

**Empathy Based Allocation As The Role In
Controlling Sustainability Operation (A
Phenomenological Study At Pondok Pesantren
Tebuireng)**

Choirul Anwar*
Jakarta State University

Eko Ganis Sukoharsono
Brawijaya University

Achsin
Brawijaya University

Imam Subekti
Brawijaya University

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ABSTRACT

This paper illustrates that an organization needs to control its survival. For that reason I want to elaborate on how *Pondok Pesantren Tebuireng* (Islamic educational institution) can maintain its sustainability operations for more than 114 years. This institution is one of the largest religious educational institutions in Indonesia along with an excellent reputation. The realization of that reputation is characterized by the persistence of the organization's sustainability. The research method in this study is primarily to explain how to collect data, conduct interview, and interpret qualitative findings based on phenomenological perspective. *Pondok Pesantren Tebuireng* has philosophy of life that is matched with Islamic religious education. I conclude that the implementation of such control operation focuses on spirituality of empathy by applying hard working, honesty, accountability, tolerant, and sincerity. Furthermore, I interpret these findings as the allocation of empathy. By implementing such strong control of its operations, *Pondok Pesantren Tebuireng* inspires a type implementation of control that I call as empathy based allocation (EBA) to the key persons of an organization. By implementing this indigenous spirituality as the internal control of operations, *Pondok Pesantren Tebuireng* has been able to keep its sustainability operations up to nowadays.

Keywords: *Control, Empathy, and Sustainability.*

Every organization wants its business operations take place on a sustainable basis. It is usually in accordance with the vision and mission of the organization that the idea of establishment of the organization is not just for one or two days only, but certainly more than that, even if necessary an organization will be established forever. For doing

so, operation of an organization should be sticky with the mindset of that organization for achieving the sustainable goal.

Sustainability goal achievement of the organization must be supported by all members as a collection of people who work together. It means that operational of an organization can not be implemented by only getting support from one person alone. In the neat organization, daily operation looks like run by itself, but in the fact, the operation has been run and controlled systematically.

Sustainable operational of a good organization should be controlled with the good existing system and management control. Romney and Steinbart (2009) mention a system is a set of two or more interrelated components which do interaction each other to achieve a goal. System is almost always composed of smaller subsystems. Each subsystem performs a specific function that is important to support the larger system as a whole.

Referring to Romney and Steinbart (2009), a system in an organization is composed by subsystems that work together to achieve organization's common goal. The common ultimate goal requires every element of organization to give strong efforts for achieving it. Such kind of way is called as goal congruent. In this case I need to emphasize on sustainable goal of organization just because there are any other goals that sometimes do not aim to seek the organization prospective. In other word for that last goals are designed as specifically purpose for personal or group within an organization. In such kind of conditions, these kinds of goals are called as the goal conflict.

1. INTRODUCTION AND RESEARCH ENVIRONMENT

1.1 THE OVERVIEW OF CONTROL OF SUSTAINABILITY OPERATION

The word of sustainable can have meaning for maintaining something in order to survive. While the organization's operations is an activity undertaken by management in achieving the organization goals and objectives. Thus sustainability operation of an organization is the activity effort of an organization in in order the organization's operations can survive to achieve organizational goals whether in the short or long term.

Companies or entity's goals and objectives as the implementation of maintaining sustainability operation are needed to be controlled for the success achievement. Many ways or strategies of an organization to control the running of its operations, but there is still something that describes as a unique phenomenon. It is my concern that an organization operation can not be separated from the input, process and output. In producing the expected output, certainly an organization really needs the operating sources such as funds, human, and infrastructures that should be well managed.

Theoretically operations of an organization must be well controlled and managed so that the main goal of the company or organization can be well achieved. A good organization should have a reliable internal control. This reliability can be known from the efforts of the people of the organization in realizing the company's operations in an effective and efficient ways. Such control and evaluation in organization operation is a part of accounting function in maintaining an entity's asset and operation securely.

Related to the goal objective in the organization management, furthermore, Hopwood (1969) has described the importance of understanding the economic management that requires a governance supported by accounting records as a liaison between the phenomenon of interdependent parts to each other whether the field of organizational operation or social phenomena. Every company economic aspect should

synergize each other in supporting operational organization by implementing good governance as an internal control in recording activities.

Before explain further discussion about internal control as the part of accounting knowledge, I would like to elaborate about the meaning and the important of accounting in the social life. As the following discussion, I also would like to show the social reality picture that criticizes the existence of accounting. Dillard (1991) mentioned that accounting is seen to be a professional discipline. Hines (1988) described accounting as a critical social science in having the capacity to construct social realities.

Cousins and Sikka (1993) were also need the role of accounting to manifest social and environmental change. This manifestation of accounting needs to be occurred in both the technical and philosophical spheres surrounding the cultural practice of accounting. Accounting is considered to be a neutral practice free from context, and a dynamic site in which a complex matrix of power relations affects the way we respond to the social and environmental issues that face our communities.

In 1991 further research, Hines mentions that “it seems to me that the best thing that I can do for nature, as a person who is an 'expert' in financial accounting-speak, and thus its limitations, is to speak of my love of nature; to call attention to the limitations of the planetary-wide financial accounting language, and to make an issue of refusing to speak of nature in the language of numbers”.

Such reality social life that correlates to accounting above needs to be controlled effectively and efficiently. Related to accounting operation and control, Hansen and Mowen (2007, p 4) mentioned that a well done of operation in the organization can be derived by implementing good managerial control. Control that is manifested by management operation can be elaborated trough management accounting information system that provides information needed to satisfy specific control over management objectives. Control such mentioned in the heart of a management accounting information system are processes which they are described by activities such as collecting, measuring, storing, analyzing, reporting, and managing information to produce the best expected output.

In the contrary of ideal implementation of accounting theories above but there are still some failure in business practices. Knapp (2004) has mentioned that some organization companies did not succeed in implementing their managerial control. Such examples of collapsed company are mentioned here along with bad idea in directing control that comes up with mismanagement. Enron Corporation in 2002 has collapsed due to creating special purpose entity (SPE) for deceiving the investor. World Com in 2002 has recorded operational expenditure as capital expenditure. Xerox had aggressively accumulated its income since 1997 up to 2001. Merck did create fictitious income from subsidiary. Parmalat make fictitious income by doing sales were recorded twice. Adelphia committed fraud as loan recorded as income, meanwhile payment of loan recorded as capital expenditure. Such kinds of these failures are caused by control in accounting practices were being implemented improperly.

Other weakness of control concerning the role of accounting numbers in the social construction of reality, Morgan (1988) wrote about —the myth of objectivity, which he described as an impossible ideal, since accountants are able to do no more than grasp limited aspects of the reality to which their accounting schemes relate. Furthermore, Vollmer (2007), building on Goffman’s works, observed that accounting may be interpreted as a regulatory drama... where both performers and audiences direct their

attention” to a display of numbers, “or a configuration of various numerical displays populated by inscriptions travelling back and forth between the settings of activity.

Such drama, however, implies both a front stage and a backstage. Backstage, workers co-operate in feeding front displays with strategically engineered data. The process in its entirety begins to take on the appearance of a game. Why, then, even if everyone knows it is a game, is it perpetuated? Because, Vollmer answers, the regulatory framing (of accounting) is often kept up despite common knowledge of the likelihood of backstage collusion and despite substantial distrust between the parties, because the participants of regulatory drama regulators and regulated alike have a common interest in keeping up appearances (Vollmer, 2007, 591).

Morgan (1988) and Miller (1994) also share a similar view in describing control related to the operation of entities through accounting. They said that “accounting has come to be regarded as a social and institutional practice, one that is intrinsic to and constitutive of social relations....” As a part of accounting activities, financial reporting can be constructed as a rhetorical story of company’s activity to gain legitimacy. This is because “Accounting numbers.... are socially constructed” (Munro 1998, p. 201: original emphasis). Munro (1988, p. 202) continues to argue that “an appreciation of accounting being socially constructing as well as socially constructed has led to accounting practice... being invested with values”.

In the middle of gap between ideal accounting theories and critical theories regarding the control over operation of organization through existences of accounting practices, there are some theories that I consider can minimize or omit the gap between them. Tilt (2007) mentions that sustainability accounting is a tool used by organizations to become more sustainable. For doing so, control in accounting practice being used by organization’s management should have an effect on the organization’s performance at economical, ecological and social. This theory is commonly known as the triple bottom line or Triple-P’s (People, Planet, and Profit) level.

COSO also delivers framework for controlling operational organization. The Committee of Sponsoring Organizations’ (COSO, 1992), the internal control integrated framework, determine the extent to which best business practices lead to survivability. This framework mentions about the implementation of internal control over control environment, control activity, risk assessment, information and communication, and monitoring. Internal control exists whenever operational of an organization run effectively and efficiently, the operation of an organization complies with rules and regulations, and financial report of operation can be relied on. Burns (2013) also slightly mentions about internal control for sustainability operation through one simple definition of control in management accounting as the provision of financial and non-financial decision-making information to managers.

Further detail of internal control terminology is mentioned clearly by Romney (2009). Internal control is the process implemented by the board of directors, management, and those under their direction to provide reasonable assurance that the following control objectives are achieved: Assets (including data) are safeguarded; Records are maintained in sufficient detail to accurately and fairly reflect company assets; Accurate and reliable information is provided; There is reasonable assurance that financial reports are prepared in accordance with GAAP; Operational efficiency is promoted and improved; Adherence to prescribed managerial policies is encouraged; The organization complies with applicable laws and regulations. Internal control is a process because it permeates an organization’s operating activities. Internal control is an

integral part of basic management activities. Internal control provides reasonable, rather than absolute, assurance, because complete assurance is difficult or impossible to achieve and prohibitively expensive.

Based on the background of research problems above, I want to explore the phenomenon of social life in *Pondok Pesantren¹ Tebuireng²* which is the organization that has uniqueness in controlling management operation. Year by year operations of *Pondok Pesantren Tebuireng* does not seem to be crashed. It can be marked by the development of its traditional educational that until now has been widely recognized by the general public. From this research, it is expected to find a new philosophical practice of good organization's governance in controlling its operation along with its own uniqueness.

I want to explicate about *Pondok Pesantren Tebuireng's* success in controlling its operations. The things of my concern in sustainability of *Pondok Pesantren Tebuireng* organization certainly can not be separated from the circles of input, process, and output. In generating the expected outputs, *Pondok Pesantren Tebuireng* sticks with element of operation such as management of fund, and other management of education that should be managed properly. For this reason I am as an accountant desiring to discover the internal control over operational management of this charismatic Boarding School.

Pondok Pesantren is a traditional organization that has a primary focus on the operational role of *Kyai³* in maintaining and developing the traditional schools of Islam in Java which was according to adherents of Modern Islamic ideology that in some ways traditional Islam was stagnated. The description of the Modern Islamic believers who are essentially saying that none of the streams in philosophy and religion was really glittering 6th century stagnates (Gibb, 1967, 1-2, in Dhofier 1985, 1).

I intend to explore control over operational management of *Pondok Pesantren Tebuireng* that looks like use spiritual local wisdom in running its operation. *Pondok Pesantren Tebuireng* which was originally founded by Sheikh *Kyai Haji Hadratus Hashyim Asy'ari* precisely on the 26th *Robiul Awwal* 1317 (to coincide with the date of August 3, 1899 AD) has shown well progress up to now (Yasin, 2011). Thus the sustainability and the existence of *Pondok Pesantren Tebuireng* for more than 114 years do not doubt to be debated.

¹ Pondok Pesantren is the Islamic private educational institution which has characteristics independently, allowing more flexibility to rely on innovation in order to realize the relevance of education that in line with the development of science and technology. The purpose of such schools emphasizes on the development of character of self-employment and social employment (Muhajir 1987, 20).

² The complex is of Pesantren Tebuireng located in the village of Cukir, approximately 8 kilometers south-east of Jombang-East Java. In addition, its location is adjacent to a fairly crowded market, schools, also facing with Cukir Sugar Factory which was founded in 1853. This factory is in the colonial period is very large sugar mill and most modern in the region of East Java (Zamakhstari Dofier, 1985)

³ The word "kyai" is Javanese origin. Sometimes it is spelled kiai. Traditionally, students of Islam in Indonesia would study in a boarding school known as a pesantren. The leader of the school is called as a kyai as a form of respect.

1.2 RESEARCH OBJECTIVE

The Influence of modernization and technological advancement are hazarding the social life in the village, making religious and social problems increase complicatedly. So, the important issues underlying the need to be disclosed in this research are to know how well uniqueness internal control is being used by *Pondok Pesantren Tebuireng*, and to know how the element of spiritual local wisdom value in constructing internal control.

Through this research I want to discover the success of *Pondok Pesantren Tebuireng* in managing its control over operations. In breeding the expected output, certainly, *Pondok Pesantren Tebuireng* will control and manage its operational such funds and other element operations prudently. As an accountant, I am challenged to fascinate some knowledge especially referring to the knowledge of governing internal control for surviving the organization in the scheme of this charismatic boarding school.

Many ways or strategies of an organization to control its operations, but there are still some phenomena that illustrate how the failure of the organization in conducting its business operations. The social life of Boarding School (*Pondok Pesantren Tebuireng*) has drawn my attention to conduct a research. By the time to time *Pondok Pesantren Tebuireng*, in the history of organizational operation, does not appear impaired. This condition can be noticed that the development of this traditional education has been well known by the general public attention. *Pondok Pesantren Tebuireng* is considered as one of the biggest boarding school institution in Indonesia. Through this boarding school there are the Indonesian national star heroes arises such Kyiai Hasyim Asy'ari and Kyai Wachid Hasyim.

In the era of competition for survival, *Pondok Pesantren Tebuireng*, I believe, has a special way in managing its organization comparing to other organizations. Special way that I emphasize in is more closely on spirituality to maintain the sustainability operation of the organization. Because the important things of every organization is how well its operation being run, then my stressing in this research is more spirituality in managing internal control especially for the progress of educating student that have been spiritually and locally organized. In this research, I would like to know how spiritually and dignity the people in *Pondok Pesantren* in implementing of such control for sustaining their operation up to current situation.

1.3 RESEARCH QUESTION

In the current time, *Pondok Pesantren* is wrestling with distinct situation, whether to maintain identity or to become open organization. This meaning, in one side, *Pondok Pesantren* is required to find it's traditionally identity back. On the other hand it must be open to work with other systems outside of *Pondok Pesantren* that does not always match with *Pondok Pesantren's* organization systems. *Kyai* has been experiencing some challenges such as:

- *Kyai* not the only source of knowledge and the search for moral,
- *Kyai* must work to overcome to the economic needs of the household, and
- *Kyai* have to face the crisis of institutional boarding school as an ideal place to seek knowledge and serve.

This condition requires innovation in the vision, mission, goals, and systems, for teaching, learning, and management in particular *Pondok Pesantren Tebuireng*. Also it is required the involvement and participation of all the potential parties such as the

caregivers, administrators, teachers, instructors, supervisors, employees, servants, as well as the students of *Pondok Pesantren*. The aiming of all of this is to maintain properly mandate of *Kyai* which in general. The mandate of *Kyai* besides in the physical form, it is also in the form of ideals, desires, goals, principles, methods, and teachings that must be preserved through education and social struggle.

In the social science, it is necessary needed awareness of all components in *Pondok Pesantren* to continue playing an active role in social issues, including in the matters of nationality. It was a tradition, caregivers and students-alumni of *Tebuireng* always concerned with the fate of the nation since the early days until now. Going forward, it is expected to the students and alumni of *Pesantren Tebuireng* to do not forget to this tradition. The requirement for doing so, *Pondok Pesantren* management must equip itself with knowledge. It is being expected that the internal management of *Pondok Pesantren Tebuireng* can run well and focused. So, the purpose of delivering qualified graduated student as the nation need can be achieved. Externally *Pondok Pesantren Tebuireng* can also continue to play an active role in various aspects of life.

The special feature of the organization *Pondok Pesantren Tebuireng* is the activity of religious organizations. Thus the organization has specificity than other business organizations. Operational organization that conducted in *Pondok Pesantren Tebuireng* looks like sticky with the religious and local wisdom spiritualities. This organization is physically growing, along with the sign of new establishing new buildings. All of these sustainability operation efforts require a lot of things include money and other sources. Referring to the operation of this organization which is in the field of education, of course, there is the transfer of knowledge from teacher to student. This is certainly done with a sense of empathy that is based on local wisdom. In accordance with the phenomena of *Pondok Pesantren Tebuireng* current sustainability operational life in maintaining its survival and in accordance with the issues underlying the operation of this organization, eventually have led me to raise a question:

- How is the implementation of internal control for sustaining operation of *Pondok Pesantren Tebuireng*?

1.4 THE AIMING OF RESEARCH

Spirit to sustaining the operation of an organization, especially in the areas of corporate or organizational arrangement through the method of accounting, also has inspired me over the years. Organization commitment to the view of sustainability beyond the direct factor of returns and profits for the current financial value can be achieved over the years and by way of consideration of environmental and social issues.

The spirit how to sustain can be used to collect information on environmental and related to social expenditures and their relationship to the financial advantages. Also it can be used to show how social and environmental external costs can be reduced from time to time with a commitment to sustain. By learning and contemplating the description in the previous paragraphs, it has inspired me to explore the application of spirituality of internal control over at *Pondok Pesantren Tebuireng* that seems to be full of phenomena for both in organizations itself and the society. From this research, it is expected that good organization governance can be obtained from the sample of spiritual management control system based on indigenous contain or local value of Indonesia which has a bunch of cultural diversity.

For a long time succeed in maintaining its survival is kind of phenomena that are interested to be explored. The age of the *Pondok Tebuireng* organization is claimed very old as a natural phenomenon for an organization management. This is truly extraordinary and phenomenally for such humble and traditional organization can survive for long period. This kind of condition has motivated me to conduct the research in *Pondok Pesantren Tebuireng*.

By reviewing its operations, *Pondok Pesantren Tebuireng* can be considered as a unique organization. Comparing to the regular company or a manufacturing industry produce excellent goods, this boarding school produce the expected results of graduated students who can take a part in the real world of real life. The condition in *Pondok Pesantren* is little different and difficult rather than in the manufacturing company. If the goods produced at manufacturing companies are found errors or defective, that product can be sold at a discount price. But, *Pondok Pesantren* products are graduated students (human being) that is difficult to be sold at discount price. Based on those considerations, I want to explore how the quality of this boarding school can be maintained and how the linkage of internal control to the quality of product can be controlled by spiritually and dignity.

1.5 RESEARCH CONTRIBUTION

By doing such research, there are expectations to provide benefits to some parties who need a view or an option to apply the implementation of control over sustainability operation such as:

- Practitioner
Practitioner should not be hesitated to apply local wisdom philosophy in implementing control over sustainability operation of an entity as is implemented in *Pondok Pesantren Tebuireng*.
- Educator
It is important for educators to communicate and make the material teaching in formulating such control particularly in the field of accounting along with emphasis on spirituality by managing local wisdom operation and dignity in their duty.
- Government
For government officers, it is important to learn this research in order to be able to get wisdom view or get inspiration of philosophy in controlling governmental operation.
- Researcher
Hopefully the results of this research can inspire further researcher that there was a unique internal control implemented based on local knowledge.

2 LITERATUR REVIEW

2.1 THE RESEARCH FOCUS AND ISSUES IN CONTROLLING SUSTAINABILITY OPERATION

Socio-economic background in the development of *Pondok Pesantren* provides an appealing picture of Kyai as the elite in the area of control over any aspect of operation and social level. There are many opinions expressed on these unique elite, but in general very little manuscript gives complete picture that we can rely on. Clifford Geertz, for example, describes “the appearance of a separate economic system in *Pondok*

Pesantren, in the form of the use of students as workers for the results to the land of *Kyai*". Other word *Kyai* easily will be able to be a rich and hold dominant control in the life of the region, because the pattern of labor relations. Although it can be found in a number of *Pondok Pesantren*, but this condition can not explain the generalization of many *Kyai*'s life's who do not own the land and other productive enterprises.

Aspiration towards the simple life is generally owned by the *Kyai* in this country. So it is not appropriate to describe them for getting domination through control of land and other possessions. In fact, *Kyai* are the prototype of the opposition to the consumption habits of the rich regions. The life of *Kyai* was prepared in the form of attention and deep concern for the suffering of those afflicted poor. Similarly, relations and religious scholars take fully attention on such kind of family relationship between *Kyai* and *Santri* (student), rather than a patronage relationship between employers and workers (Wahid, 1974, 118).

Such Geertz's story above indirectly may affect to the sustainability of *Pondok Pesantren Tebuireng* in the future because of declining trustworthiness of society to *Pesantren*. By the elaboration of time, as an institution that has a tradition of innovative education and the role of nation history, *Pondok Pesantren Tebuireng* in the future is required to continue to develop itself in all aspects. Initially *Pondok Pesantren Tebuireng* faced traditional agrarian society with a very simple life style, but now on the style of lives is very different.

For sustaining operation in future operation, such organization may learn how to control organization from literatures. Boyle and Desai (1991) found that the majority of businesses fail because of internal factors affected by management's actions and disciplines. Boyle and Desai (1991) also found a negative correlation between the duration a firm is in business and its likelihood of failure; that is, if firms survive long enough, it is reasonable to expect that they have resolved their internal control issues. Doyle, Ge, and McVay (2005) supported Boyle and Desai's findings. Doyle et al. (2005) attributed the accounting scandals in 2001, to material weaknesses in internal control and the need for regulation. Doyle et al. (2005) also found that material weaknesses were more likely to occur in firms that are smaller, weaker, and younger.

2.2 THE INSPIRATION FROM PREVIOUS STUDY

Through this research, it is expected to find a good way in managing sustainability operation of organization through the uniqueness of its own operations. This synergizes with accounting activity through managerial of finance as described by Hopwood in 1969. Accounting has come to be recognized as a phenomenon whose form, functioning and consequences are interdependent with the contexts in which it operates. From an economics perspective, the roles and functioning of accounting are now seen as being centrally implicated in both the governance of enterprises and the operation of markets. Equally, from a behavioral and organizational perspective, accounting is now recognized as being a practice whose consequences are mediated by the human and social contexts in which it operates and the ways in which it intersects with other organizational and social phenomena.

I need to rise up these topics to inspire the reader for being able to choose some alternatives for the implementation of an organization's sustainability control practices in the field of managing its finance that have been a part of accounting progress. Inspiration can be realized in the understanding of the meaning of accounting education

as a choice. It is like described by Mulawarman through the research that mentioned the students who his/her view of learning focusing on construction can easily adopt a deeper approach to his/her study and produce higher quality of learning rather than those who view learning as a reproductive process (Byrne and Flood 2004, in Mulawarman 2006). The study results of Marton (1996), Byrne and Flood (2004) suggests that Western society has the attitude and tend to perform repetitive memorization learning. This is largely an antithesis and opposition view of understanding the concept of learning. Unlike the Asian community, they do not conceive the memorization and understanding in the opposite position, but saw it as a synergistic activity.

This Research is also inspired by my wondering as the practitioner of accounting in the field of professionalism. In this case I refer to Chwastiak writing that explains history of accounting. A rapidly growing of companies stimulates accounting as more widely used as a means of accountability to the owners of capital (the capitalists). This condition creates in more pro-enterprise orientation of the owners of capital. Alignments with the company's operation to shareholders direct companies operation in exploiting natural resources and the community as an uncontrolled manner, that produce some damages to the natural environment, may disrupt human life. Capitalism is only profit-oriented material that has a lot of upset to the balance of life. Stimulating potential economic development in excess of human beings does not contribute to the improvement of their prosperity, but it makes their social conditions decline.

Another inspiration in writing this research is my curiosity about Hurgronje statement. Traditional Islam in Java, which seems so static and so strongly bound by thoughts of the clergy in medieval times, in fact has undergone changes that are very fundamental, but the changes are so gradual-phase, so complicated and so saved. That is why for the observers who are not familiar with Islamic thought patterns, then those changes will not be visible, although actually happening in front of their own eyes, except for those who observe it carefully (Hurgronje, summarized in Quest 1963, rewritten in Dhofier 1985, 148). Through Hurgronje view of thinking, in my mind, there is also any hidden control over sustainability operation that is need to observed seriously.

Understanding of leading and symmetrical with traditional Islam, the opinion of Professor Anthony Johns describing sympathetic opinion such as: Authenticity, just as purely original, rather than a demand for Muslim writers, especially those that focus primarily to provide guidance. The role of an Alim is to explain the secrets stored rather than revealed the truth of religious practice. He composed the pressures of various teachings that show the environmental situation and the opinion of society which one of them should be chosen (John, 1930, in Dhofier, 1985).

Unless the work of Geertz in "Religious Belief and Economics Behavior in a Central Javanese Town: Some Preliminary Consideration" in *The Development and Cultural Economics Change* (Vol. IV / 2) is not an object of research as a reference, considering the work Geertz ambiguous controversial each one with others. For example, on one hand he says that the Pesantren life noted by one type of ethics and economic behavior of aggressive, full of character and embrace entrepreneurship schools of "Free enterprise", but on the other hand Geertz also describes the religious life of boarding school is only about the "grave and reward ". The title of "grave and reward" is addressed to schools by Geertz is quite contrary to the true nature of Pesantren life (Busyairi 2010, 15).

Efforts and activities undertaken by Pesantren can be broadly categorized based on service to the students and service to the community in providing boarding facilities for Muslim personal development of the students. In addition, Pesantren activity tries to improve the communities which one is in line with the goals of the nations. Personal growth and development of the students and the growing Muslim community progress is rooted in many factors, both within and outside schools. Boarding schools are expected to organize and arrange the various positive influences for the development of the students. Efforts to improve the communities around the boarding school will also meeting with the parties that have the same goal. The experience and ability of each party is different, so the co-operation for the same purpose is very substantial. From the description above, Pesantren should seek the creation of a reciprocal relationship with the parties outside the Pesantren. (Raharjo, 1985, 17)

The importance of this research for education as described in the paragraph above implies that the importance of education to prepare Nation pioneers in the future. Great nation of course must be sticky with an adequate educational system supported by a high spirituality. Good and deep education consists of excellent educational elements such as the importance of education, learning concepts, methods of purification, the implementation of contemplation result, and the latter describes a way how we apply this implementation (Mulawarman 2006). The article can be a cornerstone of inspiration in the management of education in general education as at *Pondok Pesantren Tebuireng* and particularly in controlling operation by learning implementation of local wisdom.

This Research is also based on my presence spirit in developing accounting education. I want to raise this topic, this *Pondok Pesantren Tebuireng* life in terms of spiritual for controlling operation, especially in the term of internal controls over sustainability operation. It is a hope that implementation of internal control trough accounting knowledge and practice in the future can be harmonized along with phenomena of local contains which has been applied for many years and still exist up to nowadays.

Furthermore, this writing is also inspired from previous studies on internal control bearings that have focused on financial statements and their impact on the operation of firms (Curtis & Borthick, 1999; Janvrin, 2003; Kiger & Rose, 2004; Samson, Flesher, & Previs, 2006). Other studies have focused on the documentation of internal control structures and the significant monetary effect of weak controls on the firm's value (Dow, Shea, & Waldrup, 2009). Operating activities are defined in this study as the tuition income and the expense activities that enter into the determination of operating income (Needles, Powers, & Crosson, 2005). Also, the operating profit reveals the extent of an entity's ability to earn profit from standard operation (Whittington & Delaney, 2009; Needles, Powers, & Crosson, 2005).

3 LOGICAL FRAMEWORK AND RESEARCH METHOD

Completing a study requires a special appropriate method that matches with the characteristics of study. In this case study method being used is an intellectual activity in gathering and reviewing data for assessing critical formula to get the best research finding. Formulation of the research is an important key element in determining the outcome of research that is considered as a new discovery. The type of research method in this study is by using a qualitative method. Of all the major traditions of qualitative research as defined by Creswell (1998) biography, grounded theory, ethnography, case

study and phenomenology, it is phenomenology therefore which relies on the interpretative legitimacy of the researcher.

Heath (1997) mentioned that the purpose of "qualitative" or "naturalistic" research are varies according to the research paradigm, methods, and assumptions. Fairly speaking, qualitative researchers attempt to describe and interpret some human phenomenon by reflecting the words of selected individuals (the informants). These researchers try to be clear about their biases, presuppositions, and interpretations so that others (the stakeholders) can decide what they think about outcome of the research.

Qualitative research is characterized by exploration or excavation of data that is strongly related with the role of informants. Informants who will be exploited in the acquisition of data are some parties that are currently manage *Pondok Pesantren Tebuireng*. I choose these informants based on the depth of their experience during working at *Pondok Pesantren Tebuireng*. My research, however, is also sticky with those that are indirectly related to the management of current *Pondok Pesantren Tebuireng* activity such as students who have graduated from this *Pesantren*. Qualitative research is not to explain the relationship between variables or prove a causal relationship or correlation of a particular problem.

This research needs to be supported by accurate and comprehensive data and information. This requires data about the site that will be explored directly from prime data of informants. Furthermore, data from informants will be justified by secondary data as well as data in the form of a book, results of studies, papers, seminar, and other journals. Primary data are some information that will be collected from informants who have credibility in delivering information regarding the study site. In this study case, the considered study site is *Pondok Pesantren Tebuireng*.

Description of the informants is intended to determine the informants who competent enough in supporting this study. The details of the informants I would like to describe in below criteria:

- The current head of Boarding Schools.
I discover the leadership is necessary information to determine vision, mission, and the extent of commitment to lead the organization in order to survive in the future. The person in this position is Gus Sholah who is the grandson of Kyai Hasyim and the brother of Gus Dur (The Former 4th President of Indonesian Republic)
- Accountant of *Pondok Pesantren*.
An accountant of *Pondok Pesantren Tebuireng* is a daily morning dabbling with money management in *Pondok*. Thus, this key informant is very important person because he know the flow of funds and other operational of *Pondok Pesantren Tebuireng*. The person who act as an accountant in *Pondok Pesantren Tebuireng* is Pak Muchsin. Pak Muchsin has given service to *Pondok Tebuireng* since 1975.
- The Official Workers such as Teachers, and Staffs.
In studying the activity of *Pondok Pesantren Tebuireng*, we cannot escape from the staffs that are very understanding in carrying out objective of *Pondok Pesantren Tebuireng*. I explore information from official workers and teachers such as: Pak Miftakhus Jinan, Pak Alysyahbana, Ustadz Lukman, and Ustads Akadi. All of the informant are senior officer and one of the best of their group.
- In addition to the staff, unofficial workers are also interesting to be explored their testimony concerning the life of *Pondok Pesantren Tebuireng*. Through their input we will be able to obtain information about the local wisdom spirit by all parties that is implemented in *Pondok Pesantren Tebuireng*.

The secondary data regarding the research sites are also needed to be explored to find the relationship between the existing data with the resources that have been provided by the informant. The collected secondary data is such as the profile of *Pondok Pesantren Tebuireng*. This profile book contains biographies of caregiver of *Pondok* and the story of caregivers in struggling to operate daily life of *Pondok Pesantren Tebuireng*. Such kind of this data is also very important in this study. The obtained primary and secondary data through this research in the further progress will be comparing each other. To get better view of this research method, theoretical and logical framework, I describe the following table and chart that explains the mindset of my research.

Table 1: Theoretical Framework

No	Name	Ideal Theory
1	Hopwood (1969)	The economic management requires governance supported by accounting records.
2	Hines (1988)	Accounting having the capacity to construct social realities
3	Dillard (1991)	Accounting is seen to be a professional discipline and a critical social science
4	Cousins and Sikka (1993)	Accounting is a of manifest social and environmental change.
5	Grunbacher (2004)	Cooperation in realizing the dream together referring to management goal and objectives.
6	Mowen (2007, p 4).	The management accounting information system provide information needed to satisfy specific control over management objectives financially and non-financially.
7	Steinbart (2009)	a system is a set of two or more interrelated components interact each other in one management entity



No	Name	Critical Theory
1	Morgan (1988)	Accounting is the myth of objectivity
2	Munro (1988)	as socially constructed ha to accounting practice... invested with values
3	Boyle and Desai (1991)	the majority of businesses fail because of internal factors affected by management's actions and disciplines
4	Miller (1994)	financial reporting can be constructed as a rhetorical story of company's activity to gain legitimacy
5	Knap (2004)	Some organizational companies did not succeed in implementing their managerial control.
6	Doyle et al. (2005)	The accounting scandals in 2001 attributed to material weaknesses in internal control and the need for regulation.
7	Vollmer (2007)	accounting may be interpreted as a regulatory drama

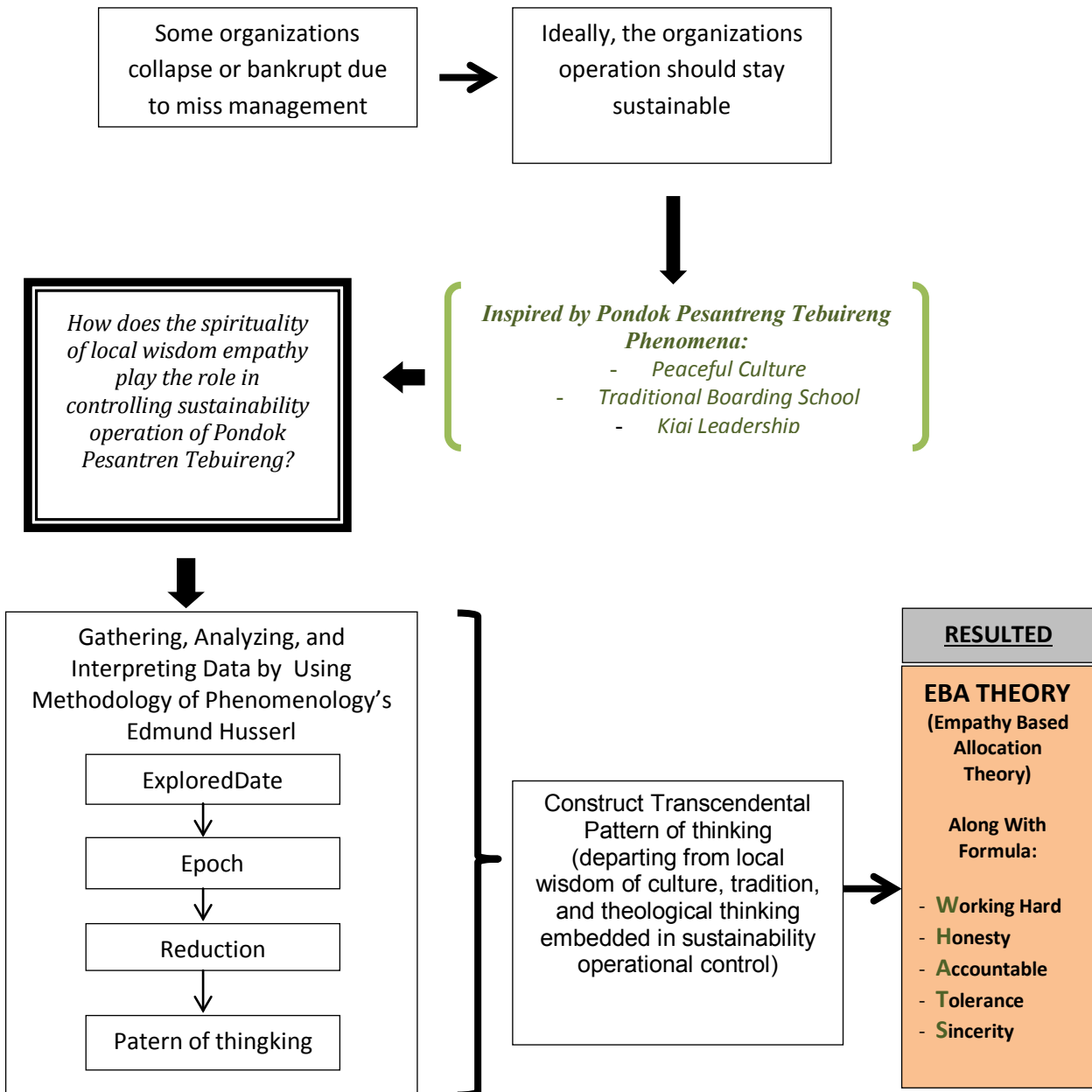
No	Name	Ideal Solving Theory
1	Tilt (2007)	Sustainability Accounting is a tool used by organizations to become more sustainable. Internal decision creates new policies that will control and support the operation of organization. All of them will have an effect on the organization's performance at economical, ecological and social (known as the triple bottom line or Triple-P's (People, Planet, and Profit) level.
2	Burn (2013)	One simple definition of management accounting is the provision of financial and non-financial decision-making information to managers.
3.	COSO (1992)	The Committee of Sponsoring Organizations' internal control integrated framework is the determination extent to which best business practices lead to survivability and sustainability.
4.	Capra (2002)	the key challenges of the new century – for social scientists, natural scientists and everyone else, will be to build ecologically sustainable communities, designed in such a way that their technologies and social systems – their material and social structures –do not interfere with nature's inherent ability to sustain life.

Theoretical Framework (continued)

WHY SHOULD BE SPECIFIC IN *PONDOK PESANTREN TEBUIRENG?*

INSPIRED FROM PREVIOUS STUDIES		
1	Chwastiak	A rapidly growing of companies stimulates accounting as accountability to the owners of capital (the capitalists), as a result but it makes their social conditions decline.
2	Hurgronje, in Quest (1963)	Traditional Islam in Java (<i>Pondok Pesantren</i>), which seems so static, in fact has undergone changes that are very fundamental, for those who observe it carefully
3	John (1930)	The pressures of various teachings that show the environmental situation and the opinion of society
4	Sneider (1968)	Raising Fund from donations and support are already commonplace in the environment the spread of religion
5	Merino, (2003)	The giant MNC is not impossible to intervene against the third country's government
6	Gibb, (1967)	Role of Kyai in maintaining and developing the traditional schools of Islam in Java
7	Byrne and Flood 2004	The Asian community not conceive the memorization and understanding in the synergistic activity.
8	Geertz in Busyairi 2010	The Development and Cultural Economics. "grave and reward" is addressed to Pesantren
9	Kamayanti and Mulawarman 2009	The process of learning through rHOL can be used to re-align the culture, behaviors, and expectations with the final value of faith in GOD
10	Curtis & Borthick (1999)	Internal control bearings have focused on financial statements and their impact on the operation of firms
11	Dow, Shea, & Waldrup, 2009	The study has focused on the documentation of internal control structures and the significant monetary effect of weak controls on the firm's value
12	Needles, Powers, & Crosson, 2005	Operating activities are defined in this study as the tuition income and the expense activities that enter into the determination of operating income
13	Whittington & Delaney, 2009	The operating profit reveals the extent of an entity's ability to earn profit from standard operation

Chart 1: Logical and Methodological Framework



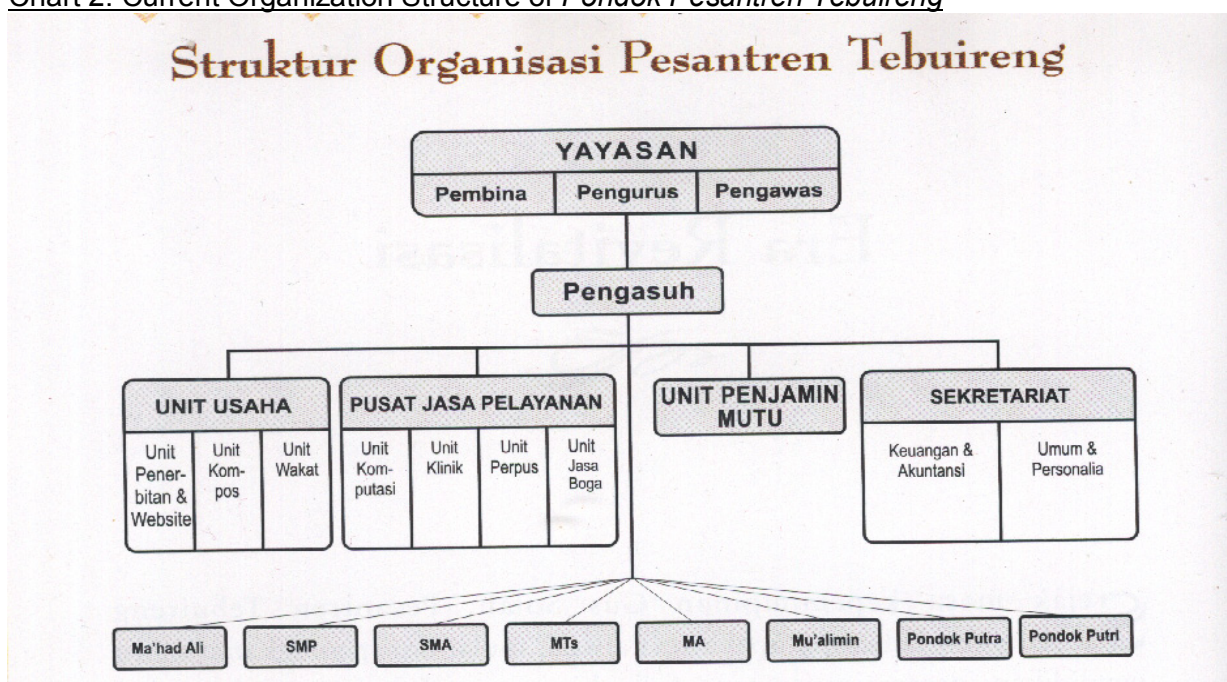
4 RESEARCH FINDING

4.1 ORGANIZATIONAL STRUCTURE

Everyday life of *Pondok Pesantren Tebuireng* has lasted quite a long since established by the first founders of Kyai Hasyim Asyari until now. The life of *Pondok Pesantren Tebuireng* is not just momentarily but it can be considered quite long time in the history of educational institution. Snouck Hurgronje (in Quest 1963) had elaborated in previous chapters that Pondok Pesantren life seems normal in the surface, but when interpreted in the deeper note, there will be a fundamentalist movement. Fundamental movement here is primarily preparing students to be able to play a role in society life after graduating from *Pondok Pesantren Tebuireng* later. This fundamental movement point is to educate students in order to be capable enough in solving their life problem along with a sense of no requiring dependency to the other party such as Dutch colonial in the previous colonialism era.

Before describing further control and philosophy of live in working, I would need to give an overview of the organizational structure of *Pondok Pesantren Tebuireng*. The organizational structure is necessary to be understood for determining the path of necessary control in every steps of educational progress as the tool in making decision. Here I attach the existing structure and its education unit along with the responsibility of each unit.

Chart 2: Current Organization Structure of *Pondok Pesantren Tebuireng*

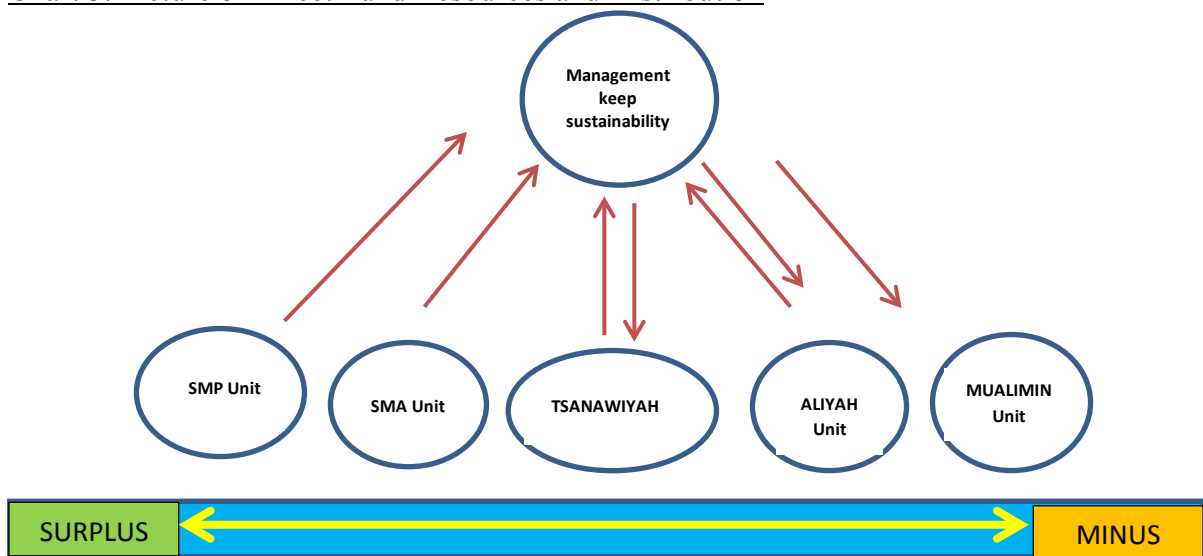


Sources: The Profile of Pondok Pesantren Tebuireng

A picture of the organizational structure makes it easy to study the flow of decisions and policies that are implemented within the organization. In managing organizational units above, it is necessary to create some cross sectional-subsidy between the surplus units into the minus units. This cross sectional-subsidy idea has been exploited trough deep contemplation that is apparently applied to all unit lines including the contribution of teacher and staff that synergized with the power of other sources.

The cornerstone of this subsidy is sincerity between each unit which gives subsidies and units that receive subsidies. For units that have a surplus of sources such funds in the term of finance then it should be willing to distribute its financial assets. For units that have some surplus of sources in the field of science, it would willingly to dispense its knowledge to others for the sake of education. Furthermore I call this as an emphatic allocation among the parties in the organization.

Chart 3: Picture of Direct Fund Resources and Distribution



Note: = the flow of fund

4.2 STRUCTURING EMPATHY AS THE CONTROL OVER SUSTAINABILITY OPERATION

This part explain the progress and the role of control operation trough empathy that occurs at *Pondok Pesantren Tebuireng*. The information regarding the site is excavated from existing appropriate circumstances such as informants and other data sources. Hodges (2001) mentions that Empathy has many different definitions that encompass a broad range of emotional states, such as caring for other people and having a desire to help them; experiencing emotions that match another person's emotions; discerning what another person is thinking or feeling; and making less distinct the differences between the self and the other. Since empathy involves understanding the emotional states of other people, the way it is characterized is derivative of the way emotions themselves are characterized.

Schwartz (2002) also states that empathy necessarily has a "more or less" quality. The paradigm case of an empathic interaction, however, involves a person communicating an accurate recognition of the significance of another person's ongoing intentional actions, associated emotional states, and personal characteristics in a manner that the recognized person can tolerate. Recognitions that are both accurate and tolerable are central features of empathy.

Sympathy or empathic concern is the feeling of compassion or concern for another, the wish to see them better off or happier. Pity is feeling that another is in trouble and in need of help as they cannot fix their problems themselves, often described as "feeling sorry" for someone. Emotional contagion is when a person

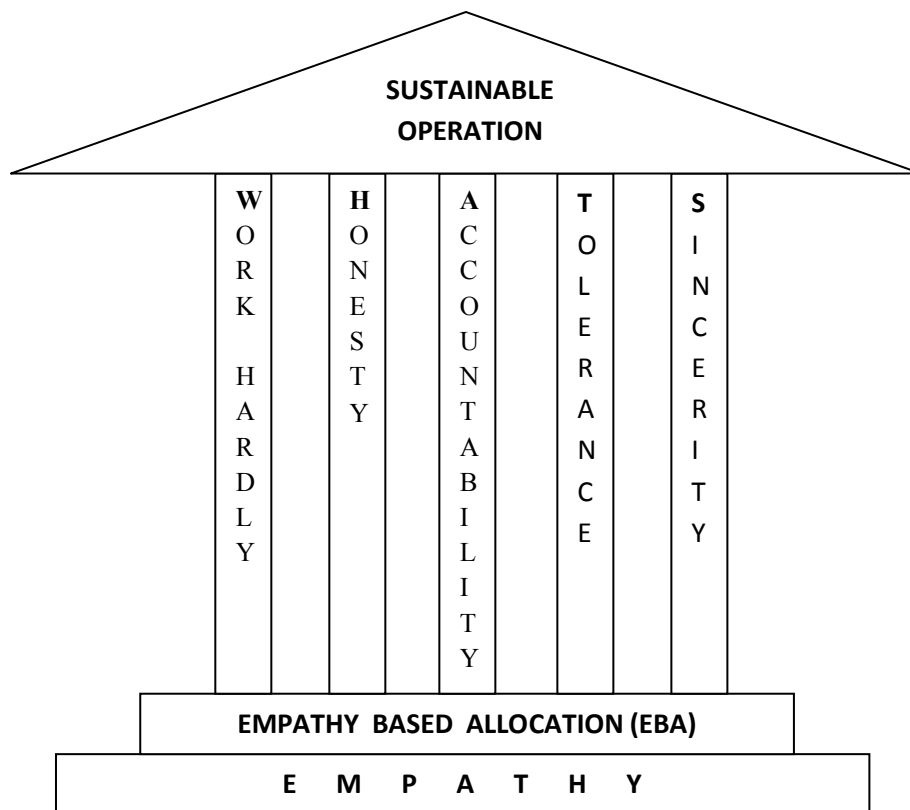
(especially an infant or a member of a mob) imitatively "catches" the emotions that others are showing without necessarily recognizing this is happening (Hatfield, 1993).

The following figure is the line of cross sectional-subsidy among units in the term of financial aspect. Arrows line toward management is the picture of an excess of funds and other resources of the business units that is reported later in the physical funds to be deposited to the management of *Pondok Pesantren*. While arrows line toward business unit is the picture of an allocation of funds and other physical sources to units that really need those resources.

Keep in mind that uniqueness in *Pondok Pesantren Tebuireng*, the meaning of empathy is actually not just considered as an excess of funds that is donated to those who need it, but it has a broader meaning. Empathy here is not just limited to the funds stand alone. Parties who have money, sometimes they are poor in serenity and poor in science of religion. In this case, if there are parties who have deep knowledge, then such party will also empathetic in spreading out his knowledge to the needy. So here the terminology of empathy is embodied in all areas of the advantages core in helping other deficient parties.

Spirit in setting up the process of operations at *Pondok Pesantren Tebuireng* is based on five pillars which are working hardly (W), honesty (H), accountability (A), tolerance (T), and sincerity (S). For keeping the existing spirit of spirituality at the operational of *Pondok Pesantren Tebuireng* then all those pillars can be categorized as an abbreviation of WHATS. Then the core of working spirit among units at *Pondok Pesantren Tebuireng* is embodied in empathy.

Chart 4: Picture of B-Empathy (Beyond Empathy) Efforts



Through this study, in every arrangement of control over sustainability operation for operating the organization at *Pondok Pesantren Tebuireng*, the name of philosophical work is as an Empathy Based Allocation (EBA). This philosophy of allocation can be implemented well by using a formulation of WHATS. Such kind of that philosophy is figured out in the picture above regarding the globally life process at *Pondok Pesantren Tebuireng*.

4.3 THE ALLOCATION OF EMPATHY FOR SUSTAINING OPERATION

At starting point of operation process, prospective student should come to *Pondok Pesantren* to take the entrance exam. Usually in this early stage, prospective students are accompanied by their respective parents. By the time of prospective student taking the entrance test, parents usually take an around tour for looking at the actual physical condition and situation of the school. This entrance test is very rigorous and competitive. The demand for enrolling the school in *Pondok Pesantren Tebuireng* is not just a prospective student whose parents live on the Java Island, but also many from prospective student who come from outside Java Island. The placement test is accompanied by some interviews to ensure that the prospective student will be willing to stay at *Pondok Pesantren Tebuireng* voluntarily without any coercion from parents.

If the prospective student has passed the placement test, the next step is the process to stay in *Pondok Pesantren*. Day by day, the students will spend their time at the boarding school to study religious sciences in the early morning and evening, while in the day time student should go to school. In this process students life is very tight and should be disciplined. Life in *Pondok Pesantren Tebuireng* is strongly required hard effort and high concentration due to a lot of material science that will be given. Because of the breadth of knowledge to be absorbed by student, virtually it is almost no time for student to do anything unusual and unnecessary.

As the impact of strict rules applied in *Pondok Pesantren* life, frequently some students break the rules because they want to be free. Some student may get bore and want to kill the time by doing unnecessary things meanwhile still many text book that need to be read. Indeed the life is much disciplined and student should be far away from the parents. This hard life in *Pondok Pesantren* is deliberately applied so that students are able to handle their own life even though living far away from the parents. Living in *Pondok Pesantren* requires a high commitment. Some students who accepted in *Pondok Pesantren* sometimes just meet the wishes of their parents. For such kind of students, stay in *Pondok Pesantren*, do not on the basis of willingness and motivation from themself.

In enforcing discipline, *Pondok Pesantren Tebuireng* needs special rules that should be recognized by all teachers, staff, and the students. The implemented rules should be respected by all students for the purpose of their own advantages. Violations of the rules will result in penalty points. Penalty points will be further evaluated and analyzed. Existing violation point is classified into three level of violation point which is low, moderate, and severe violation.

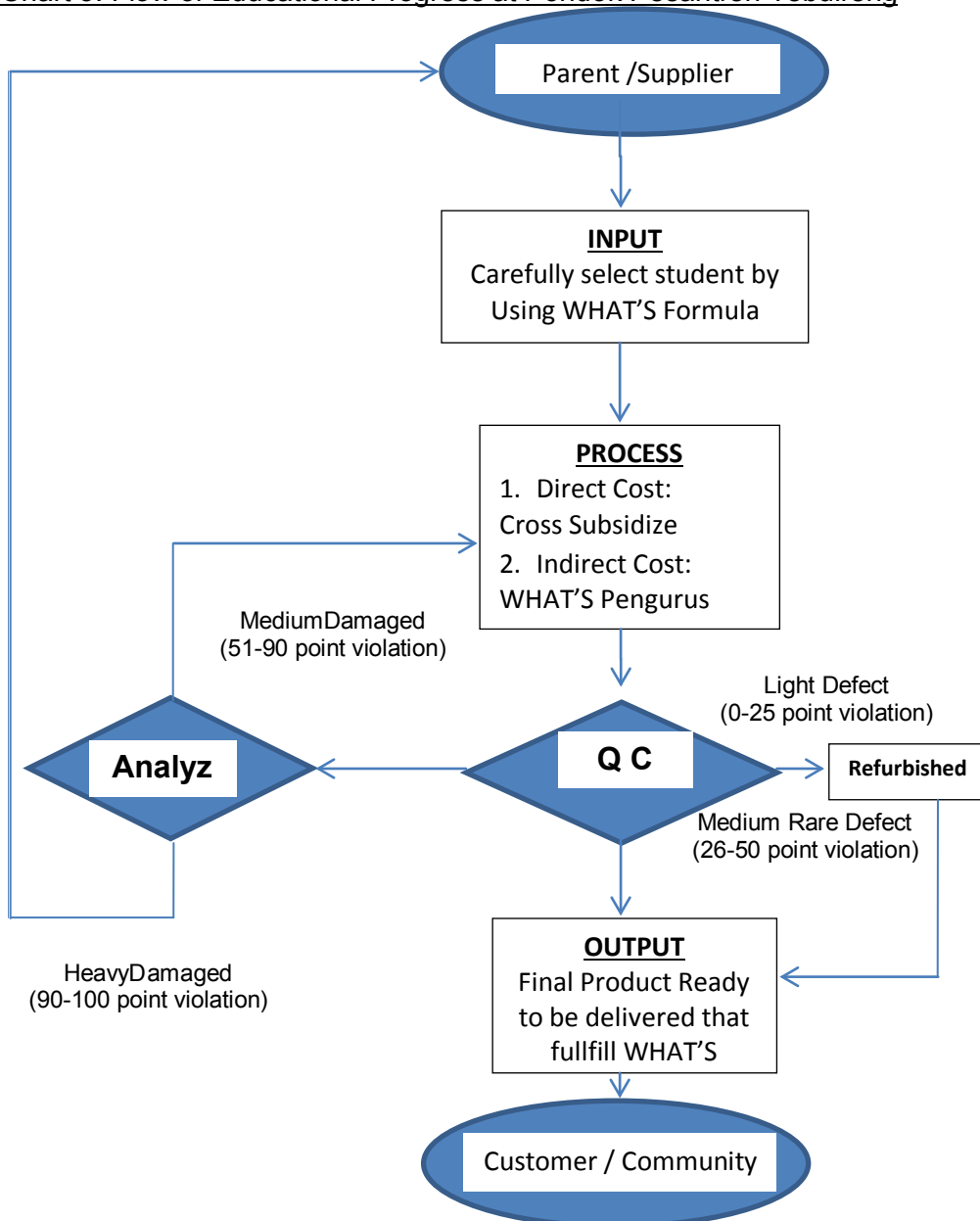
Minor infractions like wearing stuff friends without permission will result in a warning because it is concluded as abusing the rights of other friends. The point for leveling minor infraction is subjected to violations that have maximum score of 25 points. The next level of infraction is in the range of 26 up to 90 point of violation and considered as moderate infraction. In this level of violation, the student who committed the wrong doing will be evaluated whether their attitude can be improved. The therapy

in such kind of violation is by doing remedial in certain classes. The example of such violation is smoking, and cheating.

Then the last violation level is considered as a serious offense. An example in this offense is a student who commits fighting, and theft. In this level of violation, the attitude of student who committed the violation cannot be tolerated. The punishment in this level of violation is the student will be returned back to the parents and cannot continue for studying in *Pondok Pesantren Tebuireng*. This level of violation is having offense point ranging from 90 up to 100 violation point.

As described in the frame below, stage-by-stage in process of learning and living at *Pondok Pesantren Tebuireng* is using the local wisdom philosophy of life. Each process must be run in compliance with the principles of working hard, honest, responsible, environmentally tolerance to other parties or friends, and full of sincerity in seeking knowledge. All of those are required hard effort and strong commitment.

Chart 5: Flow of Educational Progress at Pondok Pesantren Tebuireng



Categorizing level of violation is the effective way for controlling juvenile delinquency of students who live in *Pondok Pesantren Tebuireng*. Before graduated from *Pondok Pesantren Tebuireng*, student must pass the final monitoring. Final exams and strict monitoring is always performed by management of *Pondok Pesantren Tebuireng* to ensure that graduated student will meet the expectation standards of graduation.

Operational control at *Pondok Pesantren Tebuireng* is inspired by the Javanese philosophy of life that all human being will harvest the deed what they have done (*sakabehing manungso bakal ngunduh wohing pakerti lan pambudi*). Javanese philosophy have embodied in the behavior of the strong life in doing hard work, honest, responsible for the work, tolerant of others, and sincere to the Almighty God. Java's core philosophy teaches that man was given the freedom to act and think. The meaning of the philosophy is whoever doing good deed then he will reap the good thing such he has been done before, but on the contrary if a person is doing the bad deed then he will deserve the bad reward also in the future.

Therefore those who are living in *Pondok Pesantren Tebuireng* should obey the leader direction. People in this place are afraid to do evil. Javanese local contain philosophy is believed to have similarity with the value of knowledge in Islamic religion. For this way teacher in *Pondok Pesantren Tebuireng* who primarily teach Islamic knowledge is not difficult to adopt Javanese because all of Javanese philosophy are already in the Qur'an. Similarly with Javanese philosophy, Qur'an teaches to do hard work, honest, tolerant, and colonized to for fostering the cooperation and network as described in surah An-Nahl (bees) and Surah An-Naml (ants). Both types of animals have philosophy of hard work and responsible for their colony.

Strong character of Founding Father of *Pondok Pesantren Tebuireng* which is Kyai Hasyim is good lesson in carrying out the vision and mission of an organization. The culture of organization being implemented in *Pondok Pesantren Tebuireng* is also strongly sticky with local wisdom philosophical control. Of course strong character of the leader along with the spirit in mediating local culture will affect in control over operational progress that rely on the dignity and the harmonization of life. All of those are just for the foundation in maintaining the sustainability operation of *Pondok Pesantren Tebuireng*.

5. INTERPRETATION OF THE RESEARCH FINDING

A good research should describe the purpose of the research, the importance of the research, data collection; determine method and methodology in analyzing data of the research. In my research I have described the importance of this research which is to learn how the site of *Pondok Pesantren Tebuireng* could be able to survive for 114 years. I would like to know how the terms of control over operation in creating reliable graduated student is being treated and applied.

The paradigm of a study is to describe the existence of an ontology, epistemology, and methodology in clear and accurate reason. This research has an ontology that is starting over from my curiosity that I can describe there is any Gap between ideal and existing practice of company or organization operation. The ideal operation of company or organization is by establishing strong organization that respects to sustainability for survive. But the reality in the real world there are some companies or organizations that went bankrupt due to mismanagement. For that reason, there is any gap between the

ideal goal establishment of companies or organizations with the existing one in some circumstances.

Epistemology of this study is starting over from the presence of the researcher as an accountant who curious about going concern of an organization. As an accountant, I am very concern to the problem of survival of the company. A lot of things in the reality of practice in the business have come to my attention. Then *Pondok Pesantren Tebuireng* site is tempting me to conduct research because of its operation that survives more than 114 years. Surely, I suspect, there is any something special in the operational development of this organization.

Through this research I describe the meaning of *Pondok Pesantren*. *Pondok Pesantren* is a place to gain knowledge. Student should in stay the place provided by *Pondok Pesantren* in the school environment. Residential place within the school is called *Pondok*. Students studying at *Pondok* are called as *Santri*. For this way this place for gaining knowledge is called as *Pondok Pesantren*. *Pondok Pesantren* as an educational institution generally teaches religious materials for the students.

Instructional materials provided in overall *Pondok Pesantren* generally the same which is all of them emphasize deliver Islamic religion science. However, due to the branch of Islamic science is very broad, usually a *Pondok Pesantren* takes specialization in one science, such as offering the memorizing Quran science or offering the interpretation of hadith and so forth. Thus *Pondok Pesantren* can be said to have a unique characteristics, depending on the vision and mission of the leader *Pondok Pesantren* which is often called as “*Kyai*”.

Although the implementation of the operation between *Pondok Pesantren* and the other could be unique, but in general there are similarities in delivering the knowledge of Islamic religion. Lately, most management of *Pondok Pesantren* is widely open. Most of *Pondok Pesantren* is now willing to be fostered by the government of Indonesia Republic through the Ministry of Religion.

One of example is the implementation of the existing indirect control over operation in graduating student at *Pondok Pesantren Tebuireng*. Operational of *Pondok Pesantren Tebuireng* is focused on sustainability factor that takes attention about the welfare of caregivers, students, and the surrounding communities. In educating students to be excellent, *Pondok Pesantren Tebuireng* has applied the economic benefit to all parties that concerned to the *Pondok Pesantren*. Among them is the way managing donated land for supporting teaching and learning activities as well as the welfare of the community surrounding the *Pondok Pesantren*.

The role of the leader in developing and managing assets of *Pondok Pesantren Tebuireng* is very strong. The leader generally provides good examples of the action to the parties that have interest to *Pondok Pesantren Tebuireng*. So this good leader figure factor is capable enough in maintaining the sustainability of operational *Pondok Pesantren Tebuireng*. This leadership Figure values can be considered as intellectual capital for the organizations in maintaining the operational of this institution.

Kyai Hasyim has said in the profile of *Pondok Pesantren Tebuireng* that all students after passing some processes in *Pondok Pesantren* have to be good whenever they are returning home or graduated from *Pondok Pesantren*. Thereby sciences that are absorbed in *Pondok Pesantren* should be good also for the society. Students are the reflection of *Pondok Pesantren Tebuireng* in the society. For this way, students are strongly requested to implement the learning attitude in *Pondok Pesantren* for the development of the society. Considering the importance if Students role in the society

after graduation, hence the process of entry must be paid attention by all member and staff of management *Pondok Pesantren*.

The most important in entry level selection as general is need some commitment from educative participant to conveniently and candidly learn and sty in *Pondok Pesantren*. For that that reason, the data of good educative participant shall be honestly received by the organizer of entry level test. For conducting education, the management and staff should be patient enough. This statement is always being advised by Kyai Hasyim Asyari in the profile of *Pondok Pesantren Tebuireng*.

The patience attitude and sense of belonging in educating students are truly needed. All mankind sin *Pondok Pesantren Tebuireng* has to have sense of ownership toward *Pondok Pesantren Tebuireng*. Kyai Hasyim has said that *Pondok Pesantren Tebuireng* is not the property of Hasyim family; however property of all parties that involve in the growth of *Pondok Pesantren Tebuireng*. Hence, the real owner of *Pondok Pesantren Tebuireng* are all Kyai, all students (*santri*), and all alumnus and collegiate. Thereby all alumnus are also the family of *Pondok Pesantren Tebuireng* who can share their ideas in developing *Pondok Pesantren Tebuireng*. Societies are also having sense of belonging toward *Pondok Pesantren Tebuireng*. Candidly some of the societies donate their belonging to support the operational of *Pondok Pesantren Tebuireng*. So does the government of Indonesia also participate in development of *Pondok Pesantren*.

The sense of togetherness in managing *Pondok Pesantren Tebuireng* is kind of the core of the Javanese philosophy especially the noble fraternity of ancestral in Java land. Through Gus Sholah (grandson of Kyai Hasyim), the operational management of *Pondok Pesantren Tebuireng* in graduating high quality students must synergize well with religious values that is embodied with the spirituality of indigenous Javanese culture. The Javanese noble tradition of such as humble (*ora neko-neko*), tolerant (*teposliro*), hard work (*rekoso*), and did not want to take the rights of others (*ora pek pinek*) has a strong inherent in the mindset thinking of the people in *Pondok Pesantren Tebuireng*.

Through above philosophical life, the heritage of the ancestors of *Pondok Pesantren Tebuireng* has been summarized by Gus Sholah to become five philosophical of life which are working hard, honest, responsible (accountable), tolerant, and sincere. In this research, such kind of philosophical of life is commonly called as the formula of WHATS (working hard, honest, accountable, tolerant, and sincere). That holy spirituality of life is being maintained for all aspects of operational management at *Pondok Pesantren Tebuireng* that include also control over all operation management in graduating high quality of students. That implementation of spirituality control based on local wisdom is able to maintain operational of *Pondok Pesantren Tebuireng* for many years.

For graduating excellent student, there are several stages of the process starting from the stage of input, process and output. All graduated student should be well recognized in the society because of Holy Spirit of life they have. Such kind of educating student is having similarity with producing some product. Some product before delivered to the market must be passing several testing. So does students who study in *Pondok Pesantren Tebuireng*. They have to be passing in several exam and interview to make sure that they will be reliable for the users in the future.

Management of *Pondok Pesantren Tebuireng* always uses that formula of WHATS in controlling every aspect of operation including the operation of teaching and learning. Furthermore I conclude that all efforts being sacrificed in conducting

educational management for graduating excellent students as the allocation of empathy. So in this research I like to emphasize that implementation of control in maintaining sustainability for the cycle of producing graduated student at *Pondok Pesantren Tebuireng* is implementing the empathy based allocation (EBA) by using formula of working hard, doing honest, reflecting accountability, respecting others through tolerance, and purifying the sincerity deed to God. All of those are commonly called in this research as WHATS formula.

6. IMPLICATION OF THE RESEARCH

This study has implications for the implementation of operational education and in the implementation of particular organization as general. In this study, it is described how the organization was founded. It is also described where the position of the site of the research. In this research is also described the communities surrounding the research site by the time of initial establishment of the site being researched.

Looking for science, paying tribute to teachers, and having other good attitude are very powerful practices of religious life. Politeness of religious life's have become model in every life of the followers, especially Islam. Modeling in the teachings of Islamic education can be identified by the ideal example that should or should be followed in the community (*uswatun hasanah*). By not deviating from the basic teachings of Islam, modeling schools seem to be more defined as a process of self-identification on a character (*alim/kiai/scholar*).

According to Mas'ud, 1997, modeling remains a very significant concept in the leader-disciple close relations of the Pesantren community. The teaching of "*watashabbahu in lam takunu mithlahum innattashabbuha birrijali fallahu*", (go emulate a role model unless you resemble him, because the act of modeling is an absolute victory has been largely socialized) (Mas'ud, 1997).

In this case, which included modeling is a tradition of doing *amar ma'ruf nahi mungkar* (spreading the truth and ignoring the bad deed). In the world of Pesantren, the message of Islam is not only implemented in the word but also with the behavior. Islamic boarding schools have played a role in the educational, cultural, socioeconomic, and transformation. Morally, Pesantren is owned by the community under the leadership of Kiai which also became a model *uswatun hasanah* (best example of life) in ethical and socio-political references (Sholeh, 2007).

Modeling boarding school as described above is an important part of the philosophy of the school. Such boarding school model had been developed by Wali Songo. Wali-Songo role models, that develop learning model to the students, refer to the teachings model of great teachers and leaders of the Muslim who is Prophet Muhammad SAW. Education in Islamic School has been applied by Walisongo and easy to implement (Drewes, 1978).

Time by time *Pondok Pesantren* is able to maintain their existence in the midst of society. In the first period of the mission boarding school, along with news of *Tawheed* (purifying of God), is the struggle against faith that was not purifies the one God. Each new boarding school attendance is always preceded by a war between the white values that was brought by Pesantren with the black value that was brought by the previous local community. Generally, this battle was won by the white value carried by *Pondok Pesantren*. Almost in all *Pondok Pesantren*, Kiais as the founder and caregivers, were reported having legendary stories complete with strong physic and excellent mental to

fight the dark forces and public ignorance of religion. The success achieved by Pesantren in a dignified manner finally obtained a place and public sympathy in the middle of the life of local people.

The victory that brings dignity to Pesantren does not mean disrespect people's lives around, but more focuses on the role of Pesantren in adjusting live to comply with religious path. Thus boarding school life is very thick with cultural influences surrounding community. Responding to this traditional phenomenon in his Research Mas'ud stated that traditional is not necessarily intellectually conservative, as has been proven by the steadfast tradition of the Islamic quest, namely the santri thirst for knowledge. The function of Islamic teaching at the hands of the *ulama* shows that the intellectual dynamism in the community remained in essence, uninterrupted, throughout the countries. (Mas'ud 1997).

The Western media has called *Pesantren* as the breeding ground of radicalism and terrorism in Indonesia. Two things are certainly different but mutually interconnected. Azyumardi Azra sees this fact as something that is not Indonesian origins. Azra gave the term for an act of terrorism in Indonesia as imported terrorism rather than terrorism home-ground, citing evidence from the police that the Intellectual actors of terrorism in Indonesia is Dr. Azhari and Noordin M Top from Malaysia (Azra, 2004).

In the last ten years, there has grown the attribute of Islamic radicalism in Indonesia. The attitude of some radical Islamic School recently became a new phenomenon in Indonesia. One of characteristic of Pesantren, which is a moderation organization, is look like missing or marginalized by the dominance of various radical Islamic organizations. There are some questions referring to this condition, why Pesantren seems to be no role for peace at the grassroots level anymore, and how the establishment of Pesantren at the beginning of Islam in Indonesia in a peaceful area of impact for the surrounding community seems to be disappeared.

Based on the phenomenon, as an accountant, I am interested in implementing the professional practice of accounting by learning how *Pondok Pesantren Tebuireng* is able to implement its backgrounds to apply the peace role model in the community and able to survive with dignity. I found the answer of my curiosity trough learning of the way of *Pondok Pesantren Tebuireng* in surviving its operation. Peaceful life that is implemented in *Pondok Pesantren Tebuireng* has brought me over to the conclusion that *Pondok Pesantren Tebuireng* is not the radicalism institution. But on the other hand, *Pondok Pesantren Tebuireng* has shown the role model of organizational that succeed for sustaining its operation by implementing uniqueness control based on local wisdom.

7. SUMMARY OF THE RESEARCH

This organization was established in the land of Java. At the time of establishment, conditions communities surrounding the research site are still poor because of oppression by the Dutch colonial. Due to these difficult conditions, the idea arose to liberate the under pressure people to be more freedom. It was hope that people surrounding research site could be manage their life freely without any pressure or any other bad conditions.

The location of site being research is in the Land of Java Island. Surely it operational organization is strongly influenced by Javanese culture. Later Javanese culture is being combined with religious elements. Fortunately, Javanese noble values

do not conflict with the Islamic holy philosophy. So *Pondok Pesantren* life can be well developed harmoniously in the society.

The findings research by allocating of Empathy through WHATS formula is indicated that a Javanese noble values that are combined with Islamic theology, can be used as the basis of life and organizational operation philosophy. Javanese cultural gives a beautiful learning that the life must be performed trough working hard, no taking away the rights of others, tolerant and respect to others. This condition is very affecting in operational of *Pondok Pesantren Tebuireng* for conducting the life of institution organization.

Indeed this study could have implications to education providers in order to learn what is already applied at *Pondok Pesantren Tebuireng*. Philosophy of allocating empathy by working hard, functioning honest, doing responsible, committing tolerant and sincere are very useful to operate the progress of sustainability education institution in producing good graduated students. Honesty in creating information and excellent working ethic that are guided by the core values of Javanese culture and religious value have a strong sense of internal controls at overall line of organization.

Exchange of empathy through implementing the philosophy of working hard, functioning honest, doing responsible, committing tolerant and sincere are able to create a work atmosphere concussively. Because of the philosophy of life and working in an organization that contains the value of strong internal control, then the organizations, other than educational organizations, may absorb and learn that philosophy to be implemented in their organization. This philosophical of life in the future can be considered as universal and normative matter in controlling the sustainability of operation.

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