

Tri Hita Karana Culture in Social Fund Management Accountability

Ni Made Vita Indriyani

Faculty of Economics and Business, Warmadewa University, Denpasar, Bali, Indonesia

Email: made.vita@yahoo.co.id

Abstract— *Lembaga Perkreditan Desa (LPD) is a financial business entity owned by the Pekraman village where this institution carries out its operational activities in the village environment to serve the local village community. LPD aims to encourage economic development in rural communities through the provision of credit and savings in the form of savings. In carrying out their main activities, namely channeling and collecting funds, LPD also carry out their social responsibilities related to the "3P" concept, namely the balance between profit (profit), people (society), and planet (natural environment). However, in practice, the "3P" concept still causes an imbalance of benefits for the community and the environment.*

Keywords— *Tri Hita Karana Culture, Accountability, Social Fund, CSR.*

I. INTRODUCTION

Law Number 23 of 2014 concerning Regional Government has laid a strong legal basis for the existence of the Village as regulated in Chapter XVIII. In order to realize efforts to improve the standard of living of village manners and village development in a broad sense, it is necessary to have healthy, strong, productive, resilient and highly competitive economic institutions. One of the pillars of the people's economy is the LPD. The existence of the Village Credit Institution is needed to ensure the realization of the welfare of the customary law community which is the Krama Desa Pakraman. The Village Credit Institution has provided economic, social, and cultural benefits to Krama Desa Pakraman and its governance needs to be improved as a financial institution belonging to Desa Pakraman.

The simultaneous establishment of LPDs in all Pakraman villages in Bali has begun to produce results in improving the economy of Pakraman villages. Problems in LPDs began to emerge since the enactment of Law Number 7 of 1992 concerning Banking, the existence of LPDs began to be questioned by Bank Indonesia (BI). BI is of the opinion that LPDs carry out activities like banks and must comply with banking regulations. To emphasize BI also uses Law no. 7 of 1992 concerning Banking, which granted LPD status as a Rural Bank. In fact, the argument about LPD conducting banking activities is true, but judging from the background LPD is not a bank and cannot be equated with a bank.

In carrying out their main activities, namely channeling and collecting funds, LPD Susut Kaja and LPD Desa Pekraman Kebon Bangli also carry out their social responsibility or corporate social responsibility (CSR) which is based on the tri hita karana culture. CSR itself is a commitment and cooperation between employees, the local community, and the community

in order to contribute to sustainable economic development. Based on the description of the importance of social responsibility or CSR in a company/institution and according to the Bali Provincial Regulation Number 8, 2002 concerning LPD which requires LPD to share 20% of its profits for village development and 5% for social funds.

Conceptually, CSR accounting can be defined as follows: "A process of measuring, recording, reporting, and disclosing information related to the social and environmental impacts of the company's economic actions on certain groups in society or who are company stakeholders. There are two main dimensions in CSR accounting. First, reporting and disclosing the costs and benefits of the company's economic activities that directly impact bottom-line profitability (profit). These costs and benefits can be calculated and quantified in accounting. Second, report the costs and benefits of the company's economic activities that have a direct impact on individuals, society, and the environment. Benefits are difficult to quantify, so reporting must be done qualitatively (Asih, et al., 2019).

The implementation of Corporate Social Responsibility in companies or business enterprises in Indonesia today is related to the "3P" concept, namely the balance between profit (profit), people (society), and planet (natural environment). However, in practice, the implementation of CSR based on the "3P" concept still causes an imbalance of benefits for the community and the environment, because the company is still focused on profit (profit) alone, so that the attention given to the community (people) and the environment (planet) is impressed. not really. In addition, Corporate Social Responsibility carried out by companies or business enterprises in Indonesia is closely related to the culture of the community in the company's environment, as well as spiritual (related to God Almighty). This is also in line with the research of Pertiwi and Ludigdo (2013) which states that Integrated CSR produces four implementation synergies, namely implementation in the company, community, environment, and matters related to God.

In carrying out its activities, the term CSR is indeed not tied to the LPD, but the management of social funds required by the LPLPD can be said to be a form of LPD's CSR. This is because the LPD has the responsibility to manage its social funds for the welfare of the community and the LPD members themselves.

II. GRAND THEORY

Stakeholder Theory

In accordance with the definition, stakeholders play an important role in the sustainability of the company (Handoko,

2021). This is because stakeholders have the ability to control the resources needed for the survival of the company. Companies must maintain relationships with stakeholders or stakeholders by accommodating their wants and needs, especially stakeholders who have power over the availability of resources used for company operational activities, such as workers, customers and owners (Hörisch et al., 2014). Efforts are made to maintain relationships with stakeholders and to protect the interests of each party, a sustainability report can be published (Hörisch et al., 2020). The sustainability report contains transparent information related to the company's position and activities on economic, environmental and social aspects. So that with the issuance of a sustainability report, the company's performance can be assessed directly by stakeholders which will later influence stakeholder decisions in contributing to the company. Through the disclosure of the sustainability report, it is expected to provide useful information in helping companies to achieve sustainable development goals to stakeholders.

III. RESEARCH DESIGN

Data collection techniques are the methods used by researchers to obtain data in a study. In this study, the researcher chose the type of qualitative research, so that the data obtained must be in-depth, clear and specific. Further explained by Sugiyono (2015) that data collection can be obtained from the results of observations, interviews, documentation, and combination/triangulation. In this study, researchers used data collection techniques by means of documentation, literature study and interviews.

- 1) Documentation according to Sugiyono (2015) is a record of events that have passed. Documents used by researchers here are in the form of photos, pictures, and data about the subject and object of research.
- 2) Library Studies, namely data collection techniques carried out by studying reference books, reports, magazines, journals and other media related to the object of research.
- 3) Interviews, where in the collection technique using interviews are almost the same as questionnaires. The interviews were divided into 3 groups, namely structured interviews, semi-structured interviews, and in-depth interviews. Here the researcher chooses to conduct in-depth interviews, this aims to collect complex information, which mostly contains opinions, attitudes, and personal experiences.

In qualitative research, data is obtained from various sources, using various data collection techniques (triangulation), and is carried out continuously until the data is saturated. Qualitative data analysis is inductive in nature, namely an analysis based on the data obtained, then a certain relationship pattern is developed or becomes a hypothesis.

Data analysis in qualitative research is carried out before entering the field, during the field and after completion in the field. In this case, Nasution (1988) in (Sugiyono, 2015, p. 245) states "Analysis has started since formulating and explaining the problem, before going into the field and continuing until the writing of research results. However, in qualitative research, data analysis is more focused during the field process along with data collection."

Data analysis is an important step in research, because it can give meaning to the data collected by researchers. Data obtained and collected from respondents through observations, interviews, literature studies and field documentation to be further described in the form of reports.

Data analysis in this study was carried out through three activities that occurred simultaneously, namely data reduction, data presentation, and conclusion drawing or verification. Miles and Huberman (1992) in Sugiyono (2015, p. 246). Qualitative data analysis is an ongoing, iterative and continuous effort. Problems of data reduction, data presentation, and drawing conclusions are a series of analytical activities that follow one another.

1) Data Reduction

Data reduction includes various activities aimed at sharpening the analysis. The process of interviewing informants sometimes comes out of the context of the interview guide that has been prepared. The reduction in the results of this interview is done by eliminating the answers of the informants that are out of the context of the interview guide questions. Therefore, the reduction process is related to the sorting of data in terms of its relevance to the research question. Even in a reduction, a tentative initial narrative will be made. This is important to do in the context of focusing on data mining, which will later lead to testing research propositions or adding variations to existing explanations and meanings. All of them cannot be separated from the theoretical foundations that have been created. The theoretical foundation provides direction on what data to collect and how to construct it in narrative form.

2) Data Display

Display data are research data that have been arranged in detail to provide a complete picture of the research. The data collected in detail and comprehensively are then searched for patterns of relationships to draw the right conclusions. The presentation of the data is then arranged in the form of a description or report in accordance with the research results obtained.

3) Conclusion Withdrawal Analysis

In the context of this research, the analysis is carried out by referring to the propositions that have been made previously. This proposition is tested to find out how far it can be defended through evidence in answering research questions. Furthermore, the results of the analysis are used in drawing a research conclusion that describes the subjective meaning, the findings of the concept of the problem under study. In addition, the activities of data collection, data reduction and drawing conclusions are related series to obtain the final research results that are holistic and full of meaning in the context of providing answers to the problems studied. The findings obtained in this study will be presented in the form of a research report. The content of this research report is in the form of a narrative containing the results of data analysis from observations, interviews and documentation.

IV. RESULT

In realizing social responsibility towards their stakeholders,

LPD Kaja Bangli and LPD Reducing Kaja Bangli and LPD Desa Pekraman Kebon Bangli are trying to manage social funds which are a source of funds used to fund various CSR activities. accounted for. This is in accordance with stakeholder theory that stakeholders are systems that are explicitly based on views about an organization and its environment, recognizing the complex and dynamic nature of the interplay between the two. Stakeholders and organizations influence each other, this can be seen from their social relations in the form of responsibility and accountability. Therefore the organization has accountability to its stakeholders. The nature of accountability is determined by the relationship between stakeholders and the organization (Somania, et al., 2018).

LPD social fund management accountability is recorded in the financial statements each period and classified according to the account. In addition, LPD financial reports are always reported to the LPLPD and the Bendesa Adat. The concept of accountability is always carried out openly to the village community.

For the management of social funds, the LPD Shrink Kaja and LPD Desa Pekraman Kebon sometimes still have the remaining 5%, the rest will still be recorded in the liability or debt account at the LPD Suspended Kaja, while the LPD Desa Pkraman Kebon is recorded in a savings account, where the two accounts still in the passive group. The difference is, the LPD Susut Kaja is charged to other liability accounts that do not earn interest, while the LPD Desa Pekraman Kebon charges it to the savings account and will earn interest on the savings every month so that there is development of the social fund.

For social funds that have not been managed thoroughly, they will be reused for the benefit of the Temple, the Community and the Environment. The Head of Administration for the Shrinking Kaja LPD also said that the Kaja Shrinking LPD had also received an activity proposal from dadia in Banjar Sut Kaja. Regarding the proposed proposal, it will be discussed first at Paruman Desa and if approved, it will be funded using the social funds. The approved activities will also have an accountability report later on to the community and the Indigenous Bendesa. So that the concept of openness is also applied to the LPD Shrink Kaja.

In the LPD Pekraman Kebon Village, sometimes the social funds provided are still left, but are usually re-managed by the management to be distributed to the community as a whole, whether or not they make transactions in the LPD Pekraman Kebon Village. Considering that the number of family heads in Pekraman Kebon Village is also not as many as in Susut Kaja Village, so that the management is easier to distribute directly by the LPD management of Pekraman Kebon Village.

The management of social funds at the LPD Susut Kaja and LPD Desa Pekraman Kebon is actually based on the Tri Hita Karana Culture. This LPD always distributes social funds proportionally according to the need to improve and maintain a harmonious relationship between humans and God, humans and humans and humans and the environment.

The purpose of managing social funds for each LPD in this study is the same, namely equity, but there are several concepts and programs that distinguish the management of social funds in each LPD. At the LPD Shrink Kaja there is no own program

made by the LPD, but the allocation has been divided based on the Tri Hita Karana Concept.

The concept of Tri Hita Karana is closely related to the management of LPD Susut Kaja's social funds. In addition to the purposes of the temple (Parahyangan). LPD Susut Kaja also manages its social funds to improve human-to-human relations (Pawongan).

The two LPDs in this study manage their social funds based on the Tri Hita Karana Culture. Maintaining a harmonious relationship with God in the form of donations in the form of animals such as pigs, ducks, ducks and others as well as the construction of temples. Maintain harmonious relations with humans through scholarships and mass cremations. Maintaining a harmonious relationship with the environment through environmental preservation and security.

What is different from the two LPDs in this study related to the management of social funds lies in the programs they have. However, the distribution is in accordance with the Regional Regulation of the Province of Bali Number 8, Year 2002 concerning LPDs which requires LPDs to share 5% of their profits for social funds. LPD accountability in this study has also been carried out, where LPD has given its responsibilities to stakeholders or interested parties.

V. CONCLUSION

Based on the discussion, it can be concluded that in carrying out their main activities, namely channeling and collecting funds, LPD Susut Kaja and LPD Desa Pekraman Kebon Bangli also carry out their accountability based on the tri hita karana culture. In LPD, the term CSR is not used, but the concept of managing social funds has a similar concept to CSR.

REFERENCES

1. Asih, N K U, Herawati, N T and Dewi, N P E D M. 2019. Analysis of Corporate Social Responsibility Accounting Implementation and Recording. *Scientific Journal of Accounting Students* Vol 10 No 1.
2. Handoko, B L. 2021. Stakeholder theory and its relationship with the Sustainability Report. *Article*. <https://accounting.binus.ac.id/2021/07/13/stakeholder-theory-dan-cepat-dengan-sustainability-report/>
3. Hörisch, J., Freeman, R. E., & Schaltegger, S. 2014. Applying Stakeholder Theory in Sustainability Management: Links, Similarities, Dissimilarities, and a Conceptual Framework. *Organization and Environment*, 27(4), 328–346. <https://doi.org/10.1177/1086026614535786>
4. Hörisch, J., Schaltegger, S., & Freeman, R. E. (2020). Integrating stakeholder theory and sustainability accounting: A conceptual synthesis. *Journal of Cleaner Production*, 275. <https://doi.org/10.1016/j.jclepro.2020.124097>
5. Pertiwi, I D A E and Ludigdo, U. 2013. Implementation of Corporate Social Responsibility based on Tri Hita Karana Culture. *Journal of Multiparadigm Accounting* Vol 4 Number 3.
6. Somania, N N V, Kurniawan, PS and Atmadja, A T. 2018. Analysis of Social Fund Management as a Form of Corporate Social Responsibility to Improve Reputation of the Village Credit Institution (Study on the Sumberkima Village Credit Institution and the Pejarakan Village Credit Institution). *JIMAT* Vol 9 No 3
7. Sugiyono. 2015. *Business Research Methods*. Alfabeta: Bandung
8. Suryanata, I G N P. 2019. Synergy of Village Credit Institutions (LPD) in Building the Community Economy. *Journal of Business Management* 16 (1) 206.
9. Suryawan, K I and Suaryana, I G N A. 2018. The Effect of Effectiveness of Accounting Information Systems on Individual Performance with Incentives as Moderating Variables in LPD. *E-Journal of Accounting*.