consumer Banking Division.

- (1) To provide its customer with Islamic banking facilities and services of the highest possible quality.
- (2) To attain viability and sufficient level of profitability to sustain growth.
- (3) To develop and foster a competent and innovative management imbued with high standards of integrity and Islamic banking professionalism.
- (4) To develop a motivated workforce inculcated with appropriate work ethics fully committed to the bank and to offer efficient and courteous service to its customers.
- (5) To constantly strive to protect its shareholders' interest.
- (6) To be always conscious of its responsibilities and duties as an Islamic corporate citizen. (DIB's Corporate Objectives, Appendix 22)

Operating behind such a religious conception is the fact that DIB's accounting is essentially broad in perspective. The Information Systems (IS) in DIB and the consequent view of accounting illustrate this. Banking and IS are complementary. All banks claim that in relation to other banks they are "faster", "more customer driven", "easier", "provide excellent service", and other similar claims. From this point of view, I will be able to strenuously justify accounting in DIB.

My view of IS and its relation to articulate accounting was from my concern that no bank or financial institution had been to date without facilities such as "internet banking", "automated teller machines", "online integrated retail banking systems". There was also my experience. When I left DIB early in 1998, at that time, the systems used were still "on-batch". Every morning, before the "counters" could be opened, the previous day's transactions needed to be processed. In the Bandar Baru Bangi branch, where I was the Saving-Current-Investment Officer for four years, it was common on Monday mornings to find customers lined up while the batch run was completed (for an extra 15 minutes to 45 minutes). It was because on Mondays the volume of banking transactions was more than any other day. The systems needed to run the batch for the

transactions on Friday, including Saturday and Sunday from the ATM transactions. On 19 March 2003, at lunch time, I met Akmal, an Assistant Manager of the Consumer Banking Division, who was once “my teacher” in Jalan Raja Laut branch. In our meeting, he informed me that:

Because of the economic crisis, in 1997, we cancelled the plan to build our own building. Instead we used the money to buy the systems. The estimated figure was about RM150 millions but it ran out to more than RM200 millions

Akmal’s information was another factor that encouraged me to study IS. Clearly it is IS that is a striking issue for DIB. Pondering this fact: after 22 years of operation, DIB still does not have its own building! For 18 years DIB rented Tun Razak Tower from Petronas in Jalan Raja Laut and now the head office has moved to Darul Takaful in Jalan Sultan Ismail¹⁴ in a building owned by its subsidiary, Syarikat Takaful Malaysia Berhad. For this sacrifice of getting its own building, since mid 1998, DIB now has a Total Integrated Banking Solution with SAP R/3 from Germany (Appendix 23) for its accounting and human resource activities, being a first of its kind in the Malaysian banking industry!

Given this picture, on my second day at DIB I therefore met Johan, an Assistant General Manager of the Information Technology Corporate Unit. My purpose was to get a rather general idea about IS in DIB. From him, I was told briefly about the operation of DIB as a whole and the functioning of his Unit. When I mentioned that I was currently doing a PhD thesis in accounting, he abruptly said to me that “accounting is central for the success of IS in DIB”. He supported his opinion with the reason that it is why, in DIB, the Information Technology Corporate Unit is under the auspices of the

¹⁴ See footnote no. 4, Chapter 4.

Finance Division. Therefore, in his message to me, “in regard to my interest studying IS in his unit”, he said:

For your research benefit, you can be here (in this Unit), let say, for 10% to 20% of the scope of the study. Another 80% to 90%, I suggested you study accounting (elsewhere) since to me information systems is to be tied with “standard”, “policy”, and “procedures”, and for your information these are accounting

On a different day, for the same purpose, I met Afizi, a Chief Dealer in the Forex Desk. Within the 40 minutes I talked with him, he concluded that “for me, accounting must be looked at before systems”. His interpretation was based on his point that:

Our system itself was drafted from conventional banking. Due to this, the first thing the consultants had to do was customize the system according to an Islamic *concept*. Here, we understand the Islamic *concept* but not as a resource, whereas they understand the systems but not the Islamic product...To explain, the *concept* of Islamic banking is different from the conventional. For example, in the case of Mudharabah, it is the ratio not the rate that we can fix. To give an example, lets say your negotiation with the customer is 80:20, that is, 80% to the customer and 20% to the bank. And lets say the current profitability rate is at 5%. So, your negotiation is 80:20 from the 5%, right? However, when it comes to “maturity” one month later, you found the profitability rate has changed to 6%. In this sense, the ratio should remain same, still 80% to the customer and 20% to the bank, but the calculation has changed. This is one of the kinds of “understanding” that is quite difficult to build into the system. Quite difficult!

Implicit in Afizi’s point is the fact that it is accounting that is mutually inclusive with the Islamic concept to which DIB is adhering. The answer is clear, as he pointed out about the “concept” (see the underscored point). There are quite a number of researchers that portray accounting as symbolizing the “concepts” in IS such as “control”, “legitimizing, and “fabricating” (e.g. Ansari & Bell, 1991; Burchell *et al.*, 1980; Chua, 1995; Cooper, Hayes, & Wolf, 1981; Covaleski & Aiken, 1986; Lodh,

1994; Markus & Preffer, 1983; Preston, Cooper, & Coombs, 1992) As for these potentialities the significance of accounting is not to mirror but to create and shape the organizational reality (Boland, 1987; p. 271; Hines, 1988; p. 254; Roberts, 1991; p. 355). Rather than being a “solution”, accounting is a “part” of the organizational problem (cf. Morgan & Willmot, 1993). This is what is meant by Afizi. And on this point I can see the convergence between Afizi’s comment and the message of Johan about “standard”, “policy”, and “procedures”.

Suffice to say, central to my point here is that in DIB accounting is seen as a concept having an interlinkage to religious matters. Indeed, from my earlier discussion of faith in *Shari’a* law and of collective responsibility in *Fardhu Kifayah*, there are studies that respond to them with the reification of accounting (e.g. Adnan & Gaffikin, 1997; Gambling & Karim, 1991; Triuwono, 1995). Given this argument, the purpose of the title of this section “Accounting and the Conception of Accountability in DIB” now becomes apparent. Clearly, for the benefit of discussion, I am deliberately using a perspective of IS in order to provide a full justification of why accounting - the later accountability - is rewarding as important to DIB. I detail this picture below.

6.3.1 *Khalifah* (Vicegerency)

In Islam the concept of “*khalifah*” (“vicegerency”) is essential. It provides the operational framework for the Islamic scheme of life. Allah created Adam (peace be upon him), the first human being, with the view of his playing the role of vicegerency (The *Qur’an*, 2: 30) and endowed him with the “knowledge of the things” (The *Qur’an*, 2: 31-33). Implicit in these verses is the Mercy of Allah to man (human beings) as the most favoured over all His creatures (The *Qur’an*, 21: 107; 33: 72; 67: 15). As

vicegerent, with knowledge, one is free to choose either bad or good. However, at the end of the day, the justice will be brought and he/she will account for what he/she has been done even though the deeds are “equal to the weight of the atom” (The *Qur'an*, 99: 5-8).

In Islam Allah creates us for the purpose of *ibadah*¹⁵ and among all of the creatures Allah made us as “*khalifah*” in the earth. He gave us “*amanah*”. But, on how it should be? First, to Allah *subhana ta ala*, then, to ourselves and to our family, and finally, to our society. In the business institution, “society” we call stakeholders

This “short view” about *khalifah* was provided by Naim, General Manager of the Finance Division, and then Senior General Manager-cum-Acting Managing Director to me in the first meeting Wednesday afternoon. From this information we can see, the most elementary feature of “*khalifah*”, in Naim’s words, is accompanied by the word “*amanah*”. From my understanding, and in line with my earlier discussion, *amanah* here refers to both “trust” and “duty”. The former is the special recognition from Allah to human being as the one that is the most favourable creature and the latter is the consequence of the former anticipated commitment. This *amanah*, as understood by Naim, applies in our obedience to God in the first, and then in our concern towards self, family, and society. This, in short, explains that the concept of *khalifah* is actually broad. In accounting terms, according to Gambling & Karim (1991), the concept demands more than in a picture of agency theory (p. 81). It is, to ideologized, in my view, best in the description of accountability. As Munro reads

¹⁵ This he quoted from verse in the Holy Qur’an (51: 56).

Accountability, in this view, involves more than a study by psychologists and sociologists of expressions that are circulated in discourse. Accountability pivots instead on an analysis of the **methods** by which participants engage in accountability relations. This is one key concept which requires discussion, but an equally important and related concept should be mentioned alongside the matter of methods. This concept, arising from the sociology literature, is that of **membership**. According to Garfinkel (1967), members of the same grouping have methods by which they sanction other members' conduct (1996; p. 4, emphasis in original)

Based on the above description, the term “accountability” is associated with beliefs, rules, responsibilities, ethicality and morality. When condensed to an organization, accountability has several forms and discourses, which among other things include those in the reporting system (e.g. Benston, 1982; Vamosi, 2005), in the maintenance and budgeting process (e.g. Ahrens, 1996), in the designation and product control (e.g. Armstrong, 2000; Ezzamel, 1997), in the contracting-nexus (e.g. Seal & Vincent-Jones, 1997), and in the commercial market practice and environment (e.g. Gray, 1992; Mitchell & Sikka, 2004; Pallot, 2003; Robinson, 2003).

In the discussion of forms and discourses of accountability, Sinclair (1995), in *The Chameleon of Accountability*, argues that “in theoretical research, accountability has discipline-specific meanings” (p. 221), and therefore, “how we define accountability is dependent on the ideologies, motifs and language of our times” (p. 221). At DIB, the construction of accountability is from the ideology “to reassurance that the bank has strictly adhered to such Islamic precepts” (Karim, 1990; p. 34). This conception of accountability is with “trust” to carry out the transaction in accordance with *Shari'a* law and a “duty” to provide *Fardhu Kifayah* for the benefit of society. Apparently, as for this mission, it is noted that “the essential feature of an Islamic bank is that it is interest-free” (Ariff, 1988; p. 49) and should legitimate a “religious auditor” in order to ensure

no violation of the *Shari'a* (Karim, 1990). This brings into sight that both interest-free and religious auditor are considered therefore more than others to have accountability values. In the discussion of DIB, hence they should be included.

6.3.2 Interest-Free

In Islam, there are many verses that prohibited *riba* and asked for a *halal* trading (The *Qur'an*, 2: 275-281; 3: 130-132; 4: 160-161; 30: 39). “*Riba*” or “usury” is literally pronounced in the banking literature as “interest-free” (Ariff, 1988). At DIB, and

Islamic banking, the feature of *riba* is discussed in the products (or services) being offered. This is because, back to the argument of accountability, products are developed in the collective endeavour, risk, responsibility, and profit-interest rationality.

Figure 6.1 demonstrates a list of the products of DIB in different kinds of “sources of fund” and “applications of fund” (a list of examples see Appendix 24). A discussion of accountability here lies in the conception of “the owner of the capital” (*rabbul-mal*) and “the entrepreneur-borrower” (*mudarib*) which are termed, besides the depositor-bank-position, also the condition of the agreement of profit and loss, the permit of the involvement in providing and investing the capital, and the nature of the business. As to briefly describe, on the “applications of fund” side, under the *Mudharabah* financing (trustee profit-sharing), the owner of the capital and the entrepreneur-borrower share the profits but if any losses incur it will be borne wholly by the former. Whereas, under *Musharakah* (joint-venture profit sharing), profits and losses are shared “depending on the equity ratio” (Ariff, 1988; p. 51). Anyhow, in any case, depending on the agreement

The bank may in turn use the depositors’ funds on a *mudharaba* basis in addition to other lawful modes of financing. In other words, the bank operates a two-tier *mudharaba* system in which it acts both as the *mudarib* on the saving side of the equation and as the *rabbul-mal* on the investment portfolio side. The bank may also enter into *musharaka* contracts with the users of the funds, sharing profits and losses¹⁶ (ibid; p. 51)

There are also some other conceptions; viz *Bai Bithamin Ajil*, *Ijarah* and *Wakalah*. The first involves a purchase agreement at a determined price but with the postponement of payment, the second involves a renting agreement at the determined rental expenses in certain period, and the third involves the bank as an agent under the

¹⁶ Note the words of *mudharaba* and *musharaka* are without the ending of the letter “h”. The same caveat as in the footnote no. 11 applies.

principles of *Al Wadiah Yad Dhamanah* or guaranteed custody on behalf of the depositors and other contracting party.

On the “sources of fund” side, DIB operates in three different categories of accounts; namely current, saving and investment. The current accounts is operated with a *Wadiah* agreement of safe keeping the money of depositors but with the permission that the depositors are able to withdraw at any time and the bank is permitted to use the money under the principle of *Yad Dhamanah*. For a *Wadiah* saving accounts, to add, the bank “may at its absolute discretion pay the depositors a *positive* return periodically, depending on its own profitability” (ibid; p. 51). And, for a *Mudharabah* investment accounts, the agreement is based on a profit-sharing ratio where the depositors and the bank share the profits but in the case of a loss resulting from normal business activities, the depositors bear all and the bank or *mudharib* “losses only that profit which would have been the reward of his effort” (Adnan, 1996; p. 43).

From the above descriptions, to sum, for depositors, it is clear that the business transactions in DIB “have no right to demand a fixed rate of return” (Ariff, 1988; p. 51). From an Islamic view, these products are to have the prescription of accountability. This accountability sect lies upon the values of “justice, efficiency, stability and growth” (Zaher & Hassan, 2001; p. 156), which are termed as to achieve the *Fardhu Kifayah* rather than as to meet personal accumulation wealth. As Zaher and Hassan detail

In terms of justice, the removal of *riba* results in the sharing of the risk of a project between the borrower and the lender. In addition, by tying the reward to the performance of the business venture, the resulting returns are more equitable during good times and bad times. Finally returns are only earned when the business venture results in the addition of value, which benefits all the society. Regarding the efficiency of allocation of capital argument, interest based lending with adjustments for risk capital tends to result in serving the more creditworthy borrowers and not necessarily the most productive projects. The Islamic PLS (Profit-Loss-Sharing) - banking allocates financing to the most productive business ventures, as the share in returns is more promising. In addition, profit sharing results in both the borrower and lender working more closely together to ensure the business venture's success, which is more productive for society. Finally, Muslim economists argue that the PLS system provides for cohesion between social classes because financing is equally available to anyone with a productive idea. With regard to the subject of stability, Muslim economists argue that an interest-based banking system fosters inflation, as the creation of money does not have any direct tie to whether or not a business venture is productive. The result is a higher cost to society for failed projects that interest was paid without any economic benefits (ibid; p. 156-157)

Despite the above mentioned reasons, it is important to note that in Islam the conception of *riba* has no place. As Ariff concluded

The bottom line is that Muslims need no "proofs" before they reject the institution of interest: no human explanation for a divine injunction is necessary for them to accept a dictum, as they recognize the limits to human reasoning. No human mind can fathom a divine order; therefore it is a matter of faith (*iman*) (1988; p. 50)

6.3.3 Religious Auditors

In the literature, accountability of "self-representation" (e.g. Boisjoly, 1993; Boland & Schultze, 1996; Burritt and Lehman, 1995; Munro, 1996; Roberts, 1991; 1996; Roberts & Scapens, 1985; Schweiker, 1993; Shearer, 2002; Willmott, 1996) is considered as most fundamental (cf. Arrington & Francis, 1993). "Self" here, according

to George Herbert Mead, refers to the conception that the “human being is an object to himself” (Blumer, 1969; p. 62). In another words, according to these authors, self may be perceived as “maker, citizen, answerer” (Arrington & Francis, 1993), as reproduction of sensing and visibility (Roberts, 1991; 1996; Roberts & Scapens, 1985), as the company of “responsibility and authority” (Boisjoly, 1993), as “giving an account” (Boland & Schultze, 1996; Munro, 1996; Schweiker, 1993; Willmott, 1996), and as a “commodification of other” (Shearer, 2002). In Islam, the respective value of self is treated in the form of *amanah*. Above all, in the above kinds of “duties” is “trust”, which is, to interpret, of all creation only human beings carry the “trust” from God, hence having the “free will” in so doing. As with this, the ramification for human beings is that “each is responsible for his or her own deeds” (The *Qur'an*, 74:38).

In Islamic banks, the receptive self in an accountability scheme is best seen in the character of the group of individuals claimed to be “religious auditors”, or in the word of Brunsson (1993), “the legal persons” (p. 489). This is because, to use Karim’s points (1990), first, religious auditors appear in “almost all Islamic Banks” (p. 35), second, they are those whose Islamic credentials “are considered to be impeccable” (p. 35), third, they are “involved in the accounting policy pursued by the bank” (p. 35), and finally, they “are employees of the bank and are on its payroll” (p. 36). At DIB, these “religious auditors” is referred to as those members of the *Shariah Supervisory Council* (SSC). Their biodata is presented below in Table 6.1 so as to show their “knowledge of Islamic law, and some knowledge of business transactions” (Pomeranz, 1997; p. 125).

No.	Name	Experiences and Qualifications*
1	Mohd Bakir Haji Mansor (Chairman)	Appointed as a member of the SSC on 1 June 2002. He obtained the Shahadah Ulya (Highest Certificate) of Kolej Islam Malaya in 1965. He began his career at the National Council for Islamic Religious Affairs, Prime Minister's Department in 1971 as a Temporary Information Officer; and then as an Islamic Religious Affairs Officer in 1973. His last position at the Islamic Affairs Division, Prime Minister's Department was a Chief Assistant Director of the Islamic Research Institute until 1984. He worked in DIB as the Shariah Coordinator also functioning as the secretary of the Bank's SSC for more than seventeen years until 2004. He now works as an Internal Research Fellow at the Centre of Fiqh Muamalat, Islamic Banking and Finance Institute Malaysia (IBFIM)
2	Profesor Madya Dr. Abdullah Haji Ibrahim	Lecturer at the Shariah Faculty of Kedah Islamic Institute. He holds a B.A. (Shariah) from Madinah University, and a PhD. From Al-Azhar University, Cairo. He is a member of the SSC of DIB since its inception in 1983. He is also a member of the SSC of Syarikat Takaful Malaysia Berhad. He represents the Malaysian Government in the Fiqh Academy of the Organization of Islamic Conference (OIC) from 1996
3	Dato' Md Hashim Haji Yahaya	Chairman of SSC from 1 July 2001 to 30 June 2002. Mufti of the Federal Territory of Kuala Lumpur since 1997. He holds a B.A. and M.A. (Shariah) from Al-Azhar University, Cairo, and a Diploma in Education from Ain Syams University, Cairo. He was appointed as a member of the SSC of DIB in 1989. He is also a member of the SSC of Syarikat Takaful Malaysia Berhad, and National Shariah Advisory Council for Islamic Banking and Takaful, Bank Negara Malaysia since 1997, and a member of the Shariah Council of Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) since 2001
4	Dr. Ahmad Shahbari	Chairman of SSC since 1 July 2002 to 30 June 2003. Former lecturer at the Shariah Department, Faculty of Islamic Studies, Universiti Kebangsaan Malaysia. He holds a B.A. (Syariah) from Al-Azhar University, Cairo and a PhD. In History from the University of New York. He was appointed as a member of the SSC of DIB in 1985. He is also a member of the SSC of Syarikat Takaful Malaysia Berhad, Syarikat Takaful Indonesia, Syarikat Takaful Singapura and the Labuan Offshore Financial Services Authority (LOFSA) since 2001
5	Dato' Sheikh Ghazali Haji Abdul Rahman	Director General and Shar'ie Chief Justice of Shariah Law Division, Malaysia, since 1998. He holds a B.A. (Shariah) from Al-Azhar University, Cairo. He was appointed as a member of the DIB SSC since 1999. He is also a member of the SSC of Syarikat Takaful Malaysia Berhad, the National Shariah Advisory Council for Islamic Banking and Takaful, Bank Negara Malaysia since 1997, and a member of the Shariah of Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) since 1998

No.	Name	Experiences and Qualifications*
6	Ustaz Abdul Ghani Endut (Secretary)	Joined DIB in July 1992 as an officer in Public Affairs and Shariah Department and currently is the Deputy Manager in the Shariah Department. He holds a Bachelor of Art in Business Studies from the University of East London and a Bachelor of Art in Islamic Jurisprudence and Legislation from the University of Jordan. He is actively involved in Shariah advisory activities of DIB and other external parties

Table 6.1: DIB Shariah Supervisory Council as at 30 June 2004 (Source: Annual Report, 2004) Note: * the detailed information about experiences and qualifications however were based on the Annual Report 2002 as they were not available in detail in the Annual Report 2004 and in the Annual Report 2003

In regard to the above listed experiences and qualifications, the central purpose of having an SSC is apparently seen as anchoring on religious justification. In this conception, their conditions and situation are definitely not the same as with the external independent auditors' roles (cf. Karim, 1990). It is believed that the failure of the SSC in following the *Shari'a* law will "exact an unbearable moral cost, much greater than loss of economic revenue" (ibid; p. 38). As for DIB, I had been told by Amin, a member of the senior branch staff who is currently attached to the head office, that:

Although the product that the bank is going to launch is attractive and has future market dominance, if SSC says "No", we have to strictly follow

In the accounting literature, following Briston and El-Ashker (1986), the SSC functions are "in three main areas: namely *ex ante* auditing, *ex post* auditing and the calculation and payment of *Zakah*" (cf. Karim, 1990; p. 35). Noticeably, this view of the SSC and the above utterances of Amin in some way provide an insight that accountability in Islamic banks is to be associated with "the mandate". As for DIB, the signs of a mandate and the substance of the SSC are reported formally in the Annual Report 2004, as below. Clearly, if we scrutinize, we can see that these functions of the

SSC at DIB are virtually the same as advocated by Briston and El-Ashker, and hence confirm the appropriateness of the nomenclature “religious auditor”.

The Supervisory Shariah Council (“SSC”) was established under the provision of Section 3 (5) (b) of the Islamic Banking Act 1983 to advise the Group¹⁷ and the Company on the operation of its banking business in order to ensure that they do not involve any element which is not approved by Islam.

The SSC advises the Directors on matters pertaining to the operational issues of the Group and the Company. The SSC also takes the views of Shariah Committees of relevant authorities such as Bank Negara Malaysia and Securities Commission from time to time on issues relating to the industry.

The duties and responsibilities of SSC are to review, appraise and advise the Directors on the operations of the Group and the Company’s business in order to ensure that they do not involve any element which is not approved by Islam.

The roles of SSC in monitoring the Group and the Company’s activities are as follows:

- (a) Review the products and services to ensure conformity with Shariah requirements.
- (b) Deliberate on Shariah issues pertaining to the day-to-day operations of the Group and the Company and provide advice accordingly.
- (c) Form opinions on the operations of the Group and the Company on whether they are Syariah compliant.
- (d) Provide training and education on muamalat or Islamic transactions based on Shariah principles.

The roles of SSC with respect to zakat¹⁸ are as follows:

- (a) Review computation of zakat and approve the amount to be paid according to Shariah.
- (b) Advise on the distribution of zakat to the appropriate “asnaf”¹⁹ (Annual Report, 2004; p. 136)

¹⁷ In structure, DIB has six subsidiary companies in the banking industry namely; Syarikat Takaful Malaysia Berhad (74.25% owned), DIB Securities (Holdings) Sdn Bhd (100% owned), Syarikat Al-Ijarah Sdn Bhd (100% owned), DIB Venture Capital Sdn Bhd (100% owned), DIB Musyarakah Satu Sdn Bhd (100% owned), Pembiayaan Perumahan Nasional Sdn Bhd (51% owned), and one associate company namely; Islamic Banking and Finance Institute Malaysia Sdn Bhd (48% owned).

¹⁸ This represents business zakat. It is an obligatory amount payable to comply with the principles of Shariah. Zakat provision is calculated based on 2.5775% of the net asset method (Annual Report, 2004; p. 150).

¹⁹ “Asnaf” here refers to any of the eight eligible zakat beneficiaries that are mentioned in the Qur'an, 9: 60.

6.4 Accounting and Local Management Control: a Selective View

There are *many Assistant Managers here*. By all means, I have not been able to say so specifically without the name of the individuals

These few words were from Turkiah, a Secretary of Naim. They were uttered in her conversation with a female staff member who I observed went over to her place to seek assistance. At that time I was in front of them sitting on the guest sofa waiting to interview Hamidi, a Senior Manager of Group Accounts Unit. Unfortunately, I was not able to catch what the matter was as at that time I was busying thinking about some questions that I wanted to ask Hamidi. Anyhow, based on my experience, I guessed the staff member wanted to find out from the specific Assistant Manager, whom she thought may be “associated” with, the reports that she was seen to engage with.

In DIB, there are three signature columns on the important reports or documents: *prepared by*, *verified by*, and *approved by* (Appendix 25). These signature columns, especially in the *verified by* and *approved by*, in many cases, in practice are not specific to the particular unit of the issuance documents only. For example, a document prepared by a staff member in the Statutory Reporting Unit can also be handed for the verification or approbation by another superior in the Group Accounts Unit, provided that the superior has at least the same level of authority as that to whom the document is supposed to be surrendered in the former unit. This local management control is materialized anyhow more apparently in the branch as the tendency of the specific verified and approval person in the unit is temporarily absent from the office more

frequently²⁰. Given this case, and the substantial practice of it in the branch²¹, the available surrogate superior at DIB hence is inevitable.

Back to the matter in which the female staff member was seen to sort out, at DIB, an “Assistant Manager” in the hierarchy is one of the many staff members authorised to verify forms. However, depending on the situation, more especially in a branch, the Assistant Manager can also be authorised to indicate “*approved by*” too. There are some operational issues that are associated with those positions²² but what I am interested in showing is that, in respect of the accounting at DIB, is the issue of “there are many assistant managers here” as uttered by Turkiah in response to the female staff member. The reason why I believe the issue could lead me toward a greater comprehension of accounting is because in DIB there is no job of Assistant Accountant, Accountant, Senior Accountant and the like. Logically, in my understanding, the creation of the position of Assistant Manager, Manager, Senior Manager, is exceedingly complex and diversified. In this limited space, nevertheless, my explanation, of engaging with the current issues, will focus on the Assistant Manager only.

In respect of the ceremonial tasks of *verified by* and *approved by*, I was told by Naim that “in the broad sense all of them are sorted to *assist the Manager*”, when I asked what does “Assistant Manager” mean to him as opposed to the rather different title “Assistant Accountant” as in another organizations. Naim’s answer to such kind of

²⁰ In the branch the numbers of superiors (e.g. Manager, Deputy Manager, Assistant Manager, and Officer) are limited. As for example, always there are cases where the Financing Department Officer has to relieve the place of Saving-Current-Investment Officer during lunch time, meeting time, etc. Such conditions also regularly happen between Manager, Deputy Manager, and Assistant Manager.

²¹ Implicit in this point is the reason why in the front pages of this chapter a lengthy picture of a branch as the significant element for DIB is made.

²² In the relation of the Footnote no. 20, some common examples of the operational issues are in the stop payment instruction, inter-branch transfer and Telegraphic Transfers forms. These kinds of “documents” need a quick approval so that the action can be taken as efficiently as possible.

local management practice, in my judgement, by and large represents the rational pattern of the scope of the job descriptions in DIB. As I was informed by Saiful, an Assistant Manager in the Finance Division:

For your information, I myself “design” my job description, not the Human Resources Department even though they are handling the promotion in salary and position

I heard the same from Hasbullah, an Assistant Manager in the Training Department.

At the time I joined DIB there was no job description given to me. I think this is one of the problems that we (staff) are facing here

Within my observation, the extent of this “self constitution” is an insight for me as to the culture associated with so many meetings in DIB. I must admit, during my stay in the Finance Division, I noted that, based on the number held and the time spent, meetings are “the major activities” of the department or unit. For example, on 19 March 2003, at 9.52am, in the reading room 4th floor, Naim was seen to chair a meeting with staff from the Business Liaison Unit, and in the same room but at 3.26pm he was seen to chair another meeting with other staff members from different departments. Besides Naim, I had seen also many other long day meetings conducted by others, for example, Johan and Norihan, a Manager of the Data Management Unit. In his complaint, Saiful said:

Here (in DIB), meetings can go on for up to three to four hours. After a meeting, comes another meeting. This is “terlalu banyak” (“too much”)

Because of this phenomenon, one of my best friends, Zainol, an Executive in the Branch Operation Division, commented that

General Managers have spent too much time at meetings. My personal opinion is, just let the managers chair the meeting since the real task for them (General Managers) is to go out and to market the bank

Due to this, according to Zainol, much of the marketing work is carried out by branch Managers²³. In his stressing this to me, he believes, in the case of marketing DIB products to the CEOs or Managing Directors of organizations, the formality of meetings is worthwhile. For him, it is best done by a General Manager or the individual at the head office who, at least, is at the same level with them, not the Branch Manager.

It should be noted that Zainol's remarks are from an operational point of view. After many years in the Jalan Raja Laut branch, at head office he has been appointed to a "special task force", responsible for solving the problems of the banking operations at branches. In this respect, I consider Zainol, who joined DIB at the date of its inception, to have sufficient knowledge to be a "caring employee". Due to this, in regard to the matter of "no prescribed job description when commencing work" as described by Saiful and Hasbullah, it is beneficial to have also taken Zainol's remarks as additional information of what DIB expects of a branch person. This will produce a more open discussion of the job description, as he added:

In the Training Department, Nordin (Manager), Haizal (Deputy Manager) and Saiful all are spiritless. Always, I myself, who is not from their department, have to provide training to DIB staff. The training is also given by Akmal, my department mate. The only one in their department that is okay (who can provide training) is Salwani (Deputy Manager)²⁴

²³ On 17 February 2003 when I was at ECF on the 21st floor waiting to see Waizuri, a Senior General Manager of the Human Resources Management Department, at about 11.30am, I unexpectedly met a branch Manager of Shah Alam, Bunyamin, and his friend, who were waiting also to meet Waizuri. According to Bunyamin "we are doing marketing in ECF".

²⁴ She has been spent many years in Temerloh branch before. On 16 April 2003 after the lunch time while I was having a chat with Raihan, an Assistant Manager in the Information Technology Corporate Unit at 6th floor, Salwani came and asked Raihan's assistance in preparing a notebook for her presentation in the

For clarification, to create causal connected categories, the rational relation that links my unpacked views of the “many Assistant Managers but with no prescribed job description at the commencement of work” then to the “too many meetings” and “spiritless in giving training”, can be seen as selective interconnections between religion and accounting although they may not fully fit the picture of the “logical” religion and accounting as “all cultural performances are not religious performances (Geertz 1973; p. 113). The point is, from the religious perspective

Rather than detachment, its watchword is *commitment*; rather than analysis, encounter (ibid; p. 112, emphasis added)

In regard to the discussions of *Shari’a* and *Fardhu Kifayah* which are the essence of DIB, accounting is seen to locate in the classification systems of commitment - the accountability. The general conceptions of *khalifah*, interest-free and religious auditors that I have discussed, are indicative of such matters. Although the “many Assistant Managers but with no prescribed job description at the commencement of work-too many meetings-spiritless in giving training” issues are not religiously descriptive, however, in the consideration of the value of commitment in which they are contained, it is possible to derive insight into the accounting within the accountability of DIB.

At DIB, I noticed that the position of Assistant Manager, including in the Finance Division, is synonymous to someone that has a degree certification. Although there are a few with diplomas and other certificates who have been promoted as a result of long service experiences, most of them are fresh graduates. This is the position of “Assistant Manager” in DIB, “the young and energetic”, as Lazim, an Assistant Manager of the Group Accounts Unit told me one day. Due to this, their role is more flexible.

training room. Accordingly, she told: “in the Training Department, all “main tolak-tolak” (“play push game”), fear of giving the training”

According to Naim, who was the General Manager of the Human Resource Division²⁵, the task of the management person, including Assistant Manager, is like:

If in orchestra, we are the conductors. There are marketing people, computer people and administration people. As a conductor, our job is to link all of them

Actually, strictly speaking, there *is* a job obligation for everyone including Assistant Manager too, but as Salwani indicated, “it is open to the decision of the Head of Department or Unit. Although the Human Resources Department handles the task of promotion, it only does so administratively. The real assessment comes from the department or unit itself”. This “local” management practice is sociologically in the conception of self and the ability to adapt (see previous remarks of Saiful and Hasbullah). Hence, it may seem that this is more in accordance with the commitment to accountability (see; Roberts, 1991; 1996) as it connects with “trust” (Jönsson, 1996). And, it may also be appropriate to discern the accounting perspective as largely as that which Naim perceived:

During the time of *Abbasiyah*, if I am not mistaken, the jobs of *mohtasib* are, first, as an ombudsman in the market to check the measurement on the weighing scales, second, as an auditor to count the payment of zakat, and third, as a *hisba* police to assure when the times of praying comes people (men) go to pray in the congregation. The role is in compliance with Islamic values and etiquettes. In this case, “accounting” is not limited to counting, or auditing, but accountability towards God

Taken concomitantly, Naim’s points brought me to understand that the “no prescribed job description at the commencement of work” is indeed the sign of a broad responsibility. In the banking industry where service is the yardstick, this is necessary,

²⁵ See Footnote no. 10.

especially in the branch. As Salleh, an Assistant Manager of the Bandar Wawasan branch in the Financing Department confirmed:

In the branch, our job is *not* in the manual but according to the customer needs

I noticed Salleh's remarks that support the broad job responsibility perspectives also provide an appreciation of the "spiritless in giving training" issue. As previously mentioned, in Islamic banking, "the essential feature is the absence of interest" (Ariff, 1988; p. 49). However, the "conception" of free-interest (as in the foregoing discussion) entails understanding (for e.g., see Afizi's comments pertaining to the problem of converting conventional banking system to the *Mudharabah* profit-sharing ratio in the previous section). At DIB, to gain understanding, whether it through the SSC's seminars and trainings or through studying the "process" of works involved, this is accomplished inevitably with the comprehension of bank's products and services. And "branch", a centre of trading and a place of meeting for *rabbul-mal* and *mudarib*, in this case, deciphers "both descriptions and conditions" in forming the conception of free-interest. Implicit in this statement is the reason why persons with branch experienced, like Zainol, Akmal and Salwani are the most suited to provide training to other employees.

In accordance to the "too many meetings", this point of view is interrelated. It is also because of the emergence of the need to have a flexible job description, as Saiful admitted:

When the people from the BNM (Bank Negara Malaysia) came to evaluate our actual financial condition they normally asked for more reports than we should have. For example, instead of “How much are the NPLs (Non Performing Loans)?” which is the kind of established inquiry, sometimes they will ask such as this, “Ok. You’ve said that NPL is about 10%, so, out of that 10% how long is its “aging” in NPL? Look, this is not the kind of report that we produce everyday as it is not our purpose even in the first place. It’s not in the report routine requirement. This phenomenon happens on a case by case basis especially during the time the Malaysian economy was in crisis - when a lot of people were withdrawing from the bank and the time frame of reporting requirements of organizations were changed. As, for example, BNM stresses to banking its liquidity, “Ok. Out of deposits how many withdrawals are being made everyday?” “What kind of products?”, and “How the bank tackles the problem?” Of these, BNM has to come up with many forms of requirements

There is a further point, namely, the extension of Saiful’s explanation was the reason as Johan informed, why in DIB the Information Technology Corporate Unit is put under the auspices of the Finance Division. It is due to the amalgamation of “accounting”, “control” and “legitimation” as in the above Saiful’s comments. As he concluded:

At first, IT was a department and not under the Finance Division. Up to now, especially after the economic crisis, there have been requirements about NPL, mismanagement by sector, and the like. As a result of this IT was put as a unit of the Finance Division

Given the view of Afizi’s points in the foregoing discussion, let me recall that Saiful’s concluding remarks support my previous conclusion about the merits of “Accounting and the Conception of Accountability in DIB”.

6.5 Concluding Remarks

In this chapter, the inscription of the religion conception in particular of accountability is elaborated in the narrative of DIB. It is brought into the content that

although the economic system in Malaysia is “framed mainly from a commercial banking perspective” (Karim, 2001; p. 182), the Islamic Banking Act 1983 has allowed DIB nevertheless to proceed with the conception, on which its operation by authority, is based on *Shari’a* law and its scope by collective responsibility is subsumed in *Fardhu Kifayah*. Both are rendered as the bank corporate objectives and mission in the form of the religious metaphors of “*Halal* and *Haram* is not Only on Food” and “Bank for All”. Both are the anticipated “conception” that envisages the institution of DIB.

Actually, in this chapter, the concomitance of the “religion” and “conception” is from the cultural perspective espoused by Geertz (1973) as he sees in the sets of models *of* and models *for*. Although this view is limited in depicting the realm of the noble religion, the connection with the conception is believed to be closed with the contextualization of “faith” which is the essence of the religion. The expressive matters of the conception of DIB are detailed in the context of commitment of *khalifah*, *interest-free*, and *Supervisory Shariah Council*, which accountability, a rather broad description of accounting, is seen to incorporate. As a conception, accountability, in which moral motives and obligation are the *métier*, implies *ipso facto* that religion is a way of life. In the Islamic view, which is the concern of this chapter, it was said by Prophet Muhammad (peace be upon him), narrated by Abu Hurairah, that he has been sent for the purpose of perfecting good morals. As such, in DIB, accountability is the central concern.

The writings of accountability in the accounting story however as “the giving of an account” are with the intention of being “tell-able” (Garfinkel, 1967; cf. Munro, 1996; p. 5). In the case of DIB, the preference is given to the “many assistant managers

but with no prescribed job description at the commencement of work-too many meetings-spiritless in giving training” issues. This local management practice or control is conditioned by an implicit recognition of the accountability conception of DIB, as shown behind the interpretation from the perspective of IS and the current DIB’s Islamic banking system. Admittedly, accountability is about the commitment. Whether it is done with good or bad deeds, accountability, in the religious conception, has to be counted for (The *Qur’an*, 99: 5-8; 74:38). This is why in this chapter, to provide a justification to my writings to the above issues, the vindication is

It is worth stressing that frameworks of accountability are not restricted to formal accountability systems, such as annual statements of accounts to shareholders (principals) provided by corporate executives (agents) or procedures (e.g. regular elections) developed to render politicians responsive to electorates. Formal accounting systems are always embedded in already established frameworks of accountability that make such systems relevant and meaningful (Willmott, 1996; p. 23)

CHAPTER SEVEN

A DISCUSSION OF RATIONALITY, ECF, RCARE AND DIB, GEERTZ'S CONCEPTION OF CULTURE, AND THE PRODUCTION OF KNOWLEDGE *OF* AND *ABOUT* ACCOUNTING

Generalizations and cases, laws and instances, universals and particulars, knowings-that and knowings-how, synoptic visions and immediate observations, the world around here and the world overall – “*erklren*” and “*verstehen*,” “*savoir*” and “*connaître*,” “explanation” and “understanding” – are normally opposed to one another as last analysis metaphilosophical choices, once made, forever in place; fatalities of reason. Here, however, they are regarded as cooked up and concocted interpretive styles, meaning-seeking strategies to be used when usable, to be ignored when not: ways in which, to one end or another, thought is composed, sense made

- Clifford Geertz

Preface to the 2000 Edition, 2000a

7.1 Introduction

Note that in this study I neither offer the detailed description of organizations nor provide the well-chartered statements about organizational theory in my writing at present. Whether it is “ECF”, “RCARE”, or “DIB”, relying on the enterprise of “the understanding of understanding” as espoused by Geertz, from whom my technique is shaped:

Argument grows oblique, and language with it, because the more orderly and straightforward a particular course looks the more it seems ill-advised (1983; p. 6)

In so doing, I have come up with three different cases in Chapter 4, 5 and 6. In each appears the distinctive form of what accounting through translation becomes. Such a view anticipates the basis and ferrets out lines of “self realization” and

“contextualization” to the extent to which knowledge is understood in relation to being. It was suggested that if accounting is to be sharply delimited from the determinations of “knowledge”, it should be considered not as *a priori* established determinations of variables but rather as *temporalities* subjected to different human knowledge representations, as a process of knowing. As Geertz, advocates

Every serious cultural analysis starts from a sheer beginning and ends where it manages to get before exhausting its intellectual impulse. Previously discovered facts are mobilized, previously developed concepts used, previously formulated hypotheses tried out; but the movement is not from already proven theorems to newly proven ones, *it is from an awkward fumbling for the most elementary understanding* to a supported claim that one has achieved that and surpassed it (1973; p. 25; emphasis added)

Now, in this chapter is the occasion to offer careful reading analysis of a set of alliances composed of what I call knowledge *of* accounting and knowledge *about* accounting. The objective is to make the locales and sites of the framing narrative selected for ECF, RCARE and DIB more oriented “as a relatively organized body of considered thought - rather than just what anyone clothed and in his right mind knows - should lead on to some useful conclusions” (Geertz, 1983; p. 75). In the pages that follow, I will briefly and systematically revise the seminal work of Geertz’s conception of culture that I theorized in Chapter 3. Emphasis will be given to anticipate a rationality that emerges in the stories of ECF, RCARE and DIB, coupled with an attempt to respond to the research question in Chapter 1: the extent to which accounting in the stories is considered.

7.2 Rationality, ECF, RCARE and DIB, and Geertz's Conception of Culture

What do “ECF”, “RCARE” and “DIB” rationally mean to this study? This is a question that is central to the study of most organizational theorists and organizational inquirers. According to Weick, “anyone who samples the literature on organizations will soon notice a term that occurs over and over again, ‘rationality.’ This concept does not necessarily mean that organizational actions are logical or sensible, but rather that they are intended, thought about, planned, calculated, or *designed for a purpose*” (1969; p. 9). There is a rationality in some ways on which organizations could be based for their existence (Boland & Pondy, 1983; Meyer, 1983; 1986).

Rationality is common in the first place of “social inquiry” and in the accounting literature it most often becomes a subject in the study at a broader level of where fragmentation and pluralism are the matters and understanding is the concern (Arrington & Puxty, 1991; Arrington & Schweiker, 1992; Jones, 1992; Lodh & Gaffikin, 1997). In a sense of the “production of knowledge” the term rationality is varied and has different descriptions and this does not definitely apply to certain concepts such as technical and economic rationalities only. Because of this, rationality could also be stated as: there must be a rational reason why the findings seem irrational in certain cases. Hence, as the above authors imply, the concept of rationality is close to the question of methodology. As for example, Arrington & Schweiker (1992) relate rationality to the subject matter, the question of style, and the value of research, in the rhetorical sense (also Arrington, 2004; Laughlin, 2004; Lowe, 2004). Lodh and Gaffikin, (1997) relate rationality to ideology in doing a research which is inseparable with ontology, epistemology and the purpose of research, and hence, leads to the recognition of the “multiple rationality” in

the conceptions of the intellectual (also Baxter & Chua, 2003). Arrington and Puxty (1991) relate rationality to interests, needs, desires, means and ends, and Jones (1992) to the technical, personal, social and political, all in the context of humanism.

As with these descriptions, rationality is embedded in the complex determination of reality under the influence of methodology. Hence, back to the question of what do “ECF”, “RCARE” and “DIB” rationally mean to this study, the answer should undoubtedly refer to the previous discussions held in Chapter 2 from a point of view of the “methodological position” on which knowledge has come to be known and become the specific agglomeration of reality (Berger & Luckmann, 1971). Since it was argued that knowledge is anticipated as neither more nor less than as “an activity which would better described as a process of knowing” (Polanyi, 1961; p. 132, refer Chapter 2), in this case self realization and contextualization are the key ingredients that posit the rationality. The logic of this claim is rationalized from Geertz’s conception of culture which advocates the “methodological sleight of hand”. In this sense, Geertz advocates a pragmatic position as there is no “fittest” methodology (as pragmatists reject the “survival of the fittest” - Merino, 1993; footnote no. 20; also Arrington & Francis, 1989; p. 14-15; Arrington & Puxty, 1991; p. 51), although there is a methodology in the broad sense. This opens a perspective to a whole sequence of understanding up to the level that is accessible for humanity. As Gadamer puts it

We begin with this proposition: “to understand means to come to an understanding with each other”. Understanding is, primarily agreement. Thus, people usually understand each other immediately, or they make themselves understood with a view toward reaching agreement. Coming to an understanding, then, is always coming to an understanding about something. Understanding each other is always understanding each other with respect to something (1975; p. 180, emphasis in original, also quoted in How, 1995; p. 39)

It is on the basis of this conception, the understanding of understanding, that I have outlined my “translation” of the ECF, RCARE and DIB realities. This term “organization” is excellent in the thinking of society since “professions”, “services”, “products”, “missions”, “divisions”, “roles” and any other constructs, similarly established as organization, are arbitrarily defined. A meaningful analysis of them depends much on “meaning-seeking strategies” - on how “ways in which, to one end or another, thought is composed, sense made” (Geertz, 2000a; p. x). This is the reason, if rationality is to answer, for the analyses of ECF, RCARE and DIB I demonstrated in chapters 4, 5 and 6 differ. The aim is to focus specifically on the best “translation” (of “organization”) that is not merely privileged in nature but reflects common sense (Geertz, 1983). As Geertz reads

Common sense represents matters - that is, certain matters and not others - as *being what they are in the simple nature of case*. An air of “of-courseness,” a sense of “it figures” is cast over things -again, some selected, underscored things. They are depicted as inherent in the situation, intrinsic aspects of reality, the way things go (ibid; p. 85; emphasis added)

7.3 Being and the World in a Narrative

Note that the rationality of the stories interpreted in ECF, RCARE and DIB that I am seeking to demonstrate is not in the language of *reasoning* (for e.g., see; Arrington & Puxty, 1991) rather in the language of *being* (for e.g., see; Arrington & Francis, 1993; Boland, 1989). How (1995) has illuminated the distinction between them respectively in the debate between Habermas and Gadamer. Both provide different ways in which rationality is given to be understood although by nature they are not disconnected. In emulating Geertz’s conception of culture the notion of rationality is in “being common” as in his words (quoted above) of “as being what they are in the simple nature of case”

(Geertz, 1983; p. 85). This I explained at length in Chapter 3 known as Geertz's "interpretive anthropology" in his pursuit of "the understanding of understanding" enterprise and in his penetration of symbolic systems. The description on it is being addressed with a variety of expressions in a strategy of to "make detours ...go by side roads" (ibid; p. 6; 92) and from the concept of "experience-near" and "experience-distant" (ibid; p. 13) as Geertz indoctrinates in "a Balinese widow burning, a Moroccan family name, a Navajo hermaphrodite, a Yoruba carving, an Elizabethan pageant, and a Muslim legal procedure" (see; Geertz, 2000a; p. xi). In this sense, in this approach, Geertz maintains that

[t]he effort is to preserve the individuality of things and enfold them in larger worlds of sense at the same time (ibid; p. xi)

Recall that in the introductory chapter (Chapter 1) I have attempted to outline this study into a renewed curiosity about research possibilities in accounting. For this, I have voiced a question about whether accounting can, or should, focus on the issues that are really matters of everyday realities - common sense. In the discussion in an earlier section of the chapter, it was noted that, in the world of Malaysia, topics such as ethnicity, race, colonialism, politics, ideology and religion in the vocabularies of "*Bumiputera*", "*multiethnic society*", "*UMNO*", "*New Economic Policy*", and "*Islam*" appear as the primary essays in an ordered realm of everyday life. They are often addressed in an expression of constructions such as "the State", "the capitalists", "the nationalists", "the ethnics", "the regime" and "the priests" within spheres of common sense. In the later discussion in the chapter, accepting them as appealing as well as critical to the accounting treatise, I contextualize them into the prospect of the multi-sited ethnography in the research inquiry. It is with this purpose that, in so doing, the critics of rationality in ethnographic study in the sense of "telling how it is", "only

personal”, “non-professional”, or the like (recall Tinker, 1998) would be able to counter the special contexts of significance and argument that allow for the connection and association (cf. Marcus, 1998).

A rationale of this endeavour is “the desire for ethnographies ‘to say more’ than they have” (ibid; p. 36). To show this, particular settings and certain practices are presented and conceived as forming an ordered realm in specific responses so that common senses are to be understood. However, since the call “common sense views” in *my* field-notes are, epistemologically, in

[t]he cast of characters - *not the individuals*, though they are striking enough, but the *dramatis personae* - who appear, suitably named, coifed, and costumed, and even, it sometimes seems, with a good deal of their dialogue already scripted, before you (Geertz, 1996; p. 51, emphasis in original)

Therefore, to make sense, in order to tell a better account, is to open up ECF, RCARE or DIB to “instead of somewhere else” as Geertz suggested - “into an admiration of its own elegance, of its author’s cleverness, or of the beauties of Euclidean order” (Geertz, 1973; p. 18). This is important as we can see from Wolcott’s example below where the very “individualistic character” (i.e. “without” culture) has resulted in the “haphazard descriptiveness”.

Mr King rarely took work home. Mr Dowe loaded his *attache* case every evening, and accounted for most of his evening work as being related to his examining or on the phone – mostly to parents or his deputy. Mr Shaw always took work home. Mr Mercer took work home mainly at the weekends (Hall, Mackay & Morgan, 1986; p. 118; quoted in Wolcott, 1995; p. 85)

To exaggerate the importance of Geertz’s advice, we may cite here another illustration provided by C. West Churchman, a scientist-cum-philosopher.

If I tell you that the last book on the top shelf of my study's bookshelf is red, and I present affidavits of color competent observers which certify my account, have I described reality to you? No, said James, because the description makes no difference whatsoever in your behaviour relative to your practical goals. To be real for you is to make a difference for you. If I'd said that the red book is that set of dull platitudes of Chairman Mao, then some of you might report me, or admire me more, or whatever, and then reality comes into being" (1971; p. 32)

Implicit in this argument is the requirement to "concoct" a journey with characters, plots, themes, unique past, present and potential future - all that called narrative (cf. Czarniawska, 1998; Llewellyn, 1999; Richardson, 1995). The purpose is to emphasis the "being there" in the basis of readable in the temporal experience and in the account that achieves the effect as knowledge of and for "others" (Boland, 2001). The reason is "facts cannot speak for themselves", argued Wolcott (1995; p. 85; also Tinker, Merino & Neimark, 1982; p. 172). As for this, culture is involved. According to Geertz, culture is epistemologically claimed to be central in the meaning making process (cf. Bruner, 1990) and warned Wolcott (1995), "without" culture the descriptive of fact is haphazard as the above example, hence, binds the significant part of the texts as knowledge.

In order to pronounce this rationality criteria (being and the world in a narrative), below, I review the texts of ECF, RCARE and DIB from the conceptual schemes of Geertz's that I drew in Table 3a in Chapter 3, viz: "by isolating its elements", "internal relationships", and "in some general way". The schemes had been theoretically discussed previously to appear apprehensible in describing being-in-the-world - "objectivication", "internalization" and "externalization and socialization". Albeit, there is still room to extend the discussed schemes to the more practical-oriented aims,

employed in the essays on ECF, RCARE and DIB. Besides scrutinizing the appropriateness of Geertz's conception of culture to this study, my objective is twofold. First, to respond to the question that I had posed in Chapter 1, that is, to reflect the grounding of accounting as a cultural symbolic and the phenomena of knowing how that incorporates ethnicity, race, colonialism, politics, ideology and religion. And second, to point out the potentiality (and validity) of the texts of ECF, RCARE and DIB in expanding the horizon of knowledge.

7.4 The Readings of ECF, RCARE and DIB and the Production of Knowledge of and *about* Accounting of and *about* Accounting

Synopses: 1. ECF is read as an organization in which its operation is essentially characterised by the notion of the State ideology that is utopian. 2. RCARE is read as an organization in which its operation is essentially characterised by the political survival plans with which its parent and the ruling party, UMNO, promote hegemony. 3. DIB is read as an organization in which its operation is essentially characterised by the conception of accountability that is derived from *Shari'a* law and commitment to *Fardhu Kifayah*.

7.4.1 “by isolating its elements”: Objectivication Rationalization

Geertz once remarked that

The whole point of a semiotic approach to culture is, as I have said, to aid us *in gaining access to the conceptual world in which our subjects live* so that we can, in some extended sense of the term, *converse with them* (1973; p. 24, emphasis added)

The above message of Geertz is fundamentally the starting point to impose a study that draws attention with sense and signification to the notion culture. In the process of

cultural determination or “cultural translation” (in Geertz’s words), there are ideas, feelings and motivations that define the scope and hold the key to maintaining the attention of readers. This may be the story titles “State Ideology, Society and Accounting” (to ECF), “Political Institutionalism, Corporate Hegemony and Accounting” (to RCARE), or “Religious Conception, Corporate Accountability and Accounting” (to DIB) but it all depends on how we make sense of what such titles (interpretations) are. This is what is meant in Geertz’s words above: “in gaining access”, “conceptual world”, “in which our subjects live”, and “converse with them”. The purpose is to have the topic, theme and substance in order for the story to dwell on the intricacies of cultural forms.

In the ECF essay¹, the text started from the view of the background of the universal struggle from which the State and ECF seem to emerge. This is presented to readers through the causal-cultural-integration that merges the transmission link of the initiating factors during the inception days of Malaysia and the “twenty-six-floor building” in which ECF is stationed. It was noted that the proximity of the building is close to the “*Dataran Merdeka*” and it was then pointed out that “ECF’s logo” and “the flag of Malaysia” are indeed the same. From this “landscape” point of view, a perspective of crystallizing ECF with the matter of utopian ideology of the State is seen as ready to explore. A simple but potent illustration is the so-called “*Jalan ECF*” which

¹ This is a very important caveat in “reading” the texts that refer to ECF, RCARE and DIB: in this chapter, their texts thereupon are inevitably short and not *comme il faut* - suffice to provide the connection and association with the conceptual world of the stories. This is methodologically because, as Geertz reminds, “[c]oherence cannot be the major test of validity for a cultural description. Cultural systems must have a minimal degree of coherence, else we would not call them systems; and, by observation, they normally have a great deal more...If anthropological interpretation is constructing a reading of what happens, then to divorce it from what happens (reading: to divorce it from the whole story as in chapter 4, 5 or 6) - from what, in this time or that place, specific people say, what they do, what is done to them, from the whole vast business of the world - is to divorce it from its applications and render it vacant (1973; p. 17-18, emphasis added).

is usually used as a landmark for tourists to Kuala Lumpur, that is, the capital of Malaysia.

In the RCARE essay, in contrast to ECF, the view is objectivated in the beginning with the words of Marzuki, particularly: “we are very huge group” and “you’ll of course see us everywhere”. These words are isolated from the group of comments of Marzuki in which the former is juxtaposed with the small and crowded environment in the Corporate Finance Department such as “a very close partition”, “cramped with eighteen staff”, “two of staff are placed in the Human Resource and Admin Department”, and the latter is analogized with the residential houses and apartments atmosphere surrounding the neighbourhood of RCARE’s location including “restaurant”, “store”, “*Sekolah Menengah Taman Desa*”. In this juxtaposition and analogy, readers are brought to the intrinsic potentiality of conflict, interest and struggle of politics in RCARE since the contents, in the words of Marzuki, are shown to mostly contain the monarch of UEM and Renong, the two complicating cross-holding parents of RCARE.

In the DIB essay, the scene at the “Jalan Raja Laut branch” is used as an introduction. Unlike in ECF and RCARE, the use of significant symbols are projected to the “self” - to commitment, faith and responsibility. As such, readers are brought to the objects that create and hold such contexts such as “waiting customer”, “reciting Al-Quran”, “wearing hijab” and “business operation time table”. In making them the phenomena they are seen as having self-virtue, they are recast from the view of the “counter” which is depicted with “ATM Officer-cum-Chief Cashier”, “Saving-Current-Investment Officer”, “Deputy Manager”, “Secretary”, and “Manager”. This gives substance to the idea that they are routinized in joint action in a ritual institution.

Advertisements of “*Halal dan Haram Bukan Pada Makanan Sahaja*” (“*Halal and Haram is not Only on Food*”) and “Bank Untuk Semua” (“Bank for All”) are then used to imply the set of concepts of norms, values, and social rules from Islamic doctrine. This presents readers with the view of a given sphere of life in the light of accountability that is the theme of the study.

Here we see there are attempts to penetrate the idea, feeling and motivation that help readers gain access to their domains. This is done through employing the objects around us in a situation that leads them to engage in social interaction. These objects can be classified in general according to Blumer as physical, social or abstract objects, which “are caught up in a vast process of interpretation” (1969; p. 20). Whether it is a “building”, “logo”, “flag”, “*Dataran Merdeka*”, “*Jalan*”, “neighbourhood location”, “Corporate Finance Department”, “customer”, “officer”, “business operation time table”, “advertisement”, “counter”, or “branch”, each in essence is essentially with character, purpose and meaning. Each has the potential to offer interpretations that are open, provocative, and with potential. Each offers freedom to shape the internal logic of common sense - “the first condition for cultural theory” (cf. Geertz, 1973; p. 25).

As discussed in Chapter 3, this view, in the being-in-the-world word, is termed “objectivication” (Berger & Luckmann, 1971). It is done principally by isolating the elements of the composed objects to an informing proximity in order to evoke “the game of contextualization” (Geertz, 2000a). Its fundamental lies in the fact that the notion of “by isolating its elements” is not that of *detachment* but rather that of *involvement*. In empirical social science, there is a noteworthy consequence following this treatment although in accounting qualitative research it has long been disregarded.

For a call to move a study of accounting to out from a state of depression of *a priori* reasoning, deductive analysis and controlled laboratory experiment (for e.g., Baker & Bettner, 1997; Chua, 1986a; 1986b; Inanga & Schneider, 2005; Kaplan, 1986; Tomskin & Groves, 1983), the “by isolating its elements” offers intellectual empirical reference in the proper sense that one can go to instances in the empirical world. As noted by these authors, among the many reasons of such researchers is the failure to account, in culture-text term, “a set of largely uncharted ones” (Geertz, 1983; p. 6). Instead of fixing accounting researchers to concentrate on a restrictive framework, “by isolating of its elements” encourages them to be divorced from the set of well-charted assumptions to a striking set of voices and common sense. The aim is to unpack the view of the living phenomena “to the questions that are currently asked, to the difficulties that currently arise, to the objections that are currently made, and to the enterprises that are currently linked” (see; Foucault, 1972; p. 17, with modification). It is to avoid the restrictions which Blumer calls “the limits of variables analysis” where

[i]n many instances the interpretation of the object, event or situation may be fixed, since the person or people may have an already constructed meaning which is immediately applied to the item (1969; p. 134)

7.4.2 “internal relationships”: Internalization Rationalization

There is no doubt, as Geertz said, “it is clear enough that the physical world is not physics” (1973; p. 15). This is because no object that is named an object can strictly be distinguished from its background. The art of looking at an object needs background to form the view of the object (Polanyi, 1962). According to Dillard, “our perception of ‘reality’ is like gazing into a mirrored surface. We can only see what is reflected back to us. Different surfaces (ideological frames) reflect a different reality” (1991; p. 9).

Central to this statement is the reason why ethnographers are not only seeing with their eyes but with “reading”. By reading this means ethnographers do not study “people”, “organizations”, “products”, and the like but they study problems, conflicts, power, and other matters that “takes us into the heart of that of which it is the interpretation” (Geertz, 1973; p. 18). Associated with this consideration is the requirement for the stories of ECF, RCARE and DIB which were deeply entrenched in objects - in the flag, building, *Jalan*, neighbourhood location or branch - to be inscribed in an ongoing pattern of life. This entails, inevitably, the process of connecting with history, ideology, religion, politics - all the “background” of our knowing-culture interrelationship - all called “Malaysia” in the common sense manner.

In the ECF essay, *security* and *trust* are two central concepts that formulate the basis on which readers could imagine and connect with the societal forms of ECF with the State ideology. As for *trust*, the concept is introduced from the insights of mutual faithfulness from the “population” of its contributors. In this case, rather than a contract ECF is pictured to consist of a sacred duty. This is illuminated in the “contribution rate for ECF’s deduction schedule” between employee and employer in the typical psychological framework which sanctions the myths of “class”, “position”, “status” and which embodies the social liaison of them. As for *security*, the concept is introduced from the insights of “promoter”, “source”, “investor”, “financier”, and “promoter” - the nest-egg metaphors such as “lump sum needy earnings”, “source of comfort”, “pay-as-you-earn scheme”, “trustee”, “custodian”, and “steward”. Both *trust* and *security*, which reflect the appellation of “Employee Commitment Fund”, are projected in the internalization of the historical contexts of “*Merdeka*”, “Chinese and Indians migrants”,

“multiethnic society”, “the *Bumiputera* special right”, and “communist” - the formation of the “State”.

In the RCARE essay, *corporation*, *politician as entrepreneur*, and *UMNO* are the crux of the problems. In *corporation*, the recent condition of Renong’s debt and the implications for UEM, as a scapegoat to bail out shares, are flashed. Then, in *politician as entrepreneur*, the story of the implications of Renong and UEM are further defined, to become more complicated, touching and sad. It is internalized in subsequent disenchantments of the “rocky road to health” plans by the Corporate Debt Restructuring Committee, Khazanah Nasional Berhad and UEM Group management, where in order to alleviate the massive debt created by Halim Saad, the so-called “\$1.3 billion man”, “Executive Vice Chairman” of UEM, and “Executive Chairman” of Renong, the plans were initiated for the new “UEM World Berhad”. Finally, in *UMNO*, the historical context of the ruling party and leading party of the Barisan Nasional are grounded. The recollection of “we strive for Malay survival”, “Malays have been denied in the business world”, “DAP and Gerakan”, “13 May riot tragedy”, and “NEP” are introduced. RCARE, in this sense, is seen as a perspectival laboratory of intellectual and political hegemony.

In the DIB essay, *Shari’a* law and *Fardhu Kifayah* are the heart of the issues that are subject to internalization rationalization. While *Shari’a* law is divine, the capacity to talk about it is limited to human beings’ points of imagination and thinking. Accepting this caveat, the common humanity of discourse of “food” that is expressed in the advertisement throughout branches is therefore used as an analogy. It is supplemented with “five pillars of Islam”, “fasting”, “halal and haram transactions”, “Qur’an”,

“Sunnah”, “Ijma” and “Qiyas”, in order to explicitly bring out the inner sense of Islamic monotheism - the faith. For *Fardhu Kifayah* which is considered as a kind of collective responsibility, the triumph of historical episodes that orient to consensus and good morality such as “Malay Ruler”, “formal religion”, “*Rukunegara* – national ideology”, and the establishments of “Lembaga Tabung Haji”, “Skim Perbankan Islam”, “Bank Muamalat”, “Bank Rakyat”, “Syarikat Takaful Sendirian Berhad”, and “DIB Institute of Research and Training Sdn Bhd” are used. Both *Shari’a* law and *Fardhu Kifayah* are rendered as the “bank corporate objectives” and “mission”, thus, they indicate the existentiality of the conception of substantive accountability of DIB.

From the following stories what remains of ECF, RCARE and DIB in the context of the foregoing texts (i.e. “State Ideology and Society”, “Political Institutionalism and Corporate Hegemony”, and “Religious Conception and Corporate Accountability”) is the question of the making up the complex pictures from simple ones. In so doing, in every story, the articulation of “problems” is imperative. On the grounds of this attempt is the requirement to visualize the “internal relationships” of the so-called objects so that the world in which we live seems to have a “perspective”. It is in this line of the argument that trust and security in ECF, corporation, politician as entrepreneur, and UMNO in RCARE, and *Shari’a* law and *Fardhu Kifayah* in DIB appear to be the folder of the stories. They are defined not only as a theme or topic but as an entertainment, experience, and education.

As discussed in Chapter 3, unlike “by isolating its elements”, the notion of “internal relationships” relies more on the ability of self-realization. This self realization is in different modes depending on the level and the matter of internalization (Berger &

Luckmann, 1971). For ECF, the self realization (i.e. trust and security) I internalize from the nationalism-historical contexts of Malaysia, for RCARE (i.e. corporation, politician as entrepreneur, and UMNO), from the partisan-historical contexts of Malay, party and NEP, and for DIB (i.e. *Shari'a* law and *Fardhu Kifayah*), from the religious-historical contexts of Malay Ruler, formal religion, and *Rukunegara*. Within these collections of views there are a number of advantages for accounting treatise. First, the picture of knowledge is broader to appreciate histories as “diversity”, “evolution”, “progress” and “becoming” rather than as an unflowing of facts of the past times (cf. Carnegie & Napier, 1996; Chua, 1998; Gaffikin, 1998; Lawrence, 1984; Merino, 1998; Miller, Hopper & Laughlin, 1991). As for example, in RCARE, there are the “oral histories” from Marzuki and Hisyam that relate to the rise and fall of UEM and Renong, and the idea of UMNO and its struggle; the emphasis on “personal experiences” of Ridhuan, Hisyam, Zalina, Rodhi; and the “individual differences” between Marzuki and Azdie (cf. Hammond & Sikka, 1996). Second, this conception of knowledge through “internal relationships” will help to draw from such facts the conclusion that “the State”, “the capitalists”, “the nationalists”, “the ethnics”, “the regime” and “the priest”, as inscribed in ECF, RCARE and DIB, are perspectival and critical for accounting research. Somehow they are the kinds of valued resources that produce and reproduce knowledge. To the nature and practice of what counts as good social research, they are the ones (not the “organization” itself) that give understanding to what an organization is and thus its accounting. As noted in Weick’s suggestions

[I]f you want to improve organizational theory, quit studying organizations (1974; p. 487, quoted in Colville, 1981; p. 128)

Third, “internal relationships” lead to the setting up of the metaphorical world which is central in any knowing process and which is coexistent to accounting as a

language of business (cf. Lavoie, 1987). Metaphors like “nest egg”, “money”, “MJV” in ECF; “Malay survival”, “debt” in RCARE; and “branch”, “food”, “information systems” in DIB, for example, are through internalization of such interrelated “communist”, “ethnic crisis” in ECF; “UMNO” and “NEP” in RCARE; and “Hajj”, and “usury” in DIB. Although metaphor creates partial ways of knowing (Morgan, 1997; p. 4-5; Thornton, 1988; p. 1; Walters, 2004; p. 160), however, since they “may operate as nouns, verbs, adjectives, adverbs, or as longer idiomatic phrases” (Baldick, 1990; p. 134; quoted in Walters-York, 1996; p. 50, also Boland & Greenberg, 1992; Thornton, 1988), they initiate the space of discovery of the new insights that are embedded and implicit (cf. all the above quoted authors). As revealed in “writing of money” and “managing of money” distinction practices in ECF, “network of contracts” and “network of debts” political regime-interests in RCARE, and “*khalifah*”, “interest-free” and “religious auditors” accountability conception in DIB (follow below). It is this precisely what Geertz was probing for in his cultural study.

[t]o provide a *vocabulary* in which what symbolic action has to say about itself - that is, about the role of culture in human life - can be expressed” (1973; p. 27, emphasis added)

7.4.3 “in some general way”: Externalization and Socialization Rationalization

Despite the fact that the stories of ECF, RCARE and DIB are case-based research, the possibility for further exploration, connection, juxtaposition and comparison are maintained. This is because to preserve the peculiarity of “State Ideology, Society and Accounting” for ECF, “Political Institutionalism, Corporate Hegemony and Accounting” for RCARE, and “Religious Conception, Corporate Accountability and Accounting” for DIB, is to be cast into the midst of a world with the “irremovable

strangeness we can't keep clear of" (Geertz, 2000b; p. 84). According to Geertz, this is "the job of ethnography" - "to provide, like the arts and history, narratives and scenarios to refocus our intention; not however, ones that render us acceptable to ourselves by representing others as gathered into worlds we don't want and can't arrive at, but ones which make [us] visible" (ibid; p. 84). In making the invisible visible, Geertz suggests the pursuit of "experience-near" and "experience-distant" concepts. These concepts, in the first place are employed at the early stages of "by isolating its elements" and further accentuated in "internal relationships", but since the combination of them is inevitable (just like the object-subject relationship), so as to cause them to cast light on one another - the understanding of understanding - therefore, they are more significantly discussed in the final words of ECF, RCARE and DIB.

In the ECF essay, apropos of *trust* and *security* accounting is perceived to be in the domains of "writing of money" and "managing of money". In *writing of money*, the arguments outlined are from the Finance Department's practices of the "mountain of papers", "Saudah and Norzaidah jobs' specifications of MJV", and "Norazizah's utterances of money". In *managing of money*, the inscriptions given are distinct as discussions are to symbolize the rather big presumed role of accounting. Thus, they are shown from the insights of the "splendid varnished wood counter and soft sofas in the Investment Operation Department", the "first unwelcomed words of Kassim", and "the rejoinder letter of Dr Romzi to the writer of *ECF Should Follow Accounting Norms*". Both the Finance Department and Investment Operation Department epitomize "the ECF Way", and have resulted significant costs in managing their separate local management control, for example, to illustrate: "code number in phone conversation", "many calls in Warrant Unit & Collection Unit", "the allocation reference number of

MJV to 14 Federal Territories by 15 suppliers of MJV that have been virtually finished”, and “illogical problems and errors of MJV”. In this scenario, accounting is aimed to present a rational and objective view, in the pursuit of quantification and to carry out action at a distance.

In the RCARE essay, in line with the contents given previously in the political and hegemony segments, accounting is perceived to be in the domains of “network of contracts” and “network of debts”. In *network of contracts*, the rationale of these arguments is pronounced by these commonalities: “stated-condition in the acceptance letter”, “Brambell Recall storage company”, “departments’ work processes”, “no permanent Marketing Department”, and “RCARE’s income distribution”. In *network of debts*, the facts of “service of PLUS is for RCARE”, “CDRC plan of PLUS”, “debts of Putra, Time Engineering, Faber Group, Prolink Development and Park May”, and “UEM as the largest debtor”, are discussed. These observations are attributed in a series of crystallizations, such as: “the bemoaning of Aznan and Abdullah”, “the discredit of Ridhuan’s IT knowledge”, “Kusni and FACT software problems”, “RCARE policy in IT”, “gap between Marzuki and staff”, “no department meeting”, “Managing Director never comes to the department”, “a memo of ‘Priority and High’”, “the Internal Audit Department closes the business”, “the reliance on Excel spreadsheet”, and “the dropping of the staff spirit and the first ever lowest annual increment”. They corroborate that the decision to de-list RCARE is actually due to the effort to maintain the hegemony and political institutionalism. Although accounting in RCARE is financially strong it is subjected to the preference of Renong and UEM which are under the absolute control of UMNO.

In the DIB essay, accounting is scrutinized in the domain of accountability in the conceptions of *khalifah*, *interest-free* and *religious auditor*. These three are interrelated, with *khalifah*, which posits the core concept of accountability, that is, trust and duty, gives merit for the extant of the conceptions of “interest-free” and “religious auditor”. As for *interest-free*, the employed concepts are “the owner of the capital”, “the entrepreneur-borrower”, “the trustee profit-sharing”, and “the joint-venture profit sharing”. As for *religious auditor*, the concept (role) is privileged under the “*Shariah Supervisory Council*” which has entitlement to advise bank management and reviews the products. Since accountability is seen to have an interlinkage to moral motives and obligations matter, and since accountability, by definition, has employed no specific accounting framework, it is considered therefore at best as a “conception”. At DIB, a search for the meaning of accountability, the conception, besides the religious matters of *interest-free* and *religious auditor*, is crystallized in “many assistant managers but with no prescribed job description at the commencement of work-too many meetings-spiritless in giving training” issues. The views from “Salleh’s remarks that support broad job responsibility”, “the information from Johan and Afizi on products and IS intricacies”, and “Saiful’s explanations on BNM requirement and the reason why Information Technology Corporate Unit is under the Finance Division”, provide an insight for accountability matters to DIB.

The above stories show that the inscription of “ECF”, “RCARE” and “DIB” are with the intention to envision accounting as a human science - the main concern of this study. In the scheme of “in some general way”, analyses are to account for the externalization interaction in which the prior internalization is subjected to the socialization (Berger & Luckmann, 1971). The “in some general way” takes place so as

to remind us that in one sense nobody can be “being” in the past. The histories of the Malaysian Independence Day, riot, communist, NEP, and Malay Ruler do not have a constant and well defined “object”. Because of that, as illustrated above, in ECF, RCARE and DIB, internalization only is not enough. The “knowledge” is between “experience” (“being in space”) and “reason”, scattered and uncharted. To do that is to make a connection, a relationship and so on from the world out and here - in some general way.

As discussed in Chapter 3, the notion of “in some general way” is actually in the focus of the enterprise of “the understanding of understanding”. This is because common sense is clothed in the common property of human beings - intelligence, imagination, consideration, inspiration, etc. Since, in concept, “ECF”, “RCARE” and “DIB” are experience-near, but “State Ideology and Society”, “Political Institutionism and Corporate Hegemony” and “Religious Conception and Corporate Accountability” are experience-distant, clearly, it is necessary therefore in order to provide an ideal explanation, “to come to terms with the diversity of the ways human beings construct their lives in the act of leading them” (Geertz, 1983; p. 16). Those examples that I crystallized in the experience-distant (which most of them are in parentheses in the above ECF, RCARE and DIB’s texts) are to meet this requirement. Most of them are the kinds of common sense that are described “in some general way” which

[c]an be questioned, disputed, affirmed, developed, formalized, contemplated, even taught, and can vary dramatically from one people to the next (ibid; p. 76)

There are several important points that in my view, “in some general way” best reflect the actual current practice in accounting research. First, from a methodological

point of view, Carruthers once said that “attention should be shifted from the ‘syntax’ and ‘semantics’ of accounting and focused on its ‘pragmatics’” (1995; p. 321). This he advocates in his review of “the recent publication of Walter Powell and Paul DiMaggio’s edited volume: *The New Institutionalism in Organizational Analysis*” (ibid; p. 314) released in 1991. Among the key ingredients of new institutionalism, Carruthers argued, the most important is that “one must reject the assumptions of methodological individualism and individual rationality” (ibid; p. 314-315). The reasons he noted were from the review of the conception of decoupling which is theoretically pinned down from the processes of isomorphism (coercive, mimetic and normative isomorphism) (DiMaggio & Powell, 1983; Meyer & Rowan, 1977; Powell & DiMaggio, 1991). While he agreed with the perspective of the new institutionalism in bringing out relatively new and enduring issues such as power and conflict, he nevertheless acknowledged that “the new institutionalism is scarcely a completed intellectual project” which is still “under construction” (Carruthers, 1995; p. 326). There are two important points that he raised concern with that I think this thesis offers answers. First, “[but] there are few ethnographers among the new institutionalists, and so most of the empirical work is historical, macro-level, and/or quantitative” (ibid; footnote no. 6; p. 315), and second, “*accounts* are the quintessential rationalized myth, and it is surprising that new institutionalists have not devoted more time to studying them” (ibid; p. 326).

Since this interpretive study is an ethnographic text I will therefore reflect on Carruthers’s concern with the second one. Actually, there are not few researchers that have been thinking as Carruthers’s with concern with “accounts”. Among the earliest was Meyer, one of the founders of the new institutionalism theory (see; Meyer & Rowan, 1977). Meyer argued that “the word *accounts* in the sociological literature

refers not to the work of accounting and accountants, but rather refers to the verbal explanations actors give of the events going on around them” (1986; p. 346, see; Scott & Lyman, 1968). As such, in his endeavour to make accounting become routine parts of social life (i.e. accounts), Meyer introduced cultural rationalization which involves *standardization*, *generalization* and *integration* (see, Meyer, 1986). As a matter of fact, a similar approach is noted in cultural studies such as those by Levine (1986) and Martin (1992) in which appear *collective*, *organized*, *multiplexity* and *variability*, and *integration*, *differentiation* and *fragmentation* respectively. Apparently, since all of them have the intention of dealing with the various “situated” accounts they inevitably are concerned with being “an attempt to come to terms with the diversity of the ways human beings construct their lives in the act of leading them” (Geertz, 1983; p. 16). It is for this reason, essentially, that the concept of “in some general way” appears.

Secondly, as highlighted in Chapter 1, one of the main lacunae in accounting treatises is the lack of success of calls to make accounting visible (Hopwood, 1990; Morgan, 1988; Morgan & Willmott, 1993). To relate this to the concern of Carruthers (1995), in my view, one of the shortcomings of some new institutionalists is they cannot cope effectively with the issue that Geertz terms “local knowledge²”. It is local knowledge that “the more general ideas - basic assumptions - but less accessible to verbal formulation” (LeVine, 1986; p. 76) that could make the so-called accounts significantly visible. Unlike any institutional theory that is grounded in a functionalist view, the notion of “the understanding of understanding in some general way” deals with the simple premise that “no one knows everything, because there is no everything to know” (Geertz, 2000b; p. 134). It is because, most naturally, “all research starts with

² The notion of local knowledge here entails explanation. See Chapter 8.

a process of collecting clues that intrigue the inquiring mind, clues that will largely be like the peripheric clues of perception, not noticed or not even noticeable in themselves” (Polanyi; 1962; p. 117). As Geertz advices

If you want to understand what a science is, you should look in the first instance not at its theories or its findings, and certainly not at what its apologists say about it; you should look at what the practitioners of it do (1973; p. 5)

Finally, and most important, this conception of knowledge through “in some general way”, since it is based on “to cast light on one another”, will help forge the link between theories in accounting literature. As for example, the convergence of Geertz and the review of Maslow’s Theory of Motivation in the story of ECF and the review of Gramsci’s seminal works on politics in the story of RCARE. Meanwhile, as for DIB, it goes, however, beyond those “acceptance theories”. Seen in this perspective, this study rather than offer generalization, manages to put the ink into the texts that can be both questionable and answerable. Seen as this, the study is “reflecting” and hence “theorizing” (cf. Baxter & Chua, 1998; Llewelyn, 2003). According to Llewelyn, “theories are for working and doing as well as reflection - theories are not only the preserve of academics” (ibid; p. 667), and to Humphrey and Scapens, “theories are a means of interpreting or making sense of a complex and uncertain social world” (1996; p. 97). Hitherto, the use of metaphors, the contrast, comparison and analogy, the employing of conceptions, the setting and resetting the field and the researcher, and the mobilizing of the ground cultural symbolic systems (as equally mentioned by Llewelyn [2003] in *What Counts as “Theory” in Qualitative Management and Accounting Research? Introducing Five Levels of Theorizing*) in this study indicate the aim in broadening the field of knowledge and in providing a communication - the purpose of theory (cf. Inanga & Schneider, 2005). As Ahrens and Dent observes

[i]n following the stories (reading: accounting field studies), we learn not only about the specifics, but about interrelationships and patterns in a broader whole. It is not theoretical language that builds theory here, but recognition of the patterns and interrelationships across very particular experiences. Theoretical explanations are not usually provided in abstract or theoretical terms - although they may be in the end. They emerge because the stories lead us through a world in which we vicariously experience how individual actions relate to each other and add up to a coherent whole (1998; p. 9-10)

7.5 Concluding Remarks

In this chapter I review the stories of ECF, RCARE and DIB which I drew from the main conception of culture of Geertz. The purpose is to respond to the research question that I had set previously and at the same time to extend the substance of the peculiarity of these essays in respect of how then impinge on the production of knowledge. In the revision, it is shown in the first point, that the texts fit with the schemes addressed: “by isolating its elements”, “internal relationships”, and “in some general way”. For the reasons given, this is because the Geertz’s schemes are essentially designated in cultural form and in the rationality of being-in-the world-narrative, in the phenomenal of knowing. And this is confirmed elsewhere by many organizational scholars (see; Czarniawska-Joerges, 1995; p.16).

Viewed in the contexts that the stories have offered, there are signs of the intellectual property with which accounting is internally associated. In the first case the stories bring readers to feel the discovery of the foreknowledge from the perspective of the circumscribed sites of an ethnographic focus. Then, the projection goes on to the realm of the more personal that provokes more generic social-cultural issues through the internalization of history, ideology, religion and politics. Next, these issues are refined and problematized in the world that ethnographic subjects can be by making sense of

the game of contextualization and the self-realization which the understanding of understanding stands for. In the frames of these stories, accounting is seen as enfolding the common sense routines, that is; able to create consciousness about the objects and knowable communities, able to internalize the feelings, imagination and ideas; and able to externalize and socialize with the available problems, issues and theories. This is appropriate to highlighting what this study has proposed - to treat the accounting discourse as a human science.

CHAPTER EIGHT

A FINAL NOTE ABOUT THIS ETHNOGRAPHY

The story, far from approaching end and resolution, is but just begun
- Clifford Geertz
Cultures, 1996.

8.1 Introduction

The time has come to make view my final remarks on the matters that this study has undertaken. I feel obligated to re-elucidating the central issues of this study. The concern, in this chapter, is to reflect on my journey from the position from which I commenced to the position that I have so far arrived at.

8.2 Malaysia, Accounting Research and the Production of Knowledge

In 1957, Rupert Emerson, a Harvard political scientist, made these remarks about Malaysia:

[t]he country is a “perfect example of the plural society”. The different peoples have in common only the fact that they live in the same country. In “race, religion, language, culture, economic interests...their outstanding characteristic is not unity but profound diversity” (p. 5, quoted in Milner, 1991; p. 105-106)

It is true then that the key points; “plural society” and “race, religion, language, culture, economic interests”, which Emerson underscored, are the landmarks in Malaysian societal inquiry. They influence incessant debates of many historian scholars in many spheres, particularly, in politics, economics, ideology and religion (for e.g., see;

Jomo, 1991; MacAndrews, 1977; Milne, 1986). However, while these historians extend the discussions to topics such as “the State”, “the capitalists”, “the nationalists”, “the ethnics”, “the regime” and “the priests”, Emerson’s remarks have provoked no interest in non-historians. Certainly it is undeniable that there were few struggles in the old days on the reception of such productions (as we could not find any single plural society country in the world that has not so far been excluded from this problem), but, this should not be the reason why Malaysians cannot take a lesson, to discuss more openly and act more positively in understanding the society in a way that would achieve greater social harmony (Lin-Sheng, 2003; Mahathir, 1970). At the age of 49 years old, Malaysia now feels more proud than ashamed to be acknowledged as a “pluralist society country” (“*Negara pelbagai kaum*”). In contrast to the parsimonious view, this study believes there is an intellectual flow within the interplay of past people and events. Our comprehension of their stories has created the basis for reading new insights from the unsystematic account of some of their controversial settings. This is a kind of “transhistorical knowledge” that could help to interpret the present context of society; to look at social questions in new ways (Lawrence, 1984).

Sadly not many Malaysian accounting scholars seem to appreciate this fact. Most of the “histories” in Malaysian accounting treatises fall to the issues of “firm value”, “stockholder wealth”, “stock market efficiency”, “demand and supply” - those labelled “mainstream neoclassical economics” - which rely on rational choice theory with the equilibrium decision making framework within the dogma of marginalist economic thinking (Neimark & Tinker, 1986; Shiozawa, 1999; Tinker *et al.*, 1982). Until now Malaysians have yet to see how the above common sense realities affect accounting practices and *vice versa*. Given the absence of accounting study from the above

perspectives, this gives an impression that although accounting is argued to contain a communicative character in social discourse inquiry (Francis, 1990; Lavoie, 1987; Schweiker, 1993) and to potentially postulate a process of making sense of situations (Boland, 1984; 1989; 1993; Davis *et al.*, 1982; Jönsson, 1987), it is ineffectual however to commonly reflect social interactions.

There are reasons for this. In Malaysian accounting research communities, foremost is the domination in accounting inquiries of the search for the “scientific” quest that can best generalize a common set of assumptions (or hypotheses) from a so-called objective view. This view is common. It can be seen, for example, in *Akauntan Nasional* - the official publication of Malaysian Institute of Accountants which acts “as an effective mouthpiece, media relations and public perception” (Corporate News, April 2003). In the article titled *Hidden Art in Formulating a Research Proposal*, the authors, one of whom is an Accounting Professor in the Malaysian University, stated that:

Ideally, the proposal (of research) should contain specification of the research questions and hypotheses. The research questions should be clearly stated in such a manner as to imply the possibility of its solution through empirical research...[a] hypothesis is an assumption on a tentative generalisation or explanation about the relationship between two or more variables...It needs to be confirmed, accepted or rejected empirically in the light of the data analysis. A hypothesis, though derived from a research question, substantially differs from the latter. While the research question raises the question of how variables are related to one another, a hypothesis provides a tentative answer to that question. For example: The research question could be stated as follows: “Is inflation a monetary phenomenon?” The hypothesis in this regard is: “An increase in growth of money supply leads to a rise in the price level.”...A hypothesis should provide an answer to the question raised by the problem statement. It *must be stated prior* to the collection of data, i.e. *before gathering the evidence*. Indeed, *the competence of a researcher is judged on the basis of his or her hypotheses formulation* (Kasipillai & Mithani, 2000; p. 19-20, emphasis and bracket added)

In this type of research, the outcome is considered to represent the “real world” although the very essence of its idiosyncraticism is contrariwise - utilitarian in function, depending on *ceteris paribus*, supportive of the status quo, and denying the basis for disagreement (which is one of important elements in the production of knowledge, see; Foucault, 1972) - so that to be seen as non-problematic (cf. Neimark & Tinker, 1986).

As they continued:

The research proposal should incorporate the methodology involved and the nature of data collection pertaining to the proposed study. Methodology in general relates to the procedure and mode of investigating the research problem. It also *ascertains the use of instruments* for testing the hypotheses and evaluating information through data analysis by applying quantitative techniques. The methodology section also suggests *specific set of procedures to be followed* in conducting the research inquiry. It *testifies the use of scientific approaches* for developing confidence in the validity of inferences and conclusions of the research output. Appropriateness of the methodology ensures the quality of the research. Specification of methodology is, therefore, essential to earn credibility to the research project. (Kasipillai & Mithani, 2000; p. 20, emphasis added)

For this type of research, as a working procedure, a criterion for a good analysis, generally, depends very much on how “fit” the findings are in the world of *the* given model. However, always, during experimentation, social biases and non-regularities are inevitably apparent¹. Unsurprisingly, this is the reason why many “countless regressions seemed of doubtful validity” (Chua, 1986a; p. 590; also Arrington & Francis, 1989; p. 11-12) as there is a conspicuous presence of restriction that govern the choice of

¹ For example, to cite Polanyi, “We must start off by suggesting some regularity which deviations seem to possess – for example, that they are all in one direction or that they show a definite periodicity – and there exit no rules for reasonably picking out such regularities. When a suspected pattern has been fixed upon, we can compute the chances that it might have arisen accidentally, and this will yield a numerical value (for example 1 in 10 or 1 in 100) for the probability that the pattern was formed by mere chance and is therefore illusory. But having got this result, we have still to make up our minds informally whether the numerical value of the probability that the suspected regularity was formed by chance warrants us in accepting it as real or else in rejecting it as accidental” (1962; p. 107-108)

variables of the model. Obviously, a justification (interpretation) of it is not possible in a way to uphold the world-view of the model, since Blumer has warned that

If it is means that interpretation is merely an intervening neutral medium through which the independent variable exercises its influence, then, of course, this would be *no answer*. Interpretation is a formative or creative process in its own right. It constructs meanings, as I have said, are not predetermined or determined by the independent variable (1969; p. 135, emphasis added)

Due to this, it is not an exaggeration to say that additional time and energy are needed in “adding and deleting” some variables in order for the findings to be seen not far away from the ideal-reality situation implied by the model. Unfortunately, in some cases, the situation becomes worse when, with new variables, the existence of inconsistencies becomes more apparent. As such, there is always an overwhelming tendency that, in order to make the findings more consistent rather than being honest and admitting differences, a researcher is “divorced from intellectual freedom” (*ibid*) as in these underscored words: “the competence of a researcher is judged on the basis of his or her hypotheses formulation (Kasipillai & Mithani, 2000; p. 20). It is in this sense that Malaysian research is traditionally based. The opposition to this approach, frequently, is labelled as unfitness for the potential publication in a journal which, to certain extent, are exaggerated by the dictum “publish or perish”, so could therefore better reflect promotion prospects rather than “truth” (for e.g., Baker & Bettner, 1997, footnote no. 2; p. 308). In my view, this inherited “myopic view” (Colville, 1981; p. 128; Tomsin & Groves, 1983; p. 361) which is but a tradition of the particular view of the so-called “gatekeeper or élite’s thinking” (Arrington, Collins, Filling, Groff, Jensen, Scribner, Stancil, Tinker & Williams, 2001; Baker & Bettner, 1997; Lee, 1995; 1997; 1999; Macintosh, 2004; Parker, Guthrie & Gray, 1998; Williams & Rodgers, 1995) has

made accounting seems to be situated far from common sense, far from “the knowledge that we share with others in the normal, self-evident routines of everyday life” (see; Berger & Luckmann, 1971; p. 37).

8.3 Accounting, Knowing and Being, and Geertz’s Conception of Culture

It was under the influence of this impression that this study comes into being. As a field that holds the status of neither science nor art, accounting should be recognized as embodying an idea or quality of “translation”, that is, able to locate the unpacked views of common sense. This thought is rooted consistent with the nature that accounting is, epistemologically, a set of symbols (Ansari & Bell, 1991; Covalski & Dirsmith, 1990; Ezzamel & Hoskin, 2002; Lee, 1990; Mattessich, 1989; 1994). This argument was presented in Chapter 3. Fundamentally, this implies that in essence, as symbols demands an interpretive process with imprisoned meanings (Blumer, 1969; Geertz, 1973), accounting should therefore, like symbols, have no fixed status but have the character of human action responding to the environment - a being. However, in setting out to thickly describe accounting in this manner, in contrast to the above bound modeling view, entails my understanding the way accounting is being practiced since no common sense could be causally attributed from “outside” the context of practice. In so doing I have chosen organizations, in which accounting practice is subjected to ideology, problematization and institutionalization, as the cases of the study.

The significance attached to an organization is that its prefix, *organ*, invokes a *being* ontology. There is a repertoire of myths, rituals and ceremonials that ground the rationality of organizations. Their interplay produces “perspectival phenomena” that provoke different patterns of where accounting could be seen. Due to this, I rely on no

specific technique and method but on the “self realization” and the “game of contextualization”. This I illustrated in Chapter 2. At first, I could not see how significant these techniques could be in this study. Later, in situating and renegotiating myself in the research context and organizational environment I discovered that I am but one of the actors that make sense of them (Rasyid & Gaffikin, 1996; Baxter & Chua, 1998). This acknowledgement indeed is important. With it I have to accept that neither the researcher nor the research context is isolated, ontologically. For example, in my different first days in ECF, RCARE and DIB, there were two close analogies; “respectfulness” and “friendship” that were both complementary but distinct in character. To this extent, as such, I noticed that the “knowledge” that I am seeking is by virtue of a “knowing process”. My experiences before and after having gained access indicate that knowledge is “variety”, “public”, “in the heads of society”, “in action”, “in taken-for-granted routines”, “biased”, “prejudiced”, “local”, “privileged”, “freedom”, “implicit” and “socially constructed”. Since knowledge is for humans and from humans knowledge is to make sense of situations, implicit in the above description is the reason why culture, as Geertz asserted, should be the core in my knowing process.

Most bluntly, it suggests that there is no such thing as a human nature independent of culture (Geertz; 1973; p. 49)

In this ethnography, in my quest to understand accounting I refer to knowledge *of* accounting and knowledge *about* accounting. This was because of the given phenomena of Malaysia that I was looking at and the epistemological claims to that knowledge, in essence, is in-being, that is, is descriptively far more than we can describe (Polanyi, 1961). In addition, with these references, first, I am making the context of the study so much more flexible in order to generate a broader understanding and perspective. Second, I am acknowledging that implicit in these words the so-called *context* such as

space, signifier, frame, schema, or the like, by implication, are “part” of a researcher (cf. Boland, 2001) - to repeat, in “the game of contextualization” and “self realization” (Geertz, 2000a, 1983).

However, to get “a set of tools” that allows me to perform this knowing-being acquaintanceship, entails no rigid methodology. In cultural study, I had explored several “methodologies” including Hofstede’s software of the mind (1991) and cultural indices (1980, 2001) which are employed widely in the social sciences and the accounting literature (cf. Baskerville, 2003; Hofstede, 2003). However, like Ahrens (1996, also Baskerville, 2003; 2005), I found

One important obstacle in employing Hofstede’s categories in accounting research lies in the understanding conceptualization of culture. Hofstede (1980) defines culture as the “collective programming of the mind” and bases the empirical work on questionnaire data. A perspective which so decidedly privileges the ideal aspects of culture over its material and practical ones (cf. Czarniawska-Joerges, 1992) may prove problematic for theorizing in a field as enmeshed in practice as accounting (p. 145-146)

It is on the basis of this reasoning that Geertz’s conception of culture is expected to be significant. Under the notion called “interpretive anthropology”, Geertz’s concern is featured in a way which espouses “one makes detours, goes by side roads”, “methodological sleight of hand”, “experience-near”, “experience-distant” - all that he calls “the understanding of understanding”- as I detailed in Chapter 3. My first reading of Geertz in the accounting literature is from Rasyid (1994, 1995). Like Rasyid, I see, although there only a few studies in accounting that borrow from the seminal work of Geertz, these studies are “without anchoring the work comprehensively in Geertz’s interpretive framework”, and “do not ‘seriously’ acknowledge Geertzian anthropology”

(ibid; p. 7; for e.g., see; Abdul-Rahman & Goddard, 1998; Ansari & Bell, 1991; Dent, 1991).

Nevertheless, even so one may find that Rasyid's thesis is, without doubt, very comprehensive and rich (see; Rasyid, 1995), there is still room for "further essays" (Geertz, 2000a). This is especially so for the concepts of "by isolating its elements", "internal relationships", and "in some general way" that form the enterprise "the understanding of understanding", that Geertz declared as a landmark in order for "culture to be most effectively treated" (see; Geertz, 1973; p. 17). These were beyond Rasyid's discussion. As a matter of fact, there are many insights in the works of Geertz, for example, *Religion as a Cultural System*, *Ideology as a Cultural System*, *Common Sense as a Cultural System*, *After the Revolution: the Fate of Nationalism in the New States*, *Politics Past, Politics Present: Some Notes on the Uses of Anthropology in Understanding the New States*, that Geertz advocates in *The Interpretation of Cultures* that remain undiscussed in many social sciences including accounting treatises. It is in this context of Geertz's cultural analyses that this thesis is structured - as illustrated in the cases of ECF, RCARE and DIB in chapters 4, 5 and 6 - and that this thesis is distinct from Rasyid's (1995). As Geertz summarizes

It is thus I have written about nationalism, about violence, about identity, about human nature, about legitimacy, about revolution, about ethnicity, about urbanization, about status, about death, about time, and most of all about particular attempts by particular peoples to place these things in some sort of comprehensible, meaningful frame (1973; p. 30)

Hence, if we undertake a close-reading on what is meant by "local knowledge" by Geertz, I will argue, it is certainly not what some scholars perceive as "not global" (for e.g., see; Rabinow, 1986; Marcus, 1998). His latest publications, especially titled *An*

Inconstant Profession: the Anthropological Life in Interesting Times (2002) and *What Was the Third World Revolution?* (2005), deny that. What Geertz actually meant with the words of “local knowledge” is “local not just as to place, time, class, and variety of issue, but as to accent - vernacular characterizations of what happens connected to vernacular imaginings of what can” (Geertz, 1983; p. 215). As he explains at length

“Local” clearly is a “relative” term. In the solar System, Earth is local (as has been brought home, in good anthropological manner, by leaving it at least temporarily to look back at it from the Moon and other orbits); in the Galaxy, the Solar System is local (*Voyager* should help with that); and in the Universe, the Galaxy is local (a while to wait, perhaps, for this). To a high energy physicist, the particle world - or zoo - is, well, the world. It’s the particle, a thread of vapour in a cloud of droplets, that’s local. Thus the opposition, if we must have one (and I am not persuaded an opposition - *another* opposition - is what we need or ought to want, rather than a shifting focus of particularity), is not one between “local” knowledge and “universal,” but between one sort of local knowledge (say, neurology) and another (say, ethnography). As all politics, however consequential, is local, so, however ambitious, is all understanding. No one knows everything, because there is no everything to know (Geertz, 2000b; p. 133-134, emphasis in original)

It is from this perspective, “with reference to an encompassing macro-world - ‘the system’” (Marcus, 1989; p. 7), as in Geertz’s above definition of local knowledge, that this study can be categorized as a multi-site ethnography, as acclaimed by Marcus (1989; 1995; 1998). The main clues as to the basis of this claim are obvious in the inscriptions of “the State”, “the capitalists”, “the nationalists”, “the ethnics”, “the regime” and “the priests” that I translated in the key ingredients of “*Bumiputera*”, “*multiethnic society*”, “*UMNO*”, “*New Economic Policy*”, “*Islam*” in chapters 4, 5 and 6 - as further explained in Chapter 7.

Due to this, in the stories of ECF, DIB and RCARE accounting is depicted as containing the rational and objective view, the socio-political and monarchy view, and the institutional and collective responsibility view (see; Ansari & Euske, 1987). These views are characterized in the discussions of trust and security, contract and debt, and *Shari'a* and *Fardhu Kifayah*, in the context of the State, the ruling party, and the self-belief, supported by the views of doing “local management control”. From this perspective accounting is neither a homogenous nor static phenomenon (Hopwood, 1987) but as a form of human science. These analyses (based on the distinctive cases of them) are to show that “being common, common sense is open to all” (Geertz, 1983; p. 91). The advantage of doing so is to place accounting in a state of “to shed some sort of light on one another” (ibid; p. 11) - as shown by the utopian (ECF), hegemonic (RCARE), and accountable (DIB) practices in which one is related to each other, either to make them look complementary or substitutional. Every case (chapter) is a case (chapter) for the others.

8.4 Epilogue

In reading this ethnography, it is worth noting that Rosaldo in *A Note on Geertz as a Cultural Essayist* at the outset said

Readers of Clifford Geertz’s essays fall roughly into two camps, those who find them *lucid* and those who find them *opaque*. Because his essays repay a close reading, I often peruse them slowly and attentively. They make such good sense to me that I find myself puzzled that anyone should puzzle over them” (1997; p. 30)

Consequently, I have to admit that in illuminating Geertz’s conception of culture, I certainly fell into the latter group, worse than what Rosaldo imagined. The same as Rasyid (1995), since English is not my native language, it took me a long time to

understand Geertz and to write this study as having a sense of what Geertz calls a “culture-text”. In this case, I must thank my supervisor for his patient scrutinizing of my texts so as to be able to say what I really wanted to say as in my language but readable in an English version. Needless to say, I have tried “to present the argument as objectively as possible. But there are always going to be variations in style” (Gaffikin, 1989; p. 11). My style is, as Geertz said, “the understanding of understanding” - a kind of interpretation that I call “Malaysian reading of Malaysians experience”.

Hitherto, I have put characters, plots, themes, and voices in my texts that I believe should have been in accounting research in order that it be regarded as a human science. It is only my hope then that this study will be worked on as a piece of thinking “that reflects the needs of society rather than as a scientific pretender” (Gaffikin, 2005; p. xvii). Admittedly, there is *no* better justification of what cultural study should be in order for it to be considered “complete”; else we would not call it culture. Up to now, in respect of this study, to end my text, I would only want to say that

Cultural analysis is intrinsically incomplete. And, worse than that, the more deeply it goes the less complete it is” (Geertz, 1973; p. 29, also quoted in Rasyid, 1995; p. 194)

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