

## THE ANALYSIS OF CHINESE CHARACTER-BASED ON ACCOUNTING AND VALUE IMPLICATIONS FOR CHINESE INDONESIAN BUSINESS

**Wiyono Pontjoharyo\***

Universitas Surabaya, Indonesia

\* Doctorate Program, University of Airlangga, Surabaya, Indonesia

Email: w-pontjo@ubaya.ac.id, wpontjo@yahoo.com

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### Abstract

Recently, China becomes more and more popular in global business. The businesses operated by Chinese, even for overseas Chinese are still heavily influenced by their ethnicity and culture, including for Chinese Indonesian (*Tionghoa*). This business practice conceptually is known as Overseas Chinese Business (OCB) model. On the other hand, Chinese language is considered unique and has a deeper meaning than it is spoken, that is very interesting challenge to be studied further to the letters and syllables. This study tries to gain the understanding about (1) some accounting words in Chinese characters that are distinct and dependent on the characters they are made and then (2) what are the implications of those accounting characters to Chinese Indonesian business from the perspective of overseas Chinese business model. The study implemented as grounded descriptive-interpretive study to some prominent Chinese Indonesian businessmen in Surabaya, East Java, Indonesia using observations, interviews, and questionnaires for data collection methods. Observations and interviews were conducted with six Tionghoa (Chinese Indonesian) businessmen and accountants each to get in-depth knowledge of what they understood and did in their daily works in the context of Chinese character-based accounting as well as their perceptions, opinions, thoughts and experiences related to their profession. Interestingly found that the implications of Chinese characters according to Chinese Indonesian businessmen are not totally consistent with the overall model of Overseas Chinese Business, but the values and virtues of the Chinese characters are understood.

**Keywords:** *Chinese character-based accounting, Chinese Indonesian, Overseas Chinese Business model*

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### 1. INTRODUCTION

Chinese language or sometime known as the Sinitic language(s) (汉语/漢語 Hanyu; 华语/華語 Huayǔ; 中文 Zhōngwén) is a language family consisting of languages which are mostly mutually unintelligible to varying degrees. About one-fifth of the world's population, or over one billion people, speaks some variety of Chinese as their native language. Standard

Chinese (*Putonghua/Guoyu/Huayu* 华语/華語) is a standardized form of spoken Chinese, based on the Beijing dialect of Mandarin Chinese, referred to as 官话/官話 *Guānhuà* or 北方话/北方話 *Běifānghuà* in Chinese. Standard Chinese is the official language of the People's Republic of China (PRC) and the Republic of China (ROC, also known as Taiwan), as well as one of four official languages of Singapore. It is one of the six official languages of the United Nations. Of the other varieties of Chinese, Cantonese is influential in Guangdong Province and Cantonese-speaking overseas communities, and remains one of the official languages of Hong Kong (together with English) and of Macau (together with Portuguese). Min Nan, part of the Min language group, is widely spoken in southern Fujian, in neighboring Taiwan (where it is known as Taiwanese) and in Southeast Asia (known as Hokkien in Singapore and Malaysia, some part of Indonesia in different varieties of Chinese dialect groups accordingly to the ethnic group origin) (DeFrancis 1984).

In spite of the small number among the major ethnic groups in Indonesia, Chinese Indonesians (also called as *Tionghoa*) are considered moderately high impact ethnic group in Indonesia. The findings of Suryadinata et al. (2003) revealed that by the year of 2000, some of the major ethnic groups in Indonesia are the Javanese (41.71%), the Sundanese (15.41%), and the much smaller groups such as the Melayu (3.45%), the Madura (3.37%), and the Batak (3.02%), while the Chinese is estimated from 1.40% to 1.99%. Brown (1994) mentioned that there are more than 400 ethnic groups in Indonesia as well as the cultures. However, Heryanto (1997) considered that the Chinese Indonesians are the most discriminated against politically and socially during the New Order era (1966-1998), but some of them are very prominent as one of the major engines in Indonesian economic development. Although they are minority, it is estimated that their share of total private domestic capital could exceed that of any other ethnic group in the country. (Kwik 1978; in Chalmers and Hadiz 1997).

Studies about business practices in the context of Chinese business and the Southeast Asian region are increasingly considered as important in today's business environment because Chinese business is one of most powerful economic forces in the world today (Redding 1993; Yeung 1999). Some of the major economic engines of Southeast Asian countries including Indonesia are Chinese business organizations (Thee 2006). One case study by Efferin and Pontjoharyo (2006), using the five dimension of Chinese Business (managerial ideology, organizational structure, managerial function, inter-firm relation, business development), showed that there are pro as well as contrary to the Overseas Chinese Business Model. This study revealed that there is no fixation for the Overseas Chinese Business Model based on ethnicity and culture, since the big influence of local history and condition. But it is still best proposed that the Chinese values are commonly relevant to the Overseas Chinese Business Model.

Regarding the depth of values inside the Chinese character, as well as accounting character, the perspective and understanding for those values inside the minds of Chinese Indonesian business people are challenging to be described in this particular research. interesting This study is aimed for gaining the understanding about (1) what accounting is in Chinese character that considered polysyllabic, so probably has the meaning that is distinct, would be understandable for Chinese Indonesian businessmen, and then (2) what are the implications of accounting characters to Chinese Indonesian business from the

perspective of overseas Chinese business model. The sample for this study is the Chinese businessmen in Surabaya, because of several reasons. Firstly, Surabaya is the second city of Indonesia in terms of economic and political importance. Business activities including export and import activities have been well developed hundred years ago. As a matter of fact, some large and influential Indonesian companies from Surabaya are owned and managed by Indonesian Chinese. Secondly, the reason is access. The researchers have already known many influential Chinese Indonesian businessmen in Surabaya who have local and international businesses that are willing to cooperate and support this study. The convenience of the respondents is imperative for their information quality as well as the success of this study.

## 2. THEORETICAL REVIEW-CONCEPTUAL MODEL

### 2.1. Chinese Language and Character

Categorization of the development of Chinese is a subject of scholarly debate. One of the first systems was devised by the Swedish linguist Bernhard Karlgren in the early 1900s; most present systems rely heavily on Karlgren's insights and methods. Old Chinese, sometimes known as "Archaic Chinese", was the language common during the early and middle Zhou Dynasty (1122 BCE–256 BCE), texts of which include inscriptions on bronze artifacts, the poetry of the *Shījīng*, the history of the *Shūjīng*, and portions of the *Yījīng* (*I Ching*). The source says the reconstructions of old Chinese are tentative, and not definitive so no conclusions should be drawn (Ramsey 1987).

The reconstruction of Old Chinese can not be perfect so this hypothesis may be called into question. The source also notes that southern dialects of Chinese have more monosyllabic words than the Mandarin Chinese dialects. The development of the spoken Chinese languages from early historical times to the present has been complex. Most Chinese people, in Sichuan and in a broad arc from the north-east (Manchuria) to the south-west (Yunnan), use various Mandarin dialects as their home language. The prevalence of Mandarin throughout northern China is largely due to north China's plains. By contrast, the mountains and rivers of middle and southern China promoted linguistic diversity, according to Qiu (2000). Until the mid-20th century, most southern Chinese only spoke their native local variety of Chinese. As Nanjing was the capital during the early Ming Dynasty, Nanjing Mandarin became dominant at least until the later years of the Qing Dynasty. Since the 17th century, the Qing Dynasty had set up orthoepy academies (正音书院/正音書院; Zhengyīn Shūyuan) to make pronunciation conform to the standard of the capital Beijing. For the general population, however, this had limited effect. The non-Mandarin speakers in southern China also continued to use their various languages for every aspect of life. The Beijing Mandarin court standard was used solely by officials and civil servants and was thus fairly limited (Qiu 2000).

This situation did not change until the mid-20th century with the creation (in both the PRC and the ROC, but not in Hong Kong) of a compulsory educational system committed to teaching Mandarin. As a result, Mandarin is now spoken by virtually all young and middle-aged citizens of mainland China and on Taiwan. Cantonese, not Mandarin, was used in Hong

Kong during the time of its British colonial period (owing to its large Cantonese native and migrant populace) and remains today its official language of education, formal speech, and daily life, but Mandarin becoming increasingly influential after the 1997 handover (Norman 1988).

A Chinese character, also known as a Han character (汉字/ 漢字; Hànzì), is a logogram used in writing Chinese (*hanzi*), Japanese (*kanji*), less frequently Korean (*hanja*), and formerly Vietnamese (*hán tự*), and other languages. Chinese characters are also known as sinographs, and the Chinese writing system as sinography. Chinese characters are the oldest continuously used system of writing in the world. The number of Chinese characters contained in the Kangxi dictionary is approximately 47,035, although a large number of these are rarely used variants accumulated throughout history. Studies carried out in China have shown that full literacy in the Chinese language requires knowledge of between three and four thousand characters. In the Chinese writing system, the characters are *monosyllabic*, each usually corresponding to a spoken syllable with a basic meaning. (DeFrancis 1984). The development shows that Chinese writings are simplified from the traditional one into the simplified Chinese. However, although Chinese words may be formed by characters with basic meanings, a majority of words in Mandarin Chinese require two or more characters to write (thus are polysyllabic) but have meaning that is distinct from but dependent on the characters they are made from. Cognates in the various Chinese languages/dialects which have the same or similar meaning but different pronunciations can be written with the same character. This interesting matter occurs also in the word of accounting in Chinese character that is known by 会计/會計 (Limojoyo 2002; Zeng 2009). Similar intriguing matters for Chinese character happen to the terms 财务会计 for financial accounting, 管理會計 for management accounting and 审计(審計) for auditing.

## 2.2. Ethnicity of Chinese Indonesian

Conventional categorization of Chinese Indonesian (Tionghoa) between *totok* and *peranakan* (Suryadinata 1974, 1978) and its meaning has gradually changed. The socio-cultural diversity of the ethnic Chinese is no more in terms of political orientation that are considered loyal to mainland China or Indonesia (Skinner 1963). The later categorization now is between *totok* and *jiaosen* (Efferin 2002). *Totok*, in this sense, means those who still practise traditional Chinese/Confucian values in their daily life, speak Mandarin/other Chinese dialects, educate their children based upon these values, and celebrate Chinese traditional events (e.g. Chinese New Year/*Imlek*, the Moon Cake Festival/*Congxiu*, and the Visiting Ancestors Day/*Cingbing*). Becoming Chinese for them is a matter of preserving their cultural heritage. Most of them embrace Buddhism or *Kong Hu Cu* (Confucian) as their religion. On the other hand, the *jiaosen* seldom practice Chinese traditions in their daily life and speak little or no Chinese of any kind, since their culture tend to be a mixture of Western, local and Chinese/Confucian cultures and customs. For them, becoming Chinese is merely a matter of ethnic identity. The majority of *jiaosen* usually embrace Christianity/Catholics and few embrace Islam or still Buddhism. These current categorizations and meanings of *totok* and *jiaosen* will be used throughout the rest of the study.

There is a tendency for the majority of younger Chinese generations to become increasingly *jiaosen*, especially for the generation of late twentieth century era because of cultural restrictions from Indonesian government (Heryanto 1998; Hadiz 1997; Tan 2004; Winarta 2004). This does not mean that the ethnic group has lost all Confucian values. To some extent, Chinese parents continue to teach their cultural values to their children. There is a separation between religion and culture for the *jiaosen*. The parents give family education that, to some extent, contains Confucian values regarding proper conduct in interactions with family members, older people and society, whereas the Christianity and Catholicism focuses on faith and relationships with God (Efferinand Pontjoharyo 2006). Unfortunately, there is no study specifically examining the 'degree' of Chinese values for them and the specifications of business culture emerges from the above combination.

### **2.3. Confucianism and Overseas Chinese Business (OCB) Model**

According to Suryadinata (1974), Confucianism is a philosophy concerned with social, moral and governmental problems. Further, *tao* is based upon human heartedness (*jen*) consisting of *chung* (忠/sincerity and honesty) and *shu* (主/altruism). Some other major values also include frugality, asceticism, diligence and prudence (Xu 2000; Cleary 1992). Those values in Confucianism are expressed in the writings of Chinese character.

Operationally, Confucianism is divided into two interrelated concepts: vertical and horizontal order. The concept of vertical order represents the relationships between those from higher and lower levels of the social hierarchy, such as parents and children, family members (e.g. husband and wife, parents and children, and elder and younger brothers), masters and servants, rulers and people, and so on (Suryadinata 1974). Every social position contains inscriptive responsibilities and duties. Hence, individuals bearing these names have inscriptive roles that must be fulfilled accordingly (known as *li*). The horizontal order refers to the relationship between people from the same hierarchy. The person 'invests' in a group, and the investment, which he cannot afford to lose, becomes his 'face' (Redding 1993). This result in limited and bounded trust among particular groups called *guanxi* (关系/關係). People trust their families, friends and acquaintances to build mutual dependence and invest face on them. Family is seen as the basic survival unit and the very foundation of society and the nation. The welfare of individuals is seen as the family's responsibility rather than the state's (Efferinand Pontjoharyo 2006).

Chinese overseas business practices have been regarded as unique and different from Western and even the other East Asian (Japanese and South Korean) business practices (Tam 1990; Redding 1993; Redding and Whitley 1990) and also in other Asian region as well, especially in Southeast Asia (Low 1995; Chan 2000; Mackie 2000). Despite some variations due to the local socio-political and cultural context of particular countries (societal effects), it is commonly argued that Confucianism, to some extent, characterizes their business (Wang 2004). The characteristics of OCB behaviours can be elaborated into five dimensions: managerial ideology, organizational structure, managerial functions, inter-firm relations and business domain/development (Redding 1993; Redding and Whitley 1990; Tam 1990). This study is focused on the dimension of managerial ideology only for the reason of connectivity to the character of accounting in Chinese.

Furthermore, through the study of Gao and Handley-Schachler (2003), it is revealed that the accounting practices by Chinese is also related to Confucianism. It has been a long history of accounting practices for Chinese dynasties that prove the familiarity of accounting in their own special ways. (Aiken and Lu 1993). Considering the value implication of Chinese character-based accounting is more relevant to managerial ideology, therefore, managerial ideology becomes the focus of the study conducted. According to Redding (1993), managerial ideology is the fundamental ideas and beliefs for the overseas Chinese conducting their business that consist of patrimonialism, personalistic relationship and also limited and bonded trust.

### 3. RESEARCH METHOD

It would be a grounded descriptive-interpretive study using observations, interviews questionnaires for data collection methods. Observations and interviews were conducted with six Tionghoa (Chinese Indonesian) businessmen and accountants each to get in-depth knowledge of what they understood and did in their daily works in the context of Chinese character-based accounting as well as their perceptions, opinions, thoughts and experiences related to their profession. Questionnaires are used to obtain general understandings of Chinese character-based accounting. Since the culture of the Chinese that usually tend to protect the confidentiality of their business practices and accounting problems, this study uses convenient sampling.

The dimension used to categorize the sample for ethnicity (Tionghoa) is by cultural orientation, to be classified into *Totok* and *Jiaosen* for three respondents each both for businessmen and accountants. The reason for this classification is to ensure the 'representativeness' of different components among Tionghoa businessmen and accountants which may have different impacts upon the way they do their profession as businessman or accountant and to examine whether there are different patterns among them.

### 4. EMPIRICAL FINDINGS AND DATA ANALYSIS

All of analysis will be based upon the results from observations, questionnaires and interviews. The results of the methods applied are described and discussed as follow.

#### 4.1. Chinese Character-Based on Accounting

##### 1. 会计/會計 (kuaiji) for Accounting

As described above, Chinese words may be formed by characters with basic meanings, a majority of words in Mandarin Chinese require two or more characters to write that are called polysyllabic, but have meaning that is distinct from but dependent on the characters they are made from. This condition happens to the basic word of accounting. The letter of 会计 is a simplified one which nowadays considered more popular compared to the traditional or older writing known as 會計. Both terms actually are same letter in different writing. But the interesting thing to share is the spelling.

Individually, the word 会 is spelled *hui* that means able, competent or public. Then the word 计 is spelled *ji* that means estimation or plan. But if the word is combined as 会计, instead of spelled *huiji*, the term of accounting is spelled *kuaiji*. This term can be defined as the discipline of proper recording and presenting objectively and fairly the information to all kind of users, accordingly to the needs of them. Besides the change in spelling as it is a polysyllabic, the term of accounting as 会计 is rather consistent, since it is related to information and public domain.

## 2. 财务会计 (*caiwukuaiji*) for Financial Accounting

The Chinese letter for financial accounting consists of four characters, the last two (会计) is exactly accounting, and the first two (财务) is about the assets or valuables in money term. Therefore, the Chinese characters for financial accounting (财务会计) that spelled *caiwukuaiji*, are concerned with the presentation of the valuables for the business organization in financial figures. It is consistent with the general meaning of financial accounting.

## 3. 管理会计 (*guan li kuaiji*) for Management Accounting

Similar to the previous topic, the Chinese letter for management accounting also consists of four characters, the last two (会计) is accounting in general, and the first two (管理) refers to the work of managing or controlling. That is why, the Chinese characters for management accounting (管理会计) that spelled *guan li kuaiji*, are related to presenting the accounting information for the needs of management to improve the business and sustain the future of business organization.

## 4. 审计/審計 (*shenji*) for Auditing

The term of auditing seems to be close still to the term of accounting in Chinese characters. The second character *ji*(计) is still close to accounting works, planning and estimation. But the first character, *shen*(审) is about examining and checking carefully as a professional responsibility. So that, the Chinese word for auditing (审计) that spelled *shenji*, are about the profession for examining and checking carefully the accounting process done to present the result for public that is free from material misstatement.

## 4.2. The Perspective of Managerial Ideology in the Overseas Chinese Business Model Based on Accounting Characters

### 4.2.1. Patrimonialism

Basically, patrimonialism is characterized by the highest source of authority, company objective, ownership of assets, leadership successor, ideal role of employer, responsibility of employer, ideal role of employee and responsibility of employee. The Chinese Indonesian (Tionghoa) respondents tend to assume that the highest source of authority is the owner of the company which means ownership is power. Therefore, similar responses also happen in

viewing company's objectives, then ownership of assets and successors. The respondents also regard that owner's objectives represent the company's objectives, as well as the company's assets are owner's private property, and leadership successors must come from family circle. This similar opinion happens to both, *Totok* and *Jiaosen* type of respondents.

If the patrimonialism is connected to the accounting characters, either basic accounting (会计), or financial accounting (财务会计), management accounting (管理会计) and auditing (审计), both the businessmen and accountants, also both *Totok* and *Jiaosen*, the respondents as owners or superiors, understand completely that those accounting features are heavily needed, especially the basic accounting and financial accounting. The *Totok* companies tend to push the pressures of superiors harder than the *Jiaosen*.

Interesting results happen in viewing the ideal roles and responsibilities of employer. The OCB model that tends to have autocratic-paternalistic leadership is not revealed on the study. Yet, the cultural orientation matters more to *Totok* than *Jiaosen*. By contrast, fulfilling formal obligation and other kinds of responsibility are more dominant to *Jiaosen* than *Totok*. But as a matter of fact, all of Tionghoa businessmen regard that unquestioning obedience is the main responsibility of employees.

Hence, patrimonialism in the Tionghoa businessmen can be seen as the legacies of the so-called Confucian managerial ideology that are still common in Tionghoa businessmen. However, they tend to have participative-empowering managerial thoughts in viewing employers' roles and responsibilities (especially for the *Jiaosen*), that was beyond OCB model. Interesting statements are found when asked about obedience towards superiors, as follow:

*"I think Confucius concerned more to manners that should be polite in all kinds of relationship, especially to the old ones and superiors. It's too much if expecting people to have total obedience. The subordinates should remind the superior if he did something wrong."* (Mr Kur, *Totok*)

*"The employer could do wrong, so the employee should argue and show alternative solution. But in general, the employee should obey the employer as a kind of responsibility"* (Mr Kam, *Jiaosen*)

The interview with respondents shows that Confucianism does not necessarily require absolute obedience and blind loyalty. It is more about good manners that can be interpreted in various ways. Hence, Confucianism is more about ways of communication rather than managerial ideology.

#### **4.2.2. Personalistic Relationship**

In the point of view managerial ideology, personalistic relationship is the personal relationships and feelings about other people come before more objectively defined concerns such as organizational efficiency or neutral assessment of abilities. From the perspective of cultural orientation, the *Totok* place employee's educational background as the more popular



choice. By contrast, employee's past achievement is the more important alternative for *Jiaosen*.

The accounting features, from basic accounting (会计), financial accounting (财务会计), management accounting (管理会计) up to auditing (审计), on the perspective of Chinese characters, they are needed better for functioning well to the management of the companies, rather than the formal background of the accounting people. This situation happens both on the *Totok* and *Jiaosen* companies,

Loyalty towards employer personally is the option representing the OCB model whereas loyalty towards formal duties represents Western/bureaucratic model. Strong support for loyalty towards duties is also evident in all of respondents. The statements about loyalty towards employer compared to loyalty towards duties are consistent with the findings of Efferin and Pontjoharyo (2006):

*"Surely, loyalty is towards duties. I often practice this in my company. When I need a person, I always ask him first 'I need you to do something but have you finished your main duties?' The question must be asked since it is useless if he finishes my order but neglects his regular duties."* (Mr Welly, *Jiaosen*)

*"Loyalty depends on both the employer and employees. The employer must understand the needs of the employees. Thus, there is no one-side loyalty. Everything must be based upon 'take and give' principle."* (Mr Sam, *Jiaosen*)

Meanwhile this study reveals that the loyalty towards employer for the *Totok* ones get more attention for further relationship since the deeper Chinese values they learn and believe, such as this expression:

*"I consider the employee as member of big family, especially in the higher position, that's why I appreciate him more if he treats and obeys me at his best. It can be seen easily through the way he responds to every single duty he undertakes. So it is a circular condition, the way he does his work come from the way he look at me, and how he thinks about me depend on how I treat him, but I treat him is from the way he does his duty."* (Mr.Kur, *Totok*)

The interviews also reveal that personal characters are crucial for higher level positions yet the persons occupying those positions must already have minimum/certain standard of skills and abilities. It is not enough for a person with very good personal characters and loyalty to hold responsibilities in strategic positions, if he or she is not capable and skilful enough. Personal characters and loyalty are important considerations for fulfilling strategic positions when the other criteria have been satisfied. Thus, for the *Tionghoa* businessmen in general, more objective performance criteria of employees precede personalistic relationship.

#### 4.2.3. *Limited and Bounded Trust*

The factor of limited and bounded trust is related to the use of family members or trustworthy persons to run the critical functions of the business, especially on the confidentiality matters. In responding the question the most trustable persons for doing business, the respondents prefer 'can be anyone' to family members and close person. The individual characters and familiarity are taken into account more than the family bounds.

Related to the accounting features in Chinese characters, started from basic accounting (会计), financial accounting (财务会计), management accounting (管理会计) to auditing (审计), the respondents show interesting differences on responding the meanings, for both the *Totok* and the *Jiaosen*. They consider the practices of accounting getting deeper after the financial accounting practice. The practices of management accounting and also auditing should be conducted by the very close person. It is because of the high confidentiality and sensitivity of the information presented.

Instead of the majority that is opened for crucial matters in business, but the *Totok* believe more that family circle and close friends are the most trustable ones. This reveals that the assumption of limited and bounded trust among the ethnic Chinese is not generally accepted, as mentioned by the *Tionghoa* businessmen as follows:

*"Nowadays, reliability is hardly found, including on the close relatives. I have had many bad experiences of doing businesses with my relatives. They even abuse the opportunity to work professionally." (Mr. San, Totok)*

*"In my company, every one still can be punished for the mistake he or she did as well as rewarded for the good performer. For business matters, family relationship is less considered, we put formal superior-subordinate relationship in managerial works." (Mr Kam, Jiaosen)*

The limited and bounded trust among the Chinese is merely considered as ethnic based-trust. Even, some think that the Chinese are in extreme position (either "much better" or "much worse" than other ethnic groups), most of them possess more objective thought believing that ethnicity does not have any relation with trustworthiness. Relatively similar pattern can be found in all categories of respondents. The following statements are noteworthy to reveal the analysis:

*"It is hard to say if Chinese are better trusted, since some bad experiences I had with Chinese. It is just a coincidence that the majority of my partners are Chinese because most of the players here are Chinese. Sometimes the Chinese is preferable because of more convenient communication reason." (Mr Kam, Jiaosen)*

*"Chinese are pressured to perform better as employees or businessmen because they have less opportunity in the jobs or businesses. They cannot enter the state institutions or state-owned enterprises easily; therefore, they need to perform for survival reason." (Mr. Gun, Totok)*

Most of respondents also believe that individual characters are more relevant than ethnicity. Ethnicity, for them, is not a dominant dimension in doing business or accounting profession. Hence, those interactions give opportunities to them to learn about different personal characteristics of other people from different ethnic groups.

## 5. CONCLUSION, IMPLICATION, AND LIMITATION

### 5.1. Conclusion

There are so many interesting findings although the simple conclusion cannot be drawn easily, as it is mostly happen to the qualitative study as well. This study is aimed for gaining the understanding about (1) what accounting is in Chinese character that considered polysyllabic, therefore, whether the distinct meaning can be understood for Chinese Indonesian businessmen, and then (2) what are the implications to Chinese Indonesian business from the perspective of overseas Chinese business model. 会计, 财务会计, ,

The study reveals that all of the respondents do not understand about the letter of accounting whether as monosyllabic or polysyllabic, especially for the *jiaosen* ones, they even do not have any idea about the Chinese character as their background without any Chinese education. On the other hand, the *totok* ones, since most of them have strong background of Chinese tradition, they know the characters of accounting in Chinese, but cannot explain why the word of accounting in Chinese (会计) is pronounced differently *kuaijito* its origin stand alone word of 会 as *hui* and 计 as *ji*. For the other terms related to accounting, the respondents receive as the terms should be. About the function and the needs for the accounting features (accounting/会计, financial accounting/财务会计, management accounting/管理会计 and auditing/审计) all of the respondents understand completely, even they do rely their businesses on the well-functioning of accounting instruments, especially for the larger firms.

The next interesting findings are about the implications of Chinese accounting character overseas Chinese business model on the dimension of managerial ideology. The three aspects in managerial ideology, either patrimonialism, personalistic relationship or limited bonded trust has their counting role for Chinese Indonesian (Tionghoa) businessmen. From the perspective of overseas Chinese business model on the dimension of managerial ideology, the Chinese Indonesian businessmen consider the relevant Chinese values should be preserved for the well functioning of the business. Those aspects of managerial ideology, to various extents, are influenced by cultural orientation (*totok* and *jiaosen*). But each of the aspect implies the broader and further meaning for the managerial ideology of Chinese Indonesian businessmen.

In the dimension of managerial ideology, patrimonialism for the Chinese Indonesian businessmen becomes significant only in the cases of the legitimate source of authority, concerning company's objectives, and leadership successors. However, they prefer implementing participative-empowerment for the roles and responsibilities of employer and employee in managerial activities. Furthermore, measurable and objective performance criteria (such as educational background and achieved track record) are considered more before the personalistic relationship for organizational life. Trust-based personal relationships

are valid in the case of emergency such as no other better candidate for certain position, especially for higher and more strategic one.

This study also reveals some other 'surprise' for that makes the common generalization of existing overseas Chinese business model that probably should be reconditioned, depending on the further studies being developed. The assumption of influences of Confucianism are attempted to be pointed out by categorizing the respondents into *Totok* and *Jiaosen*. But the result apparently does not matter for cultural orientation difference as well as their concern to practice the business upon the principle of corporate governance under the umbrella of typical Chinese Indonesian business model. There are some reasons to explain this 'unexpected' finding.

Firstly, culture needs to be seen as merely one of the resources available to cope with business problems. Confucianism is considered more as a general philosophy rather than a specific philosophy for business, therefore, it is still affecting the business. Yet, most of the Chinese Indonesian (both *Totok* and *Jiaosen*) nowadays, obtain higher education, and get more formal management training, also employ more graduates of business schools as well. Consequently, they tend to be able to combine the old values and virtues such as Confucianism and the new educational-based principles and standards to build a state of the art, customized local wisdom.

Secondly, culture is not static but dynamic and also the ethnicity as well. Therefore, the past Indonesian cultural repressions have pushed the Chinese Indonesian to get more westernized ways of thinking and behaving in various spheres, including business practices. These formal prohibitions of Chinese identities in the past have pushed the Confucian values were only passed on younger generations through parental education and even the values were taught as merely proper conducts in family and closed-social affairs. Although in last ten years there has been a turning point for Chinese culture appreciation and also the rising of China in global context, but still it should take decades for the Chinese cultural values to regain in the Chinese Indonesian, especially for those who was born during the years of cultural repression. Consequently, the Chinese character including the accounting related matters, is on the long way back from the vanishing process.

## **5.2. Expected Implications and Limitations**

This study attempts to gain a deeper understanding about the gap that may exist between the meaning of accounting based on Chinese character that considered polysyllabic, then the implications based on the Overseas Chinese Business model in the dimension of managerial ideology that consists of patrimonialism, personalistic relationship, and then limited and bonded trust. Having the study done in Surabaya, it is expected to contribute the real implications for the accounting profession and business practices as specific findings. The further implication of the result would remind the Chinese Indonesian business people to do their business accordingly to the virtues of value inside Chinese character, especially in their accounting practices. It is the strength of qualitative study to open for deeper implications, as well as the weakness, that many unexpected findings hardly to be exposed sharply.

The limitations of this study would be recognized; such as the limitation of understanding for the polysyllabic of Chinese character in accounting among the diversity of respondents' background and subjectivity, may affect the quality of information obtained. There is also a tendency to simplify the stereotyping about the accounting profession and the business model as well as the accounting character in Chinese, such stereotypes are described in this study as the conventional Overseas Chinese Business (OCB) model that can be a generalized model. As a matter of fact, Chinese communities are actually plural, therefore the local context, to some extent, will not determine the generalized conclusions. The findings can be different for different cities, moreover the different countries. This condition of course, will invite more studies with more complicated model taken in the future. Another limitation arises for the time constraint for data collecting, especially the interviews taken due to the tightness of the schedule for the Chinese Indonesian business people.

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