Breaking the [Sacredness] Costs in Management Accounting: Periphery Case Analysis

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ABSTRACT
This study aims to explain and construct the concept of cost beyond the reasoning in mainstream accounting. This construction is carried out by redefining the cost based on the “periphery” case. I reference to the Nusantara paradigm, the four principles (kaidah) in building Siraman Gong Kiai Pradah methodology have been fulfilled. Therefore, the method used has been out of the ordinary research methods. First, it prepares a “periphery” case to be investigated for the costs. Second, it draws the position closer to God by doing penances so that they are given instructions in reducing and classifying the data. Third, doing the charity. Fourth, it includes the “value” of the “periphery” case in the new cost concept. Finally, this article proposes a change to the definition of cost. Through the “periphery” case, the concept of cost transcends materialism. Cost is a number of expenses incurred, based on sincerity aimed at helping others in order to obtain the benefits both for the world and the hereafter by prioritizing the principle of mutual help.

INTRODUCTION
Management accounting is closely related to modern business organizations which aim to provide information for management in the context of planning, controlling, and making the decision (Ameen et al., 2018). Moreover, the discussion of “costs” in the field of management accounting is considered “sacred” because “costs” are the core of the study. Massie et al., (2018), for example, analysed production cost control to assess the efficiency and effectiveness of production costs at tofu factories. Furthermore, Ridzal (2019) also analysed the variance of raw material costs, labour costs, and factory overhead costs to determine the amount of difference between the standard costs set by the company and the actual costs used in production. A similar
study was done by Sari and Wiraswati (2020) who analysed production costs for setting the selling price. Some of the studies above show that research on “costs” in the positivism approach is very common in management accounting. Therefore, the researchers try to move away from the mainstream in researching management accounting, particularly the definition of costs from another point of view.

Management accounting is not only a technical set (Roberts and Scapens, 1985), and a science that formed and shapes its environment, however, it can actually influence the behaviour of its users. Sonhaji (2013) emphasized that management accounting contains the value of capitalism because it comes from Western civilization. It implies that the users of management accounting methods and techniques will indirectly follow the capitalism tradition. One way is to achieve maximum profitability by reducing production costs as little as possible. This understanding is supported by the assumption that profitability is driven by certain generic actions such as sales growth (Nørreklit, 2017). Therefore, managers and organizations are part of the mechanical action. Again, today’s management accounting is built on calculative rationality which aims to organize human reality with the aim of securing the profitability of the company or the financial well-being of the organization.

In the Nusantara perspective, management accounting, especially the concept of cost, has penetrated into the joints of the life of the people of the Nusantara. Apart from management accounting from the West, the people of the Nusantara are familiar with the concept of cost when carrying out traditional ceremonies. Of course, the understanding of costs in this context is different from the concept of cost in Western management accounting. In fact, this is what is meant by the fact that accounting is not value-free. Even Triyuwono (2011) firmly stated that it is impossible to account by social values or ideology, because in the process of its creation it involves humans who have personalities and are full of interests. For that reason, every science contains philosophical values.

The following are some previous studies on the concept of cost in the Nusantara. Abdurahim and Tumirin (2015) for example, describe the meaning of the cost of the “rambu solo” ceremony which requires very expensive implementation costs. These costs include buying animals (buffaloes and pigs) that are sacrificed and for the “rambu solo” ceremony. Furthermore, Rahayu et al., (2016) revealed the meaning of spending money on the ngaturang canang ritual by the Balinese people. The routine cost of canang is not interpreted as an economic sacrifice, but gratitude to get closer to God and balance yourself in life. In line with Muhammad and Samiun (2017), the cost of celebrating the Kai ceremony is interpreted as a place for family gatherings. In fact, the costs in the Kai ceremony are different from the fees applied in the business system. Furthermore, Ukamah and Tumirin (2020) revealed the meaning of the cost of Haul Nyai Ageng Putri Ayu Kukusan as a form of ukhuwah Islamiyah based on love, friendship, building history, and gratitude.

The first purpose of this article is to reconstruct the cost concept through reformulating the definition of cost. On the contrary to the previous studies that tend to interpret costs only, this study breaks the established cost concept in mainstream management accounting into the construction tradition. At the end, this study offers a new definition of the concept of “cost” from the Nusantara perspective. The second purpose of this article is to build a methodology from the traditional wealth of the Nusantara, namely the “Siraman Gong Kai Pradah methodology.” Determining the methodology is the main key in building a theory or concept related to the research objectives. The novelty of this article also lies in the formulation of the methodology based on the Nusantara perspective.

2. RESEARCH METHOD
This research is in the Nusantara paradigm initiated by Mulawarman (2021). The Nusantara paradigm is rooted in cultural and religious values which are the main characters of Nusantara people. Therefore, the identity of the Nusantara is the “self” in the Nusantara which is part of the high civilization in the world. The “self” is primarily life seeking salvation. However, this salvation has a deeper meaning, namely safety in the world (universe) and salvation in the hereafter (nature of eternity). The “self” realizes that one day there will definitely be katimbalan dening pangeran (called by God). This is what is called the principle of sangkan paraning dumadi (where do humans come from, what and who they are today, and where are they going to in life and where they are headed). Therefore, the social reality of accounting is not only believed to
stop in the material world (jagad cilik). Rather, it will continue in the world of the hereafter (jagad gedhe). In fact, the real reality is in the hereafter. Therefore, the goal (science) of accounting is to reconstruct a reality that is centred on the true belief and truth of what people believe (Islam). In this case, accounting has always been trapped in the truth in favour of modern (Western) sciences (Mulawarman and Kamayanti, 2018).

The Nusantara has a culture that is always intertwined with religiosity which produces distinctive local values or wisdom. For example, still hold tightly to the tradition of their ancestors in pre-historic times. In the Lodoyo area, Sutojayan sub-district, Blitar district, there is a traditional ritual of Siraman Gong Kiai Pradah as a syncretic Javanese culture. Kiai Pradah is the name for a gong brought by Prince Prabu from the Surakarta kingdom to the Lodoyo forest. At that time, Lodoyo forest was famous for being haunted by wild animals and evil spirits. According to the story, Prince Prabu wanted to retreat to the Pakel forest and gave a mandate to Ki Amat Tariman that the gong be bathed with setaman flower water every 1 Shawwal and 12 Robiulawal (Maulud). Until now, the tradition of bathing the gong using setaman flower water is still preserved and contains meaning as an expression of gratitude and gratitude to God Almighty for the blessings in the form of peace and safety (Ilaina et al., 2018).

Most of the Lodoyo community’s belief, however, in supernatural things such as believing that the gong can get angry and turn into a tiger, anyone who insults gong may get hurt and so on. Furthermore, people also believe that the gong has a guardian who has magical powers so that, at certain periods, it must be routinely fed by burning incense, sprinkling flowers and bathing it. The ritual also uses Islamic prayers in Arabic and all the performers of the ritual claimed to be Muslim. Thus, the traditional ritual Siraman Gong Kiai Pradah is a combination of Islam with animism and dynamism beliefs.

There are three stages in carrying out the Siraman Gong Kiai Pradah ritual. First, the preparation stage. People prepare offerings in the form of tumpeng rice, grilled chicken (ingkungan), plantain bananas, and setaman flowers, and incense. In addition, offerings in the form of a goat’s head are also prepared. Second, the implementation stage. The day before performing the Siraman Gong Kiai Pradah ritual, it begins with performing tirakatan by providing offerings (tirakatan night). Tirakat is a human effort as a form of a petition to God so that a series of implementations of a tradition can run smoothly. Some residents do the night of tirakatan by holding back all night by not sleeping with the intention of asking for blessings from God. The night of tirakatan also begins with a slametan (fiesta). Then, the next day, the Siraman Gong Kiai Pradah ritual is carried out starting with planting a goat’s head in the small building (cungkup) of Mbok Rondo Dadapan. Third, the closing stage. The culmination of the ritual is the flush by watering the gong with setaman flowers (flowers put into the water).

The reality of people who believe in the myth above is not different from that of accounting education, especially management accounting where they (educators) believe that the cost concept is limited to the corporate environment (industry) with the definition of cost originating from Western academics. Another myth, information in management accounting is seen as a form of objective knowledge. In fact, they believe that management accounting is only a technical matter, free from social values and ideologies. Through the educational process, the definition of cost from the Western perspective continues to be taught to students as a tradition from generation to generation. The final consequence of the above is that we cannot but use this tradition as a methodology which we call the “Siraman Gong Kiai Pradah methodology”.

The method of formulating the Siraman Gong Kiai Pradah methodology to develop the concept of cost is carried out in several stages. First, people prepare a “periphery” case to be investigated for costs. Referring to Triyuwono (2016: 416), the case of “periphery” is empirical data from past observations that are recalled intuitively and interpreted rationally. It is said to be “peripheral” because the cases used are not directly related to those in the company as generally accounting research is carried out. The data used is more directed to the “value” contained in the described case. This peripheral case was obtained from interviews with Mr. Suyat and Mrs. Sumi. Second, they try to get closer to God by doing something ascetic (fast, etc.) so that they are given instructions in reducing and classifying the data. Third, they include the “value” of the “periphery” case in the new cost concept. The method used has been out of the usual research methods. This
is a consequence of the reality that is believed (Kamayanti et al., 2021).

3. DATA ANALYSIS AND DISCUSSION

Peeling the Case of “The Periphery”
The case that the researchers analyse is a husband and wife (Mr. Suyat and Mrs. Sumi) who still adhere to Javanese tradition. One of the traditions is the slametan which has been carried out for generations. Now the tradition of slametan is interpreted as sodagah (alms), the Javanese term dono weh weh. In fact, it is also performed to commemorate family members who have died in the hope that the deceased will be accepted by Allah SWT. The slametan event which has been interpreted as sodagah for Mr. Suyat and Mrs. Sumi can be carried out if they have the fortune and intention. Sodagah has no rules, a lot is allowed or a little is also allowed. The principle of Mr. Suyat and Mrs. Sumi when holding a slametan is that residents who come to their homes for tahlilan (religious prayers) feel maren (satisfied) with the food served (berkat).

During the slametan, Mr. Suyat and Mrs. Sumi prepared food and drinks for serving. There are two types of food served, namely food and drinks served on plates which are served after the tahlilan is over, and food to take home (berkat). Therefore, Mrs. Sumi had to spend some money to buy slametan needs. Usually the costs incurred by Mr. Suyat and Mrs. Sumi are around six million rupiah. This is the minimum cost incurred to hold one slametan. Mr. Suyat and Mrs. Sumi hope that the costs that have been spent will be realized in the form of food and drinks that can satisfy the invited residents (satisfied), because the food does not disappoint.

Mrs. Sumi has to prepare the main raw materials, namely 40 kg of rice (for the invitation of 100 people) Rp. 400,000, 20 kg of beef around Rp. 2,000,000, spices and vegetables (potatoes, tofu, noodles, onions, garlic, chilies and others) Rp. 500,000, berkat container and cake box Rp. 250,000, cigarettes Rp. 50,000, cake around Rp. 700,000, for fruit ice around Rp. 500,000. Furthermore, Mrs. Sumi was also assisted by 3 cooks who were given a fee of around Rp. 600,000 for two days. Even though she has been assisted by the cook, Mrs. Sumi is also assisted by neighbors during the slametan, usually called ewang-ewang (rewang). It is a form of gotong royong as a community of neighbors who live together and side by side. In addition, the dishes after the slametan are washed using clean water flowing from the faucet. At the time of the slametan also added lighting in several places to make it brighter. Mr. Suyat and Mrs. Sumi also do not mind if they have to pay more than usual for the electricity bill, indeed it is a must, while the water used for washing dishes belongs to Gasti Allah SWT and the water in the village is not bought.

With the costs incurred above, Mr. Suyat and Mrs. Sumi do not feel lost. Instead of buying gold, which amounts to approximately six millions, it would be better to just give charity. All costs incurred are based on sincerity. It is better to give someone when something given is good, for example, if the taste of eaten food is good, so that the person who is given becomes happy (maren). The hope of Mr. Suyat and Mrs. Sumi after issuing sodagah is that the prayers of the invited residents will be good. After the slametan, usually people also pray for Mr. Suyat and Mrs. Sumi in order to kabul kajate (his prayer is answered).

The Values Behind the “periphery” Case
The cases raised above are cases of the past that were observed accidentally, but are interpreted in the present to extract the abstract values contained in them. In the case above, we saw that Mr. Suyat and Mrs. Sumi did not feel loss at all. On a pragmatic level, actually what Mr. Suyat and Mrs. Sumi did by sacrificing a large enough cost to hold an event (slametan) did not gain any economic (material) benefit.

In the context of cost accounting, there are actually three elements of production costs in the slametan event, namely direct material costs, direct labor costs, and factory overhead costs. The direct material costs are more or less in the form of rice, beef, spices, and fruits. Direct labour costs are cooks who are paid according to their expertise. Meanwhile, the amount of direct labour from neighbours is not calculated because they also work on the basis of awareness of the principle of gotong royong. Furthermore, factory overhead costs in the form of water and electricity. For water, the amount is not calculated because there is abundant water in the well, while electricity may have a separate bill but it is not taken into account by Mr. Suyat and Mrs. Sumi.

In addition to sacrificing some money, the most important value is the presence of an altruistic sense of selfless intention to help others. Paringo tulung wek ono mangan wong sing keluwen, tuntunen wong sing ora eruh dalan (give help by feeding the hungry, guide those
who do not know the way). Besides, the joy that was expressed in the joy of Mr. Suyat and Mrs. Sumi came from the expression of the residents who were invited to the slametan who feel satisfied (marem) with what was served during the event so that they wished the best “hopefully your wish comes true” (mugo mugo kabul kajate)

Furthermore, the spiritual aspect that appears is the sincerity of Mr. Suyat and Mrs. Sumi. For villagers who are economical (gemi), have approximately six million for example, they definitely choose to buy gold necklaces or bracelets. However, Mr. Suyat and Mrs. Sumi are not interested in that. The most important thing is to donate the best sodagah so that the invited residents feel satisfied (marem), eat and drink well. Although the people who were invited to the slametan did not say “thank you”, but in their hearts they would say “thank you”, may Allah ta’ala repay. Finally, there is a sense of brotherhood from the attitude of helping each other if there is a slametan. Neighbours came to help even though they were not paid because this phenomenon exists in the village environment, which reflects mutual cooperation.

Redefining the Cost Concept
In general, costs are always related to the field of study of cost accounting and management accounting. Discussion about cost is also inseparable from manufacturing companies. Kurniawan (2017) for example, explained the concept of cost in terms of its behaviour in cost management of manufacturing companies. Longdong (2016) emphasized the application of target costing in production cost planning. The same thing was also done by Anugerah et al., (2017) who examined the use of target costing in managing production costs. Another researcher, Agustina and Ahmar (2014) analysed the earnings management approach for production costs. From some of the researchers above, it can be concluded that the scope of costs is still limited to companies, especially manufacturing companies. This may be influenced by the definition of cost, as defined by Dunia et al., (2019: 18) as follows:

Costs are expenditures or the value of sacrifices made to obtain goods or services that are useful in the future, or have benefits for more than one annual accounting period.

Reviewed from the above description, the definition of cost is still being built and developed based on basic assumptions and Western concepts that are modern and capitalistic. It seems clear that the main view in the concept of cost above only focuses on the material aspect so that the spiritual aspect is ignored. The expected benefit of spending or sacrifices made are economic benefits. This concept is also inseparable from where the study of cost accounting and management accounting develops, both as a set of knowledge and in practice. Western countries as a place for the development of management accounting which gave birth to the above definition of costs, have a view of life that is contrary to the Javanese society which is full of local wisdom. Therefore, it is natural that the notion of cost is loaded with values from Western philosophy, such as egoistic, capitalistic, and materialistic.

The values behind the “peripheral” case reflect the Javanese way of life. In modern society, money is the main focus. Happiness lies in the material element so that “modern” people always maximize utility. Therefore, what Mr. Suyat and Mrs. Sumi did is by sacrificing a certain amount of money, but they did not receive any economic benefits. It, certainly cannot be accepted with rational thinking as modern people do.

Extracting from the “periphery” case above, the researchers can see that someone who sacrifices costs does not always want to get economic benefits, but spiritual benefits. One of them is the presence of a sense of pleasure in oneself if it is able to make people feel satisfied (marem) with what is given (sodaqah). Of course, accompanied by a sense of sincerity in giving. Finally, when holding a slametan event, they always prioritize mutual help (brotherhood) and mutual cooperation which is the antithesis of individualism. These are the values that distinguish the Javanese from modern Westerners.

The definition of the new cost concept has exceeded the cost definition in the management accounting framework and cost accounting which is still trapped in the aspect of materialism. Of course, the new cost definition is not appropriate when used in the context of a manufacturing company, considering that the company’s orientation is to make a profit.

4. CONCLUSION, IMPLICATION, SUGGESTION AND LIMITATION
This article has its effort to explain and offer a new definition of cost. So far, the notion of cost has always been trapped in management accounting pragmatism that was born and
developed in Western countries. As a result, one of the values contained in management accounting is capitalism. Through the “Siraman Gong Kiai Pradah” methodology, this study can offer a definition of cost in the perspective of the Nusantara that goes beyond materialism. Moving on from the understanding above, this study provides the formulation of the definition of the alternative cost concept is as follows:

Cost is a number of expenses made based on sincerity aimed at helping others in order to obtain the benefits of the world and the hereafter by prioritizing the principle of mutual help.

The alternative definition implies that cost in this context is directed to sincerity for helping others with the expectation to get benefits both in the world life and the hereafter. Therefore, it should be done using the principle of mutual help. Through the constructive tradition, further research can build on other concepts in management accounting in the Nusantara perspective such as measuring performance and determining selling prices.

REFERENCES


