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The Construction of Local Entrepreneurship Accounting And Its Development

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9 ABSTRACT

This research aims to reconstruct the concept of entrepreneurial accounting. A cognitive anthropology method was employed to explore the data and information into the owner/entrepreneur-director's mind selected as informants of the research. The data and information were next combined with ethnographic analysis records. This research was conducted at Padang restaurant organizations in Jakarta, Indonesia, which are categorized into four groups based on company size. Findings of the observation at Padang restaurant groups (GSa, RMPK, GMR, PSN) show that there are four similar cultural themes: (1) business process turbulence; (2) togetherness intensity; (3) informal control process; (4) formal control process. In spite of the fact that all of the restaurants have similar cultural theme, the elements embedded in each theme has distinctive contents which requires particular adjustment in the design of entrepreneurial accounting based on profit sharing system. The finding of the research is innovation of a new concept of entrepreneurial accounting with its uniqueness created and applied by the owner/entrepreneur-director of the restaurant for: (1) management control: applying an informal way such as a social control to promote work performance of the restaurant; (2) cost and benefit analysis with a view to making decision especially for business expansion; (3) accountability to all stakeholders.

Type of Paper: Empirical

Keywords: entrepreneurial accounting, accountability, socio-culture, cost and benefit analysis, decision making

1. Introduction

Constructing entrepreneurial accounting is urgently required since research publications that relate accounting to entrepreneurship have been found limited in numbers. Actually, there has been a high demand in the needs for constructing this concept of entrepreneurial accounting. This is due to the fact that, firstly, an established and comprehensive construction of entrepreneurial accounting concept can be used as a guideline

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to investigating ways and solutions to entrepreneurial activities. Secondly, the construction of entrepreneurial accounting becomes significant because entrepreneurship has increasingly attracted people's interest to engage with. Thirdly, this research aims to develop science of accounting and build a new branch in accounting namely entrepreneurial accounting.

A research that relates accounting to entrepreneurship has long been conducted by Toms (2006) emphasizing on the change of varied accountability structure toward behavioural patterns of entrepreneurial learning. Collier (2005) revealed how an owner-director taking a position as an entrepreneur is controlling the management through social control towards the employees to enable them to suitably execute strategies for performance improvement.

This construction of entrepreneurial accounting may allow entrepreneurship to rapidly develop owing to the fact that ⁶entrepreneurship is the heart of the economic growth in a country. Entrepreneurs are highly needed to foster economic growth in the sense of creating job fields and increasing economy (Toms, 2006). Entrepreneurship positively impacts microeconomics and macroeconomics of a country (Minneti & Lévesque, 2008). It is not easy to be an entrepreneur because it has to rely on individual characters (DJankov et al., 2006). Hardly are all people able to create a new business opportunity, and seldom do entrepreneurs gain success in running their business. These all are associated with one's personality and existing cognitive role in entrepreneurship (Baron, 1998).

⁸Doing the process of creating a business opportunity, an entrepreneur is unlikely not to conduct cost and benefit analysis in spite of the fact that it merely depicts a general, simple even imaginative calculation in the mind. The ability to conduct cost and benefit analysis is crucial in the realm of management accounting (Hilton, 2008; Hansen & Mowen, 2005), and is regarded as one activity of entrepreneurial accounting. There are positively other calculations and analysis that an entrepreneur performs in an entrepreneurial activity. An entrepreneur is an expert in management accounting for him or herself. It proves that the entrepreneurship interrelates with the world of accounting, and this is called entrepreneurial accounting (Hanif, 2015c).

Management accounting has a flexible characteristic and has no standardization in its analysis and reporting; therefore, management accounting is open for modification. The owners/entrepreneur-directors may use their influence to create the required internal accounting. This is to show their entrepreneurial ingenuity to utilize company's socio-culture in an attempt to internally build their own accounting so that the harmony in economic interest and the company's goal are met successfully.

Collier (2005) and Hanif (2015b) note that company's socio-culture can colour the process of management control in the company. This is likely to happen when an owner/entrepreneur-director applies an informal approach through social control to foster employee productivity for accomplishment on company's performance.

An entrepreneurial accounting terminology was introduced by Hanif (2015c), in his research aiming to investigate the meaning beyond a particular accounting practice in an entrepreneurial activity of Padang Restaurant, Sederhana (Sa). Unfortunately, this research has not found a complete "figure" of the construction of entrepreneurial accounting. It further requires a profound research bringing in the cultural root of the society in where the entrepreneurial actors have been raised.

A cognitive anthropology approach was employed to reveal the meaning of entrepreneurial accounting in its cultural root. It is assumed that the portrayal of people's cultural atmosphere lies in the people's cognition (Goodenough in Spreadley, 2006). This differs from that of entrepreneurship by Hanif (2015c) which employed a phenomenological method. It is expected that the research using cognitive anthropology approach results a more established and comprehensive construction of entrepreneurial accounting for entrepreneurial activities are closely related to entrepreneurial cognition (Baron, 1998).

There is a slight difference in this research from that of Hanif (2015c) in terms of onsite observation object. The observation process of the latter was only conducted in a Padang restaurant group, Sederhana, whilst this research is not only observing Sederhana group (GSa) but also others i.e. Kebumen |Community Padang Restaurant (RMPK), Minang Raya Group (GMR), and Pagi Sore Pak Nojo (PSN). The research was conducted at four different Padang restaurant groups to observe the differed construction of entrepreneurial accounting implemented in such a varied situation among the restaurants particularly in the following aspects: business size, socio-culture, and business complexity. Based on the explanation, the research question is formulated: how is the construction of entrepreneurial accounting different in the observed business group?

2. Literature Review

2.1. Entrepreneurship

A discussion about entrepreneurship cannot go far beyond the discussion about an entrepreneur as the actor. An entrepreneur is a person who acts in the field of entrepreneurship and has capability to identify, to select and to create a new prospective business opportunity,

as well as to realize it, an entrepreneur owns personal uniqueness. Ardichvili et al. (2003) points out that an entrepreneur naturally has a very good sense of creating a business opportunity through such processes as development and evaluation on what he or she has performed. The entrepreneur must certainly have ability to conduct cost and benefit analysis as well as evaluation in order to create the opportunity. It means that he or she must be able to measure whether or not a business opportunity will be likely to gain profit. The cost and benefit analysis is conversely a skill embedded within the heart of the entrepreneur even though it is poured into a general scheme, less detailed even only in the portrayal of the mind (memory accounting).

In addition to the accurate sense of counting and analysis, Sexton & Bowman (1985) indicates that the uniqueness of an entrepreneur is that he or she can tolerate ambiguity and uncertainty. Future uncertain is considered normal to the entrepreneur and has to be dealt with, along with all of the risks.

Comprehending entrepreneurship in a comprehensive horizon means to uncover it into a strategic entrepreneurship model as Ireland & Webb (2007) declares that strategic entrepreneurship describes owner/entrepreneur-director's effort to collectively utilize the existing company's competitive excellence while probing new innovation that will also be the company's competitive excellence in the future. The model is described by Ireland & Webb (2007) as a unique construction by which the owner/entrepreneur-director manages to create wealth. Dimension of the model starts from an interaction of entrepreneurial mindset and culture that will generate entrepreneurial leadership. The entrepreneurial leadership leads to a strategic management of resources and creativity implementation for new innovation in an attempt to grab a competitive advantage that will eventually incur revenues and create wealth of the company.

2.2. The Role of Entrepreneur Economic

Advancement and regression of a country considerably depends on its entrepreneurial success. The more entrepreneurial activities are made, the more jobfields are opened and the more economic growth is realized. It is apparent that the role of entrepreneur economic is real as Schumpeter, an economist, states that entrepreneurship is a key determinant of one economy's technological performance (Michelacci & Silva, 2007).

Minniti & Lévesque (2008) suggests that there are more open questions to discuss about in association with entrepreneurship, for instance: how far does entrepreneurship contribute to

economic growth? Are all types of entrepreneurial activities able to support the economic growth or are they only a couple of them?

Indeed, the economists have long been interested in observing the entrepreneurship. Minniti & Lévesque (2008) describes that an Ireland economist, Richard Cantilon initiated the obseravation by defining entrepreneurship as an individual will to make a practice of economy in order to make profit from pricing found differently between two financial markets involving financial risks. More economists have appeared to analyze the entrepreneurship since then i.e. Mill in 1870, Say in 1857, Knight in 1921, Schumpeter in 1934, Kirzner in 1973 and Baumol in 1990 whose studies focus on entrepreneurial behavior (Minniti & Lévesque, 2008).

2.3. Entrepreneurship and Accounting

The previous sections of this paper have explained that an entrepreneur is able to select and create a new business opportunity. The business opportunity might not be decided as one that promises benefit for future endeavor unless the entrepreneur has good capability to “read” its potentiality. Capability to count cost and benefit analysis has been a long study of management accounting (Hilton, 2008; Hansen & Mowen, 2005; Blocher et al, 2013). The “interface” element associated with cost and benefit analysis the owner/entrepreneur-director owns is indicating the concept of entrepreneurial accounting.

On the other side, the owner/entrepreneur-director also has capability to do innovation in “engineering” the accounting for managing the company, for example in managing the human resources to increase human productivity to build company’s wealth. Collier (2005) states that the owner/entrepreneur-director should make a socio-cultural approach to manage the humans that will end to an approach named mato based profit sharing system which can increase the employee productivity in a restaurant (Hanif, 2015a, 2017; Hanif et al, 2018).

3. Research Methodology

Where does a culture of a society lie? It lies in the minds of the people. A researcher therefore to investigate it has to unearth the people’s minds. This method is categorized into a cognitive anthropology (Sparadley, 2006). Is cognitive anthropology similar with cognitive psychology? Is it totally distinctive? Cognitive psychology is focused on the mind system of an individual whilst the cognitive anthropology is on the mind system of a society applied by discovering it into the people’s life experiences (Bender et al, 2010). D’Andrade (1981) yet suggests that an interface exists between cognitive anthropology and cognitive psychology.

Both cognitive concepts emphasize on ¹ interaction between processing and information. It is only that the cognitive anthropology wants to figure out how cultural information is constrained and shaped by the way the brain processes the information. Meanwhile, the cognitive psychology wants to figure out how the machinery of the brain works on all types of information, including cultural information.

Cognitive anthropology defines culture as a system of knowledge humans acquire through a learning process through which they interpret the world around them and set behavioral strategies to face the world (Spreadley, 2006). This cognitive anthropology approach is employed to dig the culture up beyond the entrepreneurial activities occurring in the community of Padang restaurant in Jakarta, Indonesia. Cognitive entrepreneurial accounting is in line with the concept of entrepreneurship that closely relates to entrepreneurs' cognition (Baron, 1998). The researcher therefore unearths the culture of entrepreneurial accounting in the minds of the community. How to do it might not be that easy considering that there are more than 4,000 people (owner/entrepreneur-directors, investors, employees) engaged in the business and classified into four observed groups.

Since the main actors in the organization has a strong influence to form the organizational culture of the company (Efferin & Hopper, 2007), this research on the "culture" of entrepreneurial accounting will be uncovered in the minds of the main actors. The "cultural atmosphere" of entrepreneurial accounting in this context is explored into the mind of the informants with a view to constructing the entrepreneurial accounting. The procedure involves having the cultural meaning derived from a number of informants. The process of Development Research Method (Spradley, 2006) is as follows: (1) determining informants; (2) interviewing informants; (3) creating ethnographic records; (4) submitting a descriptive question; (5) conducting an interview analysis; (6) creating a domain analysis; (7) submitting a structural question; (8) creating a taxonomic analysis; (9) submitting contrast questions; (10) creating a component analysis; (11) searching for materials on the cultural meaning of entrepreneurial accounting. Having been discovered, the cultural meaning of entrepreneurial accounting is integrated based on the ethnographic records and relevant artefact on site. It is ended up with writing on cultural meaning of entrepreneurial accounting.

This research was conducted in four Padang restaurant groups. Firstly, it is Sederhana group abbreviation with GSa with 150 (one hundred and fifty) franchises spreading over fifteen provinces in Indonesia not to mention 3 franchises in Kuala Lumpur. Secondly, it is Kebumen community group abbreviation with RMPK with approximately fifty outlets. Thirdly, it is

Padang Minang Raya group abbreviation with GMR. Fourthly, it is a group having no franchises, and is abbreviated with PSN. Data collection is conducted by means of: (1) ethnographic records, result of onsite observation; (2) relevant artefact, documents, transactions, and financial statement; (3) in-dept interviews with informants, to uncover their minds on entrepreneurial accounting. The informants interviewed are ones who have the most influence and make a decision on the operation of the organization namely the owners who happen to be the entrepreneurs and chief directors of the business groups (owner/entrepreneur-director).

4. Results

The following are findings of cultural theme on entrepreneurial accounting of which elements are classified into business groups of Padang restaurant, namely GSa, RMPK, GMR, and PSN as tabulated on Table 1.

Table 1. Cultural Theme of entrepreneurial accounting for respective business groups of Padang Restaurant

Padang Restaurant Group	Socio-Cultural Meaning of Entrepreneurial Accounting				
	Business Process Turbulence	Togetherness Intensity	Process Control		Design of entrepreneurship accounting for Performance Achievement
			Informal Control	Formal Control	
GSa	<ul style="list-style-type: none"> -The business started from a scratch -Confronting ups and downs in the business process 	<ul style="list-style-type: none"> -Team work culture -Togetherness proportion with mato system -Investor involvement from middle class and modernists. 	<ul style="list-style-type: none"> - High Intensity of Owner/Entrepreneur-Director influence - Socio cultural control - Unwritten norms - Oral culture 	<ul style="list-style-type: none"> - High business complexity - High formal control intensity - High written norms intensity - Mato based profit sharing accounting - More structured by modern administration 	<ul style="list-style-type: none"> -Result of very hard work -Focusing on customer's satisfaction -Maximum profit gain -Satisfaction of the employee, investor and owner -Mato-based incentive (personal score card)
RMPK	<ul style="list-style-type: none"> -The business started from a scratch 	<ul style="list-style-type: none"> -Team work culture -Togetherness proportion 	<ul style="list-style-type: none"> - High Intensity of Owner/Entrepreneur-Director influence 	<ul style="list-style-type: none"> - Lower business complexity than that of GSa -Lower formal control intensity than that of Gsa 	<ul style="list-style-type: none"> -Result of very hard work -Focusing on customer's satisfaction

	-Confronting ups and downs in the business process	with mato system -Investor involvement from middle class and modernists.	- Socio-cultural control - Unwritten norms - Oral culture	- Lower written norms intensity than that of GSa - Less complex Mato based profit sharing accounting - Traditional administration	-Maximum profit gain -Satisfaction of the employee, investor and owner -Mato-based incentive (personal score card)
GMR	-The business started from a scratch -Confronting ups and downs in the business process -Mato-based incentive (personal score card)	-Team work culture -Togetherness proportion with mato system -Absence of investors	- High Intensity of Owner/Entrepreneur-Director influence - Socio-cultural control - Unwritten norms - Oral culture	- Formal control - Written norms - Far less complex Mato based profit sharing accounting than that of GSa and RMPK	-Result of very hard work -Focusing on customer's satisfaction -Maximum profit gain -Satisfaction of the employee and owner
PSN	-The business started from a scratch	-Very low Team work -Absence of investors	- The lowest Socio-cultural control - Oral culture	- Absence of formal control - Memory accounting	-Result of very hard work -Focusing on customer's satisfaction

4.1. The Construction of Entrepreneurial Accounting in GSa

4.1.1. Business Process Turbulence

GSa business was built from a scratch, confronting ups and downs and frequent failure. This business started from a small stall in 1972 in Central Jakarta. The management of this group has implemented profit sharing with mato system although it restrictedly applied to the owner/entrepreneur-director and the employees of the restaurant (Hanif, et al., 2015; Hanif, 2015a; Hanif, 2015b; Hanif et al., 2018). To have been established for 46 years, it has expanded with hundred franchises and thousand investors and employees by this year 2018. Its management has been persistent to implement the existing mato based profit sharing system which is modified to keep up with development of the business process.

4.1.2. Togetherness Intensity

Management of the company puts kinship system forward. The relationship between the owner/entrepreneur-director and the employees hardly has a hierarchy. All works together

as it is named “gotong royong”, a local wisdom existing in Indonesia’s society. The profit gained is for all and divided periodically to all employess and owner/entrepreneur-director by means of mato system. The mato load or personal card proportionally determines the amount received. This system has driven a team work atmosphere in which the profit is mutually striven and enjoyed.

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On the basis of this togetherness value, the business is developed by cooperating with other parties to open new restaurant franchises. The values of togetherness and *gotong royong* is maintained as portrayed from the owner/entrepreneur-director’s decision to persistently apply mato based profit sharing system in its business management. This system is developed to keep pace with existing circumstances. When it used to be applied for two parties: owner/entrepreneur-director and employees, it is now applied for three parties: owner/entrepreneur-director, employees and investors. The pattern covers 50% for the employees, 35% for the investors, and 15% for the owner/entrepreneur-director.

Owing to the fact that this GSa Padang restaurant business has a promising prospect of high profit, a lot of parties are interested in joining this group. It has reached nearly hundred investors that belong to those with economic capability, “the scholars”, the educated or “office workers, not to mention the ex-officials of Indonesia. These backgrounds differ from that of the owner/entrepreneur-director who comes from a humble family and did not sufficiently experience “formal education”, a 2nd grade drop-out. It brings about certain consequences in the business process including the accounting design and its control process.

4.1.3. Process Control

4.1.3.1. Informal Control

Despite the fact that GSa has turned into the largest and most successful Padang restaurant in Indonesia allowing investors, the control process of the company remains indeed to be dominated by the influence of the owner/entrepreneur-director through an informal social control over thousands employees, hundreds managers and tens investors. This kind of approach does not diminish as it has been a value the owner/entrepreneur-director embeds. The owner/entrepreneur-director is inclined to culturally rely on direct oral communication. The profit sharing accounting using mato system, culture of togetherness and local wisdom strongly exist in GSa in this middle of modernization era (Hanif, 2017).

4.1.3.2. Formal Control

It is undeniable that the business process is holistically impacted as the complexity of business management increases. This include the most important aspect in the management of the investors namely accountability. To comply with the rule of GSa, the investors have no rights in controlling the company's operation for which the owner/entrepreneur-director is responsible. The investors are able to control their investment from the reports that the owner/entrepreneur-director submits and the financial statement in inclusion which implements profit sharing accounting using mato system.

Complexity in GSa might take place because the investors called for investment in one brand new franchise are not limited in number. The calculation of the portion owned by an investor is called "finger". A man has 20 fingers in total, "1 finger" equals to $1/20$ (5%), "2 fingers" equals to $2/20$ (10%), and so forth. If he or she places an investment of "1 finger", the investor equally has 5% stock of the total deposited capital. 20 investors may join one another to build a new restaurant branch and make a deal to invest "1 finger".

The investors themselves affect the working atmosphere due to their prior experience working in a formal organization and dealing with modern administration. The complexity of the organization is increasing and demanding the owner/entrepreneur-director to have self-adjustment. This is reflected from their entrepreneurial accounting, the so-named profit sharing accounting using mato system which is steadily adapted with modern administration.

4.1.4. Design of Entrepreneurial Accounting for Performance Achievement

The entrepreneurial accounting is designed to seek the red tape of the interest all stake holders have in order to light up energy for the employees so that they will work hard for good performace either in financial or non financial matter. Mato based profit sharing system might drive to personal satisfaction since it does not position the employees as labors, but partners. The employees will somehow feel like being the owners, instead. All stake holders are given a load of mato (personal score card), and the profit based on the ratio of mato is evenly divided amongst them. The workers will in return have self-satisfaction; what they earn is what they strive for. The investors will also do the same with the flow of the investment, and the owner/entrepreneur-director with both financial and non financial advantages: involving lots of people (investors and employees) in the business and creating a business system that satisfies all stake holders. The ability of the owner/entrepreneur-director and its management to use

their influence creating and implementing such accounting has made GSa incredibly develop with hundred franchises in 15 provinces in Indonesia even overseas.

4.2. The Contruction of Entrepreneural Accounting in RMPK

4.2.1. Business Process Turbulence

Nearly resembling GSa, the owner/entrepreneur-director of RMPK group generally starts the business from a scratch with trial and error, ups and downs; however, the business has gradually resulted better and better as time flies and teaches more experiences. Nowadays, RMPK belongs to the middle-scale business group following the GSa as to the number of employees, and the amount of investment. RMPK is owned and managed by a group of people coming from Kebumen, Central Java. Padang restaurant is nowadays not only managed by people coming from West Sumatera, but also by whoever has passion and willingness in the business. What makes them interested in this Padang restaurant business? It is because this business has very promising potential in the market. In addition, these people have had an experience working in such restaurant so that they are familiar with the business process taking place.

4.2.2. Togetherness Intensity

Kebumen society is as communal as that of Minangkabau from where the Padang restaurant has stemmed. The characteristics of the people also resemble; they love to help each other, and work together. They therefore scarcely find it difficult to implement the business pattern using profit sharing system modified as necessary. Nevertheless, some differences evidently exist in the sense of cultural background. Kebumen people are Javanese whilst Minangkabau people initiating Padang restaurant itself come from West Sumatera. This affects the business culture orientation. Kebumen people are more oriented to being workers and professionals; on the other side, the Minangkabau people are well-known as merchants. A decision to run RMPK is a realization of some Kebumen people who have sense of entrepreneurship. The profit sharing pattern applied is similar to that of GSa, that is among three parties: owner/entrepreneur-director, workers, and investors. The difference lies in the background of the investors. The GSa investors mostly belong to middle-up class people whilst the RMPK's mostly belong to relatives living in Kebumen and having background as farmers. The latter group might have more on their communal nuance, and it therefore impacts the control process to result performance.

4.2.4. Process Control

4.2.4.1. Informal Control

Applied in a nearly similar way, the influence of the owner/entrepreneur-director of RMPK is greatly through an informal control that is a social process. A direct and oral communication by means of social media is intensively made in the control process. A monthly social gathering, for instance, is held to maximize it. There is no written rule in this process but it is effectively understood by all employees and investors, and neither is legal agreement applied among those three parties. Cooperation is grown based on suitness and togetherness being in one community since all of the owner/entrepreneur-director, employees and investors come from the same background. It therefore enables communication and control process to run effectively. Accountability of the business is frequently conducted informally and relies on mutual trust.

4.2.4.2. Formal Control

The Owner/entrepreneur-director modifies the accounting with socio-culture of RMPK as reflected from its modified profit sharing pattern. The pattern is similar with GSa's; it is applied for three parties: owner, employees and investors. The profit is calculated and shared within each 100-working-day period. However, there seems to be a difference in the number of investors between the two groups. The GSa does not limit the number and the investors themselves have the rights to control the business by means of book keeping and financial statement upon the profit sharing. In consequence, this condition may take some risks for sure since the more investors it has, the more difficult it is to have the same view.

The number of RMPK's investors is quite differently limited to two to three persons in order to enable the operational control and quick decision making; however, one investor may invite others to join the group under his or her control. For example, three investors consisting of: Mr. A, Mr. B, and Mr. C respectively have equal votes to control the restaurant, and they can also have their own group of investors at the same time. It means that Mr. A could have 20 investors under his or her control, so could Mr. B and Mr. C.

Further, the investors are also handled in a different way which is customized with their different characteristics too. For instance, GSa investors come from urban people who are used to modern management whilst the RMPK investors indeed come from farmers having limited funding.

RMPK investors are socio-culturally more communal than GSa investors. Each investor sets strategy to overcome the funding problem by having a group of investors (Mr. A; Mr. B; Mr. C) invite more and more. The owner/entrepreneur-director's ingenuity can eventually manage to economically seek funding, and meet the objective of the control as the investors are only represented by 3 (three) major persons. The profit sharing accounting in RMPK organization is also more communal and simpler in its implementation because it is not affected by modern aspect, unlike GSa.

The investors generally joining the main investors of RMPK are their own relatives who live in Kebumen, their hometown. This reciprocally allows a mutual and beneficial relationship among the cooperating parties. The relatives who happen to be farmers and live in the village are likely to place their investment in town on the RMPK business as much as they can afford. Even though each person only puts little investment, for example "1 finger" (5%) as quoted from the terminology of GSa, the total investment of Mr. A group might reach as much as 100% due to accumulation of the other 20 investors in the group. Added with the investment collected from the groups of Mr. B and Mr. C, these three groups can open a new restaurant franchise. Thus, one franchise of RMPK can be owned by 60 persons but is on behalf of 3 partnerships namely Mr. A, Mr. B, Mr. C.

4.2.4. Design of Entrepreneurial Accounting for Performance Achievement

The design of profit sharing accounting in RMPK, similar to that of GSa, aims to investigate goal congruence point of the whole stake holders. The employees will work harder because they may expect higher income "at this moment." RMPK employees, like GSa, do not receive regular salary. What they earn is based on what they work hard for, in their attempt to serve quality products. This conducive working atmosphere will increase revenue and eventually more profit of the company from which all parties earn their living. This system will promote maximum performance on both financial and non-financial sectors. The success of RMPK has been spread out by words of mouth so that it attracts more people in the village to invest in the business.

4.3. The Construction of Entrepreneurial Accounting in GMR

4.3.1. Business Process Turbulence

Like the previously explained groups, GMR started its business from a small Padang restaurant. The owner/entrepreneur-director used to be an experienced employee working in a

formal sector. He has worked in a Bank for 10 years and is a university graduate. Unfortunately, his passion dominantly called him for turning out to be an entrepreneur by opening a Padang small restaurant. He realized that being an entrepreneur requires bravery to burden risks beyond the expectation of earning limitless income. GMR on its journey for almost 15 years has spread over 6 branches. The owner/entrepreneur-director has not been encouraged enough to involve external investors just like what GSa and RMPK did. The business process in GMR is not far different from that of GSa and RMPK except in handling the investors who do not exist.

4.3.2. Togetherness Intensity

The expansion of GMR is managed by personal capital and profit of the business, in which it implicates its entrepreneurial accounting. The profit sharing system applies for only two parties since it does not involve outside investors, namely: the owner/entrepreneur-director and the employees. Its accounting design is simpler than that of GSa and RMPK although its employees are relatively treated the same as those of the latter groups.

4.3.3. Process Control

4.3.3.1. Informal Control

The owner/entrepreneur-director is highly influential to determine policies on this restaurant management owned by an ex-banker who was brought up in Minangkabau culture. In light of the business scale, each outlet of GMR relatively nearly resembles RMPK in the sense of the number of employees and the amount of investment that affect the management. Lay out, neatness and cleanliness become the most concern besides the good taste which is the focus of the restaurant. Since he has worked in a modern sector, the owner/entrepreneur-director of GMR manages the restaurant with better organized and disciplined administration than GSa and RMPK.

4.3.3.2. Formal Control

Work delegation and operational control of GMR is somehow a little distinguished from that of GSa and RMPK. Profit sharing is calculated using one-month-period scheme that is a sort of modification the owner/entrepreneur-director makes to ensure the employees' earnings on a monthly basis. It can also be considered as a feedback to upgrade performance and as entrepreneurial control to achieve the goal.

Such condition will implicate GMR profit sharing accounting despite the fact that the share covers the same portion of 50:50; evenly between the employees and the owner/entrepreneur-director. Employees' total earnings is divided for the individuals based on particular load or mato. The mato levels each employee has differs according to their contribution.

4.3.4. Design of Entrepreneurial Accounting for Performance Achievement

Profit sharing accounting is designed to seek the red tape of the interest both owner/entrepreneur-director and employees have. How much promptness the profit and loss statements is submitted will sustainably implicate the improvement process. What needs improving in the previous month is reviewed and quickly followed up for better performance in the following period. The measurement and reporting of the finance upon the profit sharing is conducted within one-month period instead of a three-month of GSa or 100-day of RMPK. This scheme indeed beneficially leads to particular satisfaction for both the owner/entrepreneur-director and employees so that it can be a good feedback to generate better performance.

4.4. The Construction of Entrepreneurial Accounting in PSN

4.4.1. Business Process Turbulence

PSN belongs to the group of RMPK; however, its actor only manages 1 (one) outlet for he makes his own choice not to allow other parties as investor partner. The owner of PSN has been traumatic with cooperation scheme because there exist too many conflicts. The oral communication has been dominantly practiced upon all kinds of the cooperation and there has no order of conduct for sufficient administration.

Sense of entrepreneurship closely relates to courage to encounter the risk and failure. When we fail, we give another try and so forth. This sense does not seem to flourish in the heart of PSN, unlike in GSa, RMPK and GMR.

4.4.2. Togetherness Intensity

PSN makes a simple option by focusing on one outlet managed with his wife and one assistant. There is no profit sharing system with the employee although it makes profit. The business consequently does not develop unlike GSa, RMPK, GMR groups. Thus, it is evident

that sense of entrepreneurship is highly required to expand a business i.e. bravery to take risks, and high social skill.

4.4.3. *Process Control*

The case taking place in PSN is that PSN has a very low control either informally or formally because it has no job delegation. In addition, PSN management has indeed very simple financial administration which depends only on memory accounting; transactions are not well-listed.

4.4.4. *Design of Entrepreneurship Accounting for Performance Achievement*

PSN requires a special design on accounting. Its performance is more focused on increasing customers' satisfaction through quality of the food, service and competitive price and has been quite well-achieved despite the absence of business expansion.

4.5. *Summary of The Previous Discussion of Four Restaurant Groups for The Construction of Local Entrepreneurial Accounting*

It can be concluded based on the previous discussion of four groups as to The Construction of Local Entrepreneurial Accounting that the entrepreneurial accounting has the following characteristics as visualized in Figure 1.

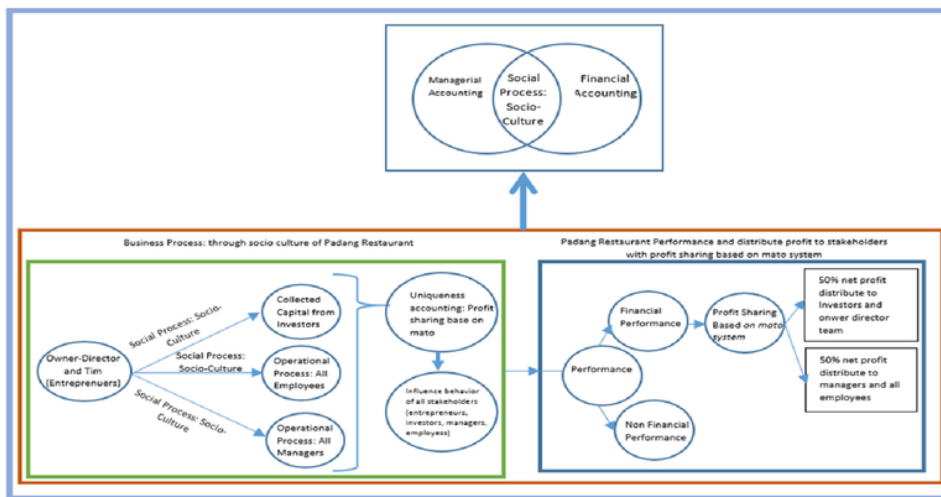


Figure 1. The Construction of Local Entrepreneurial Accounting

Figure 1 shows that development of entrepreneurial accounting aims to help the owner-entrepreneur-director realize the function of entrepreneurs to multiply financial and non-

financial performance of the company. The observation involving 4 (four) owners/entrepreneurs-directors and representing 4 (four) business groups of Padang Restaurant portrays that the development of entrepreneurial accounting is contextual and localistic in nature. The owners/entrepreneurs-directors have ingenuity as businessmen and modify the entrepreneurial accounting by adjusting the profit sharing scheme with socio-cultural condition of the company. The entrepreneurial accounting based on profit sharing using mato system has therefore colored the accounting practices to meet the internal needs (management accounting) and “financial” accounting with a view to providing accountability of the owner/entrepreneur-director to the investors of Padang restaurant as declared by Hanif (2017) in re (construction) of financial accounting with mato system.

5. Discussion

The owner/entrepreneur-director of Padang restaurant can ingeniously read the socio-culture of the organization and respond it by adapting it with the accounting design. The socio-culture of Padang restaurant emphasizes on values of togetherness, teamwork, mutual trust, and sense of belonging. The owner/entrepreneur-director having read the socio-culture of the organization determines the business management using mato based profit sharing system. When the socio-culture develops or changes, the owner/entrepreneur-director will modify the accounting design. The accounting will substantially remain mato based profit sharing system despite the changes. The so-called profit sharing accounting using mato system is in the realm of either management accounting (Hanif et al., 2015; Hanif, 2015b; Hanif et al., 2018) or financial accounting (Hanif, 2015a, 2017).

The entrepreneurial accounting addressing management accounting can be portrayed in the management of control process of the restaurant that is adapted to the employees’ socio-culture. This cultural nuance is dominated with togetherness, putting trust and openness forward as reflected from the selected accounting model employed in the management. Selecting informal ways in company’s control process is noted in Collier (2005) that owner-director should make an informal approach through social control in the management of control process.

In order to improve performance, Otley (1978) reveals that a good budget is an instrument to promote and foster company’s managerial performance. Unfortunately, the budget is not accounted for in the management of Padang restaurant; instead it is mato based profit sharing system which is considerably used as a tool to foster and multiply performance

(Hanif et al., 2015; Hanif, 2015b; Hanif et al., 2018). The profit gained and shared based on mato system indeed promotes the managers' and employees' performance although monthly-based budgeting and incentive scheme do not apply.

The entrepreneurial accounting also includes the sphere of financial accounting in particular as an accountability tool of the company toward the stake holders and is based on profit sharing with mato system (Hanif et al., 2015; Hanif, 2015a, 2017). Thus, this sort of accounting serves as a means of accountability of the company toward the investors, employees in addition to serving as a tax guideline.

To maintain accountability of the company toward the employees in each restaurant franchise, 50% of the nett profit is shared for the owner/entrepreneur-director and reported in the income statement. Since this has to be strictly accounted for, the share must be free from unlawful interference with economic and other interest as what GSa (150 franchises), RMPK (50 franchises) and GMR (6 franchises) have executed. Accounting as a means of accountability plays an important role to grow mutual trust, and maintain working spirit. The accounting is supposed to be based on fairness and openness.

Having had the policy, the three restaurant groups implementing mato based profit sharing system will grow and expand rapidly, unlike the PSN group which does not apply the policy. Its business development remains stagnant and has never been better.

6. Conclusion

Entrepreneurial accounting is a skill that an owner/entrepreneur-director has to engineer accounting so that the entrepreneur is able to run a single business opportunity he or she creates. The business opportunity is not to discover but to create with full awareness by the owner/entrepreneur-director, and to be put into effect until it comes to success. The owner/entrepreneur-director to realize it needs accounting modified with development of the socio-culture of the business organization.

The success achieved by the owner/entrepreneur-director of GSa and RMPK groups is a form of their ability to create a business opportunity for restaurant development through innovation like collecting capital from other parties who are willing to invest in the business. This accurate innovation is in fact able to accelerate the restaurant growth by opening new franchises.

GSa group started from a small stall and has existed for forty five years long. It has now owned 150 franchises with thousand employees and franchises spreading over 15

provinces in Indonesia and overseas. The owner/entrepreneur-director is smartly able to read the socio-cultural development of GSa business group and next to create partnership accounting in accordance with the socio-cultural condition.

So is the owner/entrepreneur-director of RMPK who smartly creates a business opportunity and modifies the accounting to realize it. RMPK is more unique than GSa in terms of managing the investors. The number of investors in GSa to open a new branch is unlimited whilst the number of investors in RMPK is limited to maximally three persons who have the rights to collect fund from local people of Kebumen who are interested in placing investment.

GMR group also develops quite successfully with its profit sharing system although it is merely restricted between the owner/entrepreneur-director and employees instead of investors. There lies a difference in the concept of entrepreneurship implemented among GMR, GSa, and RMPK groups. GMR business does not grow as fast as the others.

Smart decision made by three business groups (GSa, RMPK, and GMR) includes managing the employees who do not receive wage or salary on monthly basis, but under profit sharing scheme. This policy is put into effect after the owner/entrepreneur-director understands the socio-culture of Padang restaurant business. Profit sharing is also a form of social control toward the employees, to seek the optimal goal congruence point between the company and the employees as well as to conceive sense of belonging.

The PSN group does not compare the GSa, RMPK and GMR groups in the sense of implementing the entrepreneurial accounting. These latter three groups mostly employ this kind of accounting in their management; instead, the PSN group in an extreme way poorly does. It is because this group has little sense of entrepreneurship so that it implicates its business development which is far lower than that of the latter.

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