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Using Gidden's Structuration Theory to Portrait Ethical Experiences of Indonesian Governmental Sector Accountants

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Abstract: This study aims to find out the experiences of Indonesian public sector accountants in their workplace in solving ethical dilemma and the way how they justify their actions. Their important roles in Indonesia currently, especially after the enactment of corporate governance as well as bureaucratic reforms, has made this study becomes apparently relevant. This study then may give enlightenment in combining the aspect of governmental accounting and business ethics by using the experiences of actors and within the space they do their jobs in the framework of Gidden's structuration Theory which is considered suitable to provide sound theoretical support and a complete conceptual integration. Based on the interviews with the informants, there is evidence that the interrelationship with the structure, both the formal and informal rules applied in the office has existed. Moreover, pressures from the higher management level to do unethical work activities have also been experienced and this cannot be resisted. However, there is willingness to change the situation in the future as their self-idealism. This may imply that the duality has clearly occurred between agents and structures, showing an interdependency between one and another to shape the ethical culture of the organization.

Key words: Gidden's structuration theory, ethics, Indonesian governmental accountants, willingness, agents, situation

INTRODUCTION

This study aims to look at the ethical experiences of Indonesian public sector accountants during their daily work activities. The important roles of public sector accountants in Indonesia currently, especially after the enactment of public sector, corporate governance as well as bureaucratic reforms firstly initiated by the former Indonesian president, Susilo Bambang Yudhoyono has made this study becomes apparently relevant to be done. Those reforms have become the main recipes to create better condition for Indonesian economic, social and political life which are connected between one and another. Specifically, the sustainability and improvement of governmental management also depends so much on the implementation of the reforms. Consequently, the important issues involved here relate to maximizing the roles of stakeholder, transparency, equitable treatment, honesty, accountability and ethics. Besides, the discussion of public accountability also includes issues not only related to performance measurement but also to monitor the behaviour of public sector accountants or officials in accordance to current law, regulation and ethical conduct (Kurniawan, 2009). This is due to the fact that corruption or other types of fraud may happen to those who do not hold ethics when doing their jobs.

Additionally, since Indonesia has received a very low rank in terms of the good corporate governance implementation due to high level of corruption index on the last few years, studies in relation to ethics turn into such important topics. Examples of research related to ethics are those connected to ethical perception, ethical judgment, ethical sensitivity or ethical experiences. Based on the 2014 data provided by Transparency International, Indonesia was ranked at 107 out of 175 countries surveyed with the score of 34 which was increased by two points from 2013. The score is ranging from 0 (highly corrupt) to 100 (very clean). Transparency International is worldwide organization which has a mission to stop corruption and promote transparency, accountability and integrity at all levels and across all sectors of society. The values owned by this organization are mainly related to ethics such as integrity, courage, justice, democratic and solidarity. Despite the meticulousness of the score and rank given to Indonesia, it should be noticed that the

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matters of unethical behaviour including the issues related to corruption, bribery, collusion and other type of frauds, are major problems to be solved. The motivation behind the acts, decision making process when facing ethical dilemma, or even the way how the actors assess their fraudulent actions will then be very much interesting to be explored in depth. Therefore, the main research question in this study is how the governmental sector accountants solve or overcome workplace ethical dilemma? Based on this basic research problem, the more specific questions may be broken down into several aspects such as first, how the workplace ethical dilemmas experienced by the governmental sector accountants. Additionally, the second is how the informants make decisions and justify their actions to face the ethical dilemmas.

Gidden's structuration theory: The structuration theory has been developed by Giddens (2007) to escape from the trap created by functionalism and structuralism. Basically, this theory is an epistemological conception underlying Gidden's point of view in understanding reality, especially the reciprocal relationship between agency and structure (Januta, 2003) which is then named as duality. This terminology is later invaluable to comprehend what are called as conflict and contradictions. Conflict refers to the dispute happens between actor and his or her group or organization while contradictions relates to a condition of structural principles disagreement in formalizing the community. Giddens believes that there is no structure without actor and vice versa. The link between the two creates functionalism which is the result of structuration in the form of social practice reproduction and capitalism structure comes from interaction repetition between actors in specific space and time. By using this structuration theory, Giddens has tried to understand various problems faced in the daily life which is part of human's life. Besides, Giddens also tries to reinterpret many important issues such as globalization, modernism, identity, politics and many more which of course have significant relationship with subjects or actors involved there (Englund and Gerdin, 2008, 2011; Englund *et al*., 2011).

The duality which Giddens is believed to appear in social science is the tension between subjectivism and objectivism, voluntarism and determinism. Subjectivism and voluntarism are the point of view tendency to prioritize individual action and experience. In the meantime, objectivism and determinism are setting up overall symptoms above individual action and experiences. According to Giddens, the main object of social science is not the social role stated in Parson's functionalism, neither the hidden code mentioned in Levi-Strau's structuralism, nor the situational uniqueness believed in Goffman's symbolic interactionism. Social science is not the entirety, neither the parts, nor the individuals involved but it is the meeting point between them. That is the repeated and patterned social practice between space and time. In Gidden's believe, the existing paradigm is imperialized social object of the subject, or the thoughts which prioritize the structure and relativise the actor. Therefore, theories developed by Giddens which is then called as structuration is the mediator to accommodate the dominance of structure or social power with the actions of agent (Coad and Herbert, 2009).

The current study tries to understand comprehensively the way the actors (governmental sector accountants or auditors) face and finally solve ethical dilemma. This means that the orientation of this research is the efforts to figure out the context of complex professional practice in the public domain which is not so much explored in accounting field as well as in business ethics. The majority of research in those areas in the Indonesian context is mainly focused on professional accountants in private or public practice whereas the development of bureaucratic reform has been widely concerned in the governmental sector with the involvement of accounting as the media to provide accountability and transparency. This study then may give enlightenment in combining the aspect of governmental accounting and business ethics practice by using the experience of actors and within the space they do their daily work activities in the framework of structuration theory. Dillard and Yuthas (2013) also believe that in understanding the practice of ethics in business, a theoretical base is necessary. In this case, structuration theory is considered suitable to give a sound theoretical support and a complete conceptual integration.

MATERIALS AND METHODS

As per the description on the previous section, the actors or informants for this study are the government accountants or officials who work in various governmental bodies in Indonesia. The informants as the agents in this study are the main focus and the units of analysis in the context of structuration theory (Barley and Tolbert, 1997). There are no specific criteria imposed to the informants required for the study. The only important matter considered here is their involvement in accounting system as one of their job description in the workplace. Thus, the informants include fifteen government accountants or auditors from all over Indonesia. The data

collection methods used in this research consists of in-depth face-to-face interview. These are done in order to ensure the data truthfulness and completeness to be used as the main ingredients for the data analysis process. Besides, it is expected that the thickness and richness of information may be gained by conducting such kind of data collection methods. There were fifteen informants successfully interviewed. Each of them talked about their daily routines as well as ethical dilemma faced on their workplace.

The data analysis is done both during and after data collection process. Technically, this is conducted using common qualitative study data analysis, by data reduction, data presentation and conclusion drawing. Data reduction is a process to choose, to focus on simplifying, to abstract and transform raw data from interviews. These data are then transformed and formulated to be more concise and specific. After that, the next step is to present the data by constructing the concise information in such a way so that it will be usable for conclusion drawing. The conclusion is then verified during and after the data collection is completed. This process is of course conduction within the framework of Gidden's structuration theory which involves the existence of agent and structure including the interactions between them. These interactions are viewed based on the various activities and experiences done by the informants on their daily workplaces.

RESULTS AND DISCUSSION

Ethical dilemma: the interrelationship between agent and social structures: It has been very well understood that ethical dilemma is experienced by those working on business or non governmental institutions (Tenbrunsel, 1998; Su and Littlefield, 2001; Ferrel *et al*., 2013; Trevino and Brown, 2004; Brand and Slater, 2003; Kakkuri *et al*., 2008). However, little has been disclosed that the same situation has happened in governmental sector, especially in the Indonesian context. Most of the informants have admitted that ethical dilemma is part of every work day life just like a daily routine and even it is also 'inserted' as one of their job description. The initial question asked to the informants in each interview is whether they experience any obstacle in doing their work. Technically, they find no difficulties in conducting their daily activities. Nonetheless, they are agree that a non technical matter has bothered their mind and conflicted with their consciences. This is what they call as the ethical dilemma. The informants as the agent in context of structuration theory has been forced to believe that the unethical practices happen in the office are common in governmental sector since those had been experienced long time ago and no profound changes made. Responses from the officers mostly agree that the main issue faced on the workplace is related to unethical behaviour in budgeting and reporting activities. Moreover, the informants have mentioned that those unethical work practices are known by the head of the department and even those behavior are "inherited" from the previous generations. Therefore, those then become "ethical" since there are evidence that the ethical dilemma faced is due to the force from the social structure surrounding the agent.

As discussed in the structuration theory, the perspective that social phenomena is believed to be determined as an objective social structures is rejected (Jones and Karsten, 2008). In the contrary, Giddens believes that structure and agency are connected to each other. Therefore, a social phenomena happens not only due to the change of each factor but must be both of them. There is no independency of each of structure or agency but in fact there should be interdependency between them. In this case, human beings as the agents have to involve their social structure to act (Pozzebon and Pinsonneault, 2005) and as the consequence, their actions will produce and reproduce social structure. The evidence of this structuration theory can be seen on the ethical dilemma faced by the government officials. The dilemma is the result of interconnectedness between the officials and the societal environment. The continuous practices of unethical acts then reproduce the unethical surroundings which considered as their "place to work".

Boland (1996) has mentioned, there is no shared meanings, intentions, values, motivations, or interpretations in structuration theory. This may happen when the meanings are utilised to describe act or behaviour. There is no general agreement between agents to demonstrate social order and applied rules. The structuration theory is in the contrary, only focusing on how to survive in particular condition. This can be seen in the situation faced by the informants. They were only following the rules implemented in the government office and trying to be accountable of what they have made, although, their 'front stage' or physical appearance in the office and 'back stage' or the real emotion experience of the unethical conduct is different. However, Macintosh and Scapens (1990), Scapens and Macintosh (1996), Scapens (2006) and Moore (2011) have different point of view. They insist that Gidden's structuration theory has two important elements which are agency and structure and this theory has tried to reconcile the dualism in modern social theory by having the 'duality of structure'.

Therefore, agency and structure cannot be separated in understanding the interrelationship (Knuuttila *et al*., 2008), especially in the case of the government official as above.

Moreover, the officials commonly receive threats from the supervisors if they refuse to do the orders. The leader spreads the unethical culture in the office and the situation becomes worse since the internal control is low. This is a complex condition happens in the government office nowadays and most of the informants are also experiencing the same. It is then a must to fix the internal control system, since it is part of the structure. In the meantime, the ethical leadership also becomes urgent to be forced down in the governmental system to assess the organization's 'tone at the top' (Trevino *et al*., 2003). These leaders are suggested to communicate their inspirational values, implement reward and punishment system effectively and continuously and have a high commitment to all stakeholders in ensuring that the ethical conduct as well as good governance has been applied in the organization (Caldwell and Karri, 2005; Caldwell *et al*., 2002). Additionally, Caldwell and Dixon (2010) also recommend that current leaders must possess values such as love, forgiveness and trust to be shared to the staffs because these are critical points to motivate and empower them. These values are believed not to be acquired by the informant's leaders at the moment.

Solving the ethical dilemma: self idealism: Ethical dilemma is a situation with conflicting morality which occurs frequently these days (Davis, 1981). In order to solve ethical dilemma, the agents has to be aware of their stances to have more consideration of the situation faced and able to express their feelings correctly. Ethics theories such as deontology and utilitarian, may be helpful to support the ethical decision making although each theory has its advantages and disadvantages. However, it is surprising to know that human being sometimes solve ethical dilemma naturally or without considering the theories, although actually what they have done refer to the process according to ethical theories. In this study, the ethical dilemma is not really solved, since the agents do not have any braveness to face the negative consequences of the decisions. They are afraid of the disincentives they will get as the results of their actions.

The ethical dilemma faced by the government officials is indeed irritating and demotivating. All of the informants have expressed their frustration, dissatisfaction and resentment to the unwanted situation. Everyone demands urgent changes to build pleasant and rewarding place to work. Unfortunately, their positions at the moment are not the decision makers, so that the dreams are far from coming true. This means that the ethical dilemma are hardly accepted and not actually solved. The informants just let the dilemma are taken for granted and expect that slowly but surely their supervisors realize the omission of ethical conduct in the organizational activities would create sustained and blundered future problems. They believe that to solve ethical dilemma, the support from the organization in terms of reward and punishment system is urgently needed to be applied in the governmental sector. It is because the source of the ethical dilemma comes from the undisciplinary act and poor working performance of the seniors and other colleagues in the same position. They also feel that the working atmosphere in the government sector is very much different with the business field. These are experienced by those who have worked in the private sector before turning to become civil servants.

Due to this, the agents or the informants undeliberately preserve the current practices of unethical acts to become stable and consistent as per the structuration theory. This is in the contrary to what have been found by Agyenim (2012) that human agents may have opportunity to get involved in some acts to modify or alter the structure continuously and radically, so that the structuration process becomes very compelling in an organization. Giddens suggests that to be able to change, structural contradictions have to exist as a result of a crisis situation. The current structure which is filled with traditional agreement, work routines and other social orders will be left and changed by the new ones (Conrad, 2005).

CONCLUSION

The results surfaced several important dimensions of ethical dilemma experienced by the government officials such as the evidence of the existing interrelationship with the structure, both the formal and informal rules applied in the office. Moreover, since the management positions of the officials are still in the low up to middle level, they experience pressures from the above level to do unethical work activities forced by the seniors or the head of the departments. They cannot resist these pressures and in the meantime there is significant willingness to change the situation in the future as their self-idealism.

He implications of the study can be viewed from three perspectives. First, in terms of theoretical implication, the study may shed lights to Gidden's structuration theory in the context of ethical practice in the Indonesian government accountants. The experiences faced by the officials in their daily work activities have reflected the practice of duality between agents and structures. The

interrelationships occur on that context have shown an interdependency between one and another to shape the ethical culture of the organization. Second, in relation to practical implication, the governmental organization may consider the importance of codes of conducts to be initiated by the leaders or head of department in each district as the guidance for officials when facing ethical dilemma. This may support the 'tone at the top' to be applied in governmental area to give examples of best practices for subordinates. Third is implication to policy. As noted in the findings such research may suggest practical ethical problem solving for the Indonesian government as a whole and indicate whether further official policies are required to apply a better reward and punishment system for civil servants in the future for a better Indonesia.

SUGGESTIONS

The major themes identified in this research may also suggest further exploration in the future research in accounting as well as business ethics fields. As discussed in the section of research method that the number of informants was only fifteen and it can be assumed as a relatively small amount, a quantitative research seems to be required to check the relevance of the themes in larger size of samples.

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