

Everyday Life of Accounting Disclosure – Exploring Home Accountants’ Practices in Indonesia

IMAM WAHYUDI*

School of Postgraduate Studies Perbanas Institute Jakarta Indonesia

Abstract: *The study intends to identify the accounting practices used at home – budgeting, record keeping, and the use of the information for decision making related to home affairs. Exercising exploratory research, this study used accounting academics as well as accounting practitioners as informants. Data were collected from interviews and a focus group discussion with ten informants. All of them were peer and close friends of the researcher. The analysis was conducted manually by tracing all interview transcripts and comparing the transcripts with secondary data from the informants. The study found that accounting practices at home dominated by financial management – cash flow management. Budgeting and record-keeping were addressed mostly to manage cash flows to avoid deficits and make long-term investment decisions.*

Keywords: *Home Accounting, Budgeting, Cash Flow, Record Keeping, Exploratory Research, Indonesia*

Abstrak: *Penelitian ini bermaksud untuk mengidentifikasi praktik akuntansi yang digunakan di rumah tangga – penganggaran, pencatatan dan penggunaan informasi akuntansi untuk pengambilan keputusan dalam urusan rumah tangga. Menggunakan pendekatan penelitian eksplorasi, penelitian ini mengambil akuntan pendidik serta praktisi sebagai informan. Mereka semua adalah rekan dan teman dekat dari peneliti. Data dikumpulkan dari wawancara dan diskusi kelompok terfokus dengan sepuluh orang informan. Analisis data dilakukan secara manual dengan menelaah semua transkrip wawancara dan membandingkan transkrip dengan data sekunder. Studi ini menemukan bahwa praktik akuntansi di rumah cenderung didominasi oleh manajemen keuangan yang berfokus pada manajemen arus kas. Penganggaran dan pencatatan transaksi keuangan lebih berorientasi pada pengelolaan arus kas untuk menghindari defisit dan kebutuhan investasi jangka panjang.*

Kata Kunci: *Akuntansi Rumah Tangga, Penganggaran, Arus Kas, Pencatatan Transaksi, Penelitian Eksplorasi, Indonesia*

1. Introduction

It has been commonly perceived that accounting is the domain of an organization – big businesses and corporations. Therefore, it can be understood if accounting education and accounting curricula mostly discuss the need for accounting information from the perspective of business in which the conceptual framework of accounting is directed for. Basic concepts and assumptions of financial accounting such as business entity and going concerned show that accounting information and hence accountants serve the organizations' interest. It might be why a home or household affairs are seldom discussed and researched by accountants and the accounting profession in general.

Accounting has been traditionally and mostly described as the language of business to record and report business transactions in financial terms to interested parties who use this information as the basis to assess performance, to make decisions, and to control (Pahl, 2000). The focus of accounting here is on organizations and on using financial information to assess past actions, make future decisions, and generally control the organization's working.

Accordingly, home accounting tends to be neglected from accounting discourse and accounting curricula in higher education institutions. All accounting curricula taught recently tend to be dictated by the accounting profession's organization for the benefit of big business and formal organizations in general. In the words of Walker and Llewellyn (2000), accounting is preoccupied with the public's attractive and professional world. Instead of generating a teaching curriculum for home accounting, accounting education dedicates most effort to generate specific topics such as ethics in accounting, corporate governance, and public sector accounting.

A study of the home accounting that engages in daily routines and activities of home affairs (Jeacle, 2009) is consistent with Hopwood's call (1994) to study accounting in everyday life and culture. "The home is central to everyday life and forms of accounting are constitutive and reflective of its discourses" (Lewellyn & Walker, 2000, p. 448). Unfortunately, it has not been so enthusiastically explored by and gaining accounting scholars and researcher's attention. Also, accounting academics have done

little to explore the development of “business-like” home accounting practices (Northcott & Doolin 2000).

Therefore, until recently, few studies had been doing within this area. In the U.K., for example, a survey done by the British Household Panel Survey studied households’ financial management, and decision making (Dobbelsteen & Kooreman, 1997) did not consider the day-to-day accounting practices adopted in the homes. Besides, most studies in the area of home accounting were conducted at the beginning of the 2000s (see, for example, Llewellyn & Walker, 2000; Komori & Humphrey, 2000; Walker & Llewellyn, 2000; Northcott & Doolin, 2000; Piorkowsky, 2000; Froud et al., 2000; Pahl, 2000; Carnegie & Walker, 2007a and 2007b; Jeacle, 2009; Komori, 2012; Rahardjo & Kamayanti, 2015; Ramlugun et al., 2016; Lee et al., 2017; Rant et al., 2017, Bernal et al., 2018).

The studies in the home accounting area are also diverse in terms of its focus of the study. The focus is ranging from the topics of gender perspectives –women and men in practicing accounting and marriage relationship (Pahl, 2000; Walker, 2003; Carnegie & Walker, 2007a and 2007b; Komori, 2012; Bernal et al., 2018; Musdalifa & Mulawarman, 2019), classes of society (Carnegie & Walker, 2007b; Bernal et al., 2018), categories of accounting practices – financial accounting and budgeting (Northcott & Doolin, 2000; Carnegie & Walker, 2007a; Ramlugun et al., 2016;), cultural background (Musdalifa & Mulawarman, 2019;), self-employed business (Rahardjo & Kamayanti, 2015; Khanal & Mishra, 2016; Adriaenssens & Hendrickx, 2009), long-term family life planning (Komori & Humphrey, 2000).

Previous studies of home accounting in Indonesia were done by Musdalifa & Mulawarman (2019) on the role of culture and marital relationship in using accounting and Raharjo & Kamayanti (2015) on accounting for a self-employed business. Unlike the previous studies, this study intends to explore accounting roles in managing the home economic resources done by accountants. Drawing on the categories used by Northcott & Doolin (2000), broad areas of accounting practice are identified – budgeting, record-keeping, and decision making.

2. Literature Review

2.1. Private and Secretive Affairs

Walker & Llewellyn (2000, p. 425) made a good statement related to home accounting as follow:

In romanticism, literature home is where the heart is. Home is a haven, a place of repose, and the scene for the enjoyment of the pleasures of family life. But the home is also a locus of production and consumption, of the exercise of power and the scene of conflict. It is a place where the romantic ideal's simplicity co-exists with the practicalities of resource generation and distribution, of making ends meet and dealing with social relationships between family members. Given the complex realities of managing a household, it is not surprising to discover that a home is a place where we may locate the performance of rational practices such as accounting and where we may identify various structures of accountability.

In reality, the home had not been getting enough attention from academia and accounting education institutions in general. Accounting academics have done little to study home accounting. Home affairs are seen as a private and non-contributory arena, while academia's focus is getting legitimacy as schools of advanced learning in which the accounting discipline supports the workings of the modern economy and serves the interest of the public domain. Therefore, personal and home accounting have been downgraded to boost up claims that accounting was a rigorous discipline within the business, economics, and law faculties of academic institutions (Northcott & Doolin, 2000).

This view tends to confirm that accounting education misses the link of relevant research because “we are not engaged in true, continuous, and consistent research in our field of study” (Doost 1999, p. 95), whereas “the household is now established as a major site for research activity among social scientists” (Walker & Llewellyn 2000). Controlling and managing financial resources in the home becomes central and very important to understand the household's economy, roles of gender, and the distribution of power between spouses. In the end, the findings can be useful for the government at the macroeconomy, for example, to alleviate and reduce poverty of households (Mullan et al., 2011), to identify the relative incomes of husband and wife (Pahl, 2000) to reduce gender discrimination in wages and salaries.

The majority of accounting academia considers home accounting as some kind of domestic work that does not fit the professionalization of accounting (Walker, 2003). One of the characteristics of domestic work is its secrecy to the outside home. It contradicts the spirit of accounting professionalization that demands transparency and full disclosure of accounting information as a requirement for public responsibility. The belief contributes to the exclusion of household accounting into the university curricula.

2.2. Personal Finance and Everyday Life Rationalization

Home accounting literature offers a variety of accounting prescriptions. Above all, defining personal or family objectives as the precursor to the pursuit of a strategic approach to finance will prepare a financial position and net worth of the individual or family. However, as argued by Walker & Llewellyn (2000), the preparation and composition of personal or family balance-sheet raise the problem in asset recognition and measurement. These issues usually become the problem of accountants in dealing with home financial reporting.

It seems that the problem with asset recognition and measurement, as well as the going concern concept of home affairs, make home accounting is mostly focused on cash/money management. Within the prescriptive home accounting, money management systems are often advanced for individuals and families as ‘‘part of the art of living’’ (Allen, 1973 as quoted by Walker & Llewellyn, 2000, p. 429). Personal/home accounting has a pervasive social and behavioral significance in everyday life. Its practice strengthens economic morality, self-reliance, and discipline (Walker & Llewellyn, 2000, p. 429).

Another difficulty with record-keeping to prepare financial position statement in the home is that marriage money is personal and private, domestic and co-operative, and is taken on trust and not subject to contract. Accordingly, marriage/home money is not subject to publication and disclosure. This situation is different with money management in the business entity that is calculable, impersonal, and subject to contract. The record-keeping, to a certain degree, becomes irrelevant. Pahl (2000) found that the

majority of the couple did not keep formal accounts. In other words, most couples were seldom practicing record keeping.

Budgeting is the most common exercise in home affairs. Budgeting plays an important role, especially among low-income families, to tightly manage their income. This is also confirmed by Pahl (2000, p. 516) in his study that,

Accounting practices also reflect the economic position of the household in the broader society. Poor couples and individuals on lower incomes have to keep a check on their financial situation in a way that more affluent couples and individuals do not: the less money there is, the more tightly it has to be controlled, and the more thankless and demanding is the job of a family accountant.

Budget in the home functions to manage the money – so it performs the role of planning and controlling mechanism of home spending. The difference might be on the priority of spending between low and high-income families. High-income families tend to use the budget to plan their spending for long-life assets – long term investment, while for the low-income families, budget functions as a tool to keep their spending not to exceed their income. Carnegie and Walker (2007) support this idea that “account keeping was possibly more likely in periods of crises, such as economic depressions and war” without specifically mentioned the budget.

3. Research Method

This study draws on exploratory research because, until now, little attention has been given to the research in home accounting. Exploratory research can be categorized as qualitative research. A qualitative inquiry characterizes the involvement of an interpretive, naturalistic approach to its subject matter. Within this perspective, a researcher studies things in their natural settings, attempting to make sense of or interpret phenomena in terms of the meanings people bring to them (Denzin & Lincoln, 2005). Interaction between the researchers and that being researched becomes an important issue due to the researcher's demand to become an "insider" where he or she collaborates and spends time in the field with participants to lessen the distance between them (Creswell, 1998, p. 75).

This study's exploratory research method relies on formal qualitative research through in-depth interviews and a multiple-case approach to reveal individuals' uses and perceptions of home accounting. This method is chosen because the issue is seldom addressed by accounting academia. After all, home affairs are a private business – the accounting information is a family business and therefore secrecy to the outside party. As a private domain, researchers will likely face difficulty in collecting data.

Data for this study are taken from the research's interviewees' experiences that consisted of accounting practitioners and academics. The interviewees are asked to explain how they construct accounting systems, interpret and act upon them, and “their perceptions of how they benefited from their accounting practices” (Northcott and Doolin, 2000). Backgrounds and accounting knowledge of the interviewees in their public environment are considered about their accounting uses to be applied at home. As Indonesia is a culturally diverse country, the selection does consider the cultural diversity that might influence the practice of accounting at home.

The interviewees were selected based on the following criteria:

- a. Except for one interviewee, they have a relatively narrow range of household incomes.
- b. They comprise of married persons.
- c. They are consisted of practicing accountants as well as academic accountants.
- d. They comprise people from diverse cultural backgrounds.

Ten accountants were selected as interviewees. They comprised of practicing accountants and academic accountants – with whom the researcher familiar. All of them are married women and men that live in the Special Region of Jakarta and its surrounding area – Indonesia. In detail, the interviewees can be classified as follow:

- Owner/partner of a public accounting firm and academics (X1, X2): 2 men
- Accounting academics only (Y1, Y2, Y3, Y4, X3, X4): 4 women and 2 men
- Accounting academics and consultant (X5, X6): 2 men

They comprise four dominant ethnicities and cultural backgrounds as Indonesia has 633 ethnic groups (BPS – Central Bureau of Statistics Indonesia). The interviewees'

composition is six of Javanese origin, two interviewees are of Minangkabau origin, and the other two are from Melayu and Batak origin. Those four ethnic groups have different characteristics that may represent the diversity of Indonesian society in general. Together, all of them represent the majority of Indonesian society.

All interviewees are colleagues of the researcher as academic staff members in the accounting discipline. Semi-structured interviews are conducted informally without being tape-recorded. The duration of the interview varies – from 80 to 120 minutes. If necessary, in addition to primary data from interviews and as part of multiple data sources used, secondary data such as a list of regular expenditure of the household, home budgeting are used to support and reconfirm data from the interviews. In addition to individual interviews, focused group discussion was done with nine interviewees. The discussion was conducted in order to get further clarification from the result of the interviews.

To generate a detailed analysis of the data, the interviews are analyzed individually manually. Tracing individual interview transcripts to maintain the contextual situation that existed among interviewees is carried out during the analysis. This is conducted to avoid data analysis merely confirming what the researcher already knows. Mero-Jaffe (2011, p. 232) describes this kind of analysis as “denaturalized transcription”, a transcription that,

...flowing, presenting 'laundered' data removes the slightest socio-cultural characteristics of the data or even information that could shed light on the results of the study. It accurately describes the discourse but limits dealing with the description of accent or involuntary sounds. The accuracy relates to the interview's essence, the meaning and perceptions created, and it's part in the discourse.

As a qualitative exploratory research, the analysis is directed to explore the research questions. Despite its diversity in practice, the process of qualitative data analysis involves a symphony of three notes of noticing, collecting, and thinking about exciting things (Seidel, 1998). Also, the process does not merely notice, collect, and think about things, and then write a report, but it is iterative and progressive because "it is a cycle that keeps repeating"; recursive because "one part can call you back to a

previous part"; and holographic because "each step in the process contains the entire process" (Seidel 1998, p. 2).

The process described is an infinite spiral, and it is carried out simultaneously. Consequently, data analysis cannot be identified separately from the data collection. Soon after the first data are collected, data analysis – in descriptive coding – begins to guide decisions related to further data collections. In this process, the researcher must be entirely involved by recognizing, responding, intermingling, reflecting, attaching meaning, and recording. The descriptive coding is chosen as it is "perhaps more appropriate for social environments" (Miles et al., 2014).

4. Research Findings and Discussion

4.1 Home Accounting Practices – Budgeting

The budgetary practices, as described by most interviewees, are directed toward cash flows management. It can be inferred from the description given by interviewees. They shared a similar budgeting pattern – more general budget categories, especially those routine and significant monthly expenditures such as electricity and installment payment for housing and car loans. Except one, all the interviewees perceived the budget as a controlling mechanism to figure out what was available to spend each month from their salaries.

The critical issue is cash flow management (Northcott & Doolin, 2000), even though not all households keep formal accounts (Pahl, 2000). Therefore, cash budget dominated budgeting practices at home. One interviewee (Y1) mentioned:

The most important thing is maintaining my salary for the whole month not to have a deficit. I need to ensure that my monthly income from my salary is enough to finance all my regular household expenses. Besides, I must make a small saving for unpredictable expenses. My mother-in-law lives on a different island far away from Jakarta – and currently, she needs a lot of my attention to her health condition. This needs much money – that is why I need to ensure to have to save every month.

An interviewee (X4) – a relatively new married man with a little child – mentioned that he needed to maintain his expenditure carefully. Focus on short – term budget became a necessary condition because he allocated more than half of his monthly home

installment (mortgage). The monthly budget was essential to ensure cash availability to pay a mortgage installment, electricity, and other essential home expenditures. This phenomenon is also confirmed by Sanchez-Martinez et al. (2016, p. 413) that mortgaged households tend to make the young households financially vulnerable because “higher levels of education do not act as a protective factor against households’ financial vulnerability.”

The budgeting practices indicate the domination of cash basis accounting. None of them used accrual accounting, although they realized that the "best" way to budget and monitor expenditures was the accrual accounting approach. The practices seem to be influenced by their income characteristics mostly derived from monthly salaries – most interviewees are academics as their main job. Northcott & Doolin (2000) mention that “the choice of budgeting period is strongly influenced by the frequency with which earnings are received and, therefore, linked to occupational status”.

Only two interviewees explicitly mentioned the focus of their home budgeting emphasized more on long-term investment than daily/routine expenditures. One of them is X1 – a partner of a big four accounting firm and academics. He focused on long-term investment budgeting, especially property – land, houses, hotels, and many companies' shares. His enormous income made it possible to do this because he did not have difficulty supporting his family's routine expenditures.

An interviewee mentioned the same way that his only job is academics (X3). He also focused the budget for the long-term investment in housing, land, and long-term shares investment. Even though his income pattern was relatively fixed income, he firmly managed his family's daily needs to prepare for his retirement. Reflecting on the mental accounting of a retired household (Lee et al., 2017), he even sacrificed his comfort life by not changing his car for nearly twenty-five years. In this case, he said:

The most important thing is my future life so that I can live a comfortable life in the future after I am retired. For that purpose, I must sacrifice my comfort life today. It is not easy at the beginning to convince my family – my wife, mostly. For your information, I still drive my old car – I bought it twenty-five years ago. I never have a credit card to control my expenditures tightly. However, now, my wife and I feel secure while I come close to retirement. I have many houses that can be rented to generate revenues and shares in many lucrative companies that generate

enough money from the dividend. Above and beyond, all my children have graduated from universities and financially independent (X3).

Thaler (1992) explains that difficulties in self –control have forced people to take irreversible actions such as buying whole life insurance, joining a pension plan, or other methods. The decision to sacrifice daily needs and curb spending directed to make additional mortgage repayments and buy shares can be seen as forced savings.

Compared to the notion of budgetary control in the business contexts, interviewees seemed to see it differently. They viewed budgetary control as a tool to standardize expenditures. It was used to avoid unexpected bills and invoices “to gain a sense of certainty about what uncommitted cash remained available” (Northcott & Doolin, 2000). Budget, in this case, also functioned as a way to smooth payments and avoid debts. This can be categorized as conservatism in budgeting, in which the interviewees ensure that sufficient funds (money) are available to meet unexpected cash outflows. In other words, it functions as a self-disciplinary device (Walker & Llewellyn, 2000).

4.2. Home Accounting Practices – Financial Accounting Record Keeping

Even though its records' regularity and extent varied among the interviewees, all of them maintained some sort of financial records. This study's result is in line with Northcott & Doolin's (2000) and Ramlugun et al. (2016) findings. Northcott & Doolin (2000) found that some interviewees were very exact about their financial records, even though others relied on rough estimations and informal records. The avoidance of overspending or indebtedness may explain that a family is incredibly concerned about record-keeping (Ramlugun et al., 2016).

All interviewees agreed that record keeping of domestic financial affairs was helpful. However, the majority maintain that they seldom kept the record formally. Record-keeping was done informally in the forms of keeping all transaction evidence in a particular place – envelopes or boxes – for a certain period – usually monthly basis. The focus was to maintain cash availability to finance substantial routine expenditures such as electricity and water bills, school fees for children, and long-term debt

installments – such as housing and car. This finding supports many previous studies that household record-keeping is mostly directed toward maintaining healthy cash flows (see, for example, Carnegie & Walker, 2007; Piorkowsky, 2000; Northcott & Doolin, 2000; Zhang & Sussman, 2017).

Related to maintaining the availability of cash, there was a tendency from the finding of this study that interviewees with a single source and lower-income tended to be more rigid in maintaining their financial record keeping. This was in line with the statement of X4 – a new married man with a wife and a little child as follows:

To me, spending money must be carefully planned and also must be recorded in order and detail. My combined income with my wife is not much. Therefore, my wife and I must carefully spend the income. The priority is to pay my family house mortgage that took almost 60% of my combined income. Secondly, we must prioritize to pay other essential bills such as electricity, water, and my little child's school fees every month. It is the reason that I always strictly record all expenditures to make sure that my cash flows are healthy.

This practice confirmed Carnegie and Walker's finding (2007) that record-keeping in the home became an instrument for restraining consumption during a time of crisis or economic difficulty. The practice of rigid record-keeping done by X4 indicated the level of economic difficulty in spending the limited household income. Six interviewees whose only income source was coming from their only job as accounting academics did a similar practice.

Only one interviewee (X1) – partner of a multinational accounting firm and academics – did not record the detail of his household routine expenditures due to his enormous amount of income. To control the expenditures, he simply gave a certain amount of money to his wife for the household necessities every month. He managed the rest of his income for long-term investment in real estate such as housing, land, and hotels – as well as companies' shares. Related to the issue, he mentions,

I never record the monthly expenditures of my household. Usually, I give a certain amount of money to my wife every month, and she manages the money for household purposes and herself. So far, my wife never complains and ask for additional money. Therefore, I never make a record-keeping of my routine expenditures. To me, this kind of expenditure is something like petty cash for a

company. The difference is that I never ask my wife about the use of the money. My concern is a long-time investment in fixed assets, especially real estate.

Even though most of the interviewees did record keeping of the expenditures, none of them prepared financial position equivalents as a part of the record-keeping process. They only concern with record-keeping of cash flows. Hence, this study's result is consistent with Northcott & Doolin's study (2000), which found that the practice of home accounting was focus on “monitoring of savings account balances and short-term monitoring of current account balances”.

4.3 Home Accounting Practices – Decision Making

At home, accounting information usually is used to decide about savings and financing decisions primarily related to long-term assets such as purchases of the home, cars, holidays, consumer durables, and school fees for children. This kind of decision making involves cash outflows for an extended period, so it must be carefully calculated. Otherwise, it might create a cash flows problem in the future.

However, the study found that there were differences between relatively newly married families with the old one in financing decision priority. For the newly married family, the most significant financing decision was a home mortgage. Half of the participants who hold accounting academics' position as their only job where newly married couples compared to the other category. Worthington's study (2009) found that new couples and middle-aged with children highly likely had an increase of an owner-occupied mortgage. It can be understood because a home mortgage's installment usually involves enormous cash outflows commitment for an extended period – from five to twenty-five years.

They tended to use future cash flows as an essential consideration by exploiting formal calculative techniques when decided to buy a home. Most interviewees tended to use the calculation because they did not want to get into debt trouble in the future.

For example:

I know that my income is relatively fixed, and not much I can get from these jobs as accounting academics. Therefore, I have to apply for a home mortgage to buy a house. Consequently, I have to make the monthly installment for an extended period. I think it is some kind of compulsory savings that cannot be withdrawn like

saving accounts. It is the reason that I have to carefully calculate and decide in order not to get financial problem in the future. (Y4)

The primary purpose was to maintain that the monthly mortgage installment did not degrade routine and consumption expenditures. It can be said that long-term decision making is directed to make short-term/routine expenditures secure. It might be the reason that other than home mortgages, all interviewees preferred to avoid debt for routine/consumption expenditures because trapped into consumption debts was seen as a failure.

In line with Northcott & Doolin (2000), for less substantial investments, most interviewees “relied on a form of mental accounting, whereby they continually kept in mind their current cash position”. Mental accounting refers to “the inconsistent viewing of the value of money depending on where the money originated” (Seiler et al. 2012). This notion can be seen from the interviewees' tendency to set up special accounts to prohibit specific spending due to self-control problems. Saving for the future children’s education and private pension schemes were examples of how the interviewees applied mental accounting.

This study also confirmed that most interviewees confirmed the arrangement of the decision making for a home mortgage. Two interviewees, however, made an exception – X1 and X3. For example, X3 chose to sacrifice routine and consumption expenditures from the beginning of his marriage for nearly 30 years for home equity. As a result, he has many rented houses that generate rent income – cash inflows – regularly. He did this in order to prepare for his enjoyable life after retirement. X1 made a considerable investment in property such as hotels, houses, and land without necessarily sacrificing his daily life because of his enormous income generated from his accounting firm.

4.4. Home Accounting Practices – Signification

Controlling financial affairs through the use of accounting at home will generate a sense of comfort and safety. It can be understood that most interviewees reluctant to make debts except for home mortgages because these inevitably reduce the sense of security and control. Thus, debts are more associated with "tolerance for stress and perceived loss of control" than with economic beliefs (Livingstone and Lunt as quoted

by Northcott & Doolin 2000). An interviewee said that “cash flows management was the most important at home. It created peace of mind because everything was apparently under control” (X4).

Accounting at home also intensely involves emotion. Emotional dimensions often influence and moderate budgetary discipline. This study supports the study done by Northcott & Doolin (2000) that many spending decisions at home are often influenced by emotional imperatives rather than economic rationalization. Y1 illustrates how she often breaks the budget for emotional spending as follows:

Occasionally, I unexpectedly have to travel to another island to visit and take care of my mother-in-law simply because I do not want to be the judge as a bad daughter in law. Besides, I want to make my husband happy. I always spend a lot of money because I also have to travel to Malaysia for medical treatment. That spending is always done by sacrificing my plan that has already been included in the budget. But that is real life, I think, that is not necessarily rational but sometimes also involves emotion.

This phenomenon, of course, creates a problem of the procedural and analytical approach of rationality when accounting is applied at home – home activities and transactions are not necessarily rational, but these involve emotional dimensions as well. Accounting is usually associated with rationality – impersonal, neutral, and objective (Weber, 1947). Accordingly, accounting has been used as a symbol of rationality that is represented by the procedures and symbols adopted (James, 2009; Wahyudi, 2010 & 2012; Quattrone, 2015).

Accounting practices as a symbol of rationality also occur at home in deciding on the home (Northcott & Doolin 2000). Accounting became a symbol of rationality at home because interviewees faced difficulty balancing economic and emotional needs. Accounting practices were exploited in the decision-making process to give self – impression that the decision was rational – the rationality symbol. An interviewee – X1 explicitly mentions this issue,

As you know, I make a lot of long-term investments in property, especially lands and hotels. Honestly, many of my investments are conducted in emotional considerations. One of them is my investment in Yogyakarta. I bought a piece of land with a house inside because of my emotional ties with Yogyakarta, where I graduated with my bachelor's degree. However, this decision needs to be backed

up with accounting calculations. That is the reason that I use accounting procedures – project evaluation – to justify my decision.

5. Concluding Remarks and Limitation

This study demonstrates that accounting, namely budgeting, record-keeping, decision making, does have a role to play in the privacy of the homes. Instead of an accrual basis, the practice of budgeting indicated the domination of cash basis accounting. It showed that budgeting at home emphasized cash flow management in order to avoid a cash-flow deficit. Only two interviewees used budgeting as an instrument to make a long-term investment decision. In general, budgetary control was treated as a tool to standardize expenditures and functions as self-disciplinary devices.

Despite their agreement on the importance of record-keeping at home, the majority maintained and kept the financial record informally. Due to the emphasis on a cash basis, none of them prepared financial position equivalents as a part of the record-keeping process. This study also identified that households with a single source and lower-level income tended to be more rigid in maintaining their financial record keeping compared to those with multiple sources and higher income levels.

Accounting as technology is seen as a transferable skill. However, transferring accounting techniques and reports from work to home is, to some extent, problematic—two possible problems found from the study. The first problem is going concern assumption from the perspective of accounting techniques and procedures. And the second problem is economic rationality in the decision-making process. Unlike business entity that assumes to be going concerned, home accounting is finite – life is a short mentality. Therefore, a lot of accounting techniques that apply to the business entity hardly applies to home affairs. That might be the reason that all interviewees did not concern with the financial position statement. As many previous studies, cash flows management became the dominant mode of accounting practices at home.

The availability of cash became the main reason influencing decision making. This study found the differences in financing decision priority. Due to their limited income, relatively newly married families tended to use future cash flows as an essential

consideration by exploiting formal calculative techniques when decided to take a mortgage compared to old families. Decision making at home, from the finding, was also often motivated by emotional consideration rather than economic rationality. Emotional motivation frequently made individual decisions taken differently from what was stated in the budget.

Because it is only based on ten interviewees, this study can be categorized as exploratory. The findings of this study, accordingly, cannot be generalized to any specific group or population. Therefore, this study intends to generate insight and understanding that home financial management might shape and influence accounting practices.

References

- Adriaenssens, S. and Hendrickx, J. (2009). Modes of production in home maintenance: accounting for the choice between formality, books, and self-provisioning. *International Journal of Consumer Studies*, 33, 596 – 603.
- Bernal, M.D.C., Pinzón, P.A., Funnell, W. 2018. Accounting for the male domination through legislative empowerment of upper-middle-class women in early nineteenth-century Spain. *Accounting, Auditing & Accountability Journal*, 31(4), 1174 – 1198.
- Carnegie, G.D. and Walker, S.P. (2007a). Household accounting in Australia Prescription and practice from the 1820s to the 1960s. *Accounting, Auditing & Accountability Journal*, 20(1), 41 – 73.
- Carnegie, G. D., and Stephen P. Walker, S.P. (2007b). Household accounting in Australia: a microhistorical study. *Accounting Auditing & Accountability Journal*, 20(2), 210 – 236.
- Creswell, J.W. (1998). *Qualitative Inquiry and Research Design-Choosing Among Five Traditions*. Thousand Oaks: Sage Publications
- Denzin, N.K. and Lincoln, Y.S. (2005). Introduction: Entering the Field of Qualitative Research In N.K. Denzin and Y.S. Lincoln (editors). *The Sage Handbook of Qualitative Research*, Thousand Oaks: Sage Publication. 1 – 32.
- Dobbelsteen, S. And Kooreman, P. (1997). Financial management, bargaining, and efficiency within the household: an empirical analysis. *De Economist*, October, 145(3), 345 – 366.
- Doost, R. K. (1999). The missing links in accounting education. *Managerial Auditing Journal*, 14(3), 93 – 115.

- Doucet, A. and Mauthner, N. (2001). *Voice, Reflexivity, and Relationships in Qualitative Data Analysis: Background Paper for Workshop on “Voice” in Qualitative Data Analysis: A Neglected Area?* Retrieved on May 12, 2003, from <http://www.Kerlins.net>
- Froud, J., Haslam, C., Johal, S. and Williams, K. (2000). Representing the household: in and after national income accounting, *Accounting, Auditing & Accountability Journal*, 13(4), 535 – 560.
- Hopwood, A. (1994). Accounting and everyday life: an introduction. *Accounting Organizations and Society*, 19(3), 299 – 301.
- James, W. (2009). Rationality, institutionalism, and accounting change. *Journal of Accounting & Organizational Change*, 5(3), 362 – 389.
- Khanal, A.R. and Mishra, A.K. (2016). Financial performance of small farm business households: the role of the internet. *China Agricultural Economic Review*, 8(4), 553 – 571.
- Jeacle, I. (2009). Accounting and everyday life towards a cultural context of accounting research. *Qualitative Research in Accounting & Management*, 6(3), 120-136.
- Komori, N. & Humphrey, C. (2000). From an envelope to a dream note and a computer - The award-winning experiences of post-war Japanese household accounting practices. *Accounting, Auditing & Accountability Journal*, 13(4), 450 – 474.
- Komori, N. (2012). Visualizing the negative space: Making feminine accounting practices visible by reference to Japanese women’s household accounting practices. *Critical Perspectives on Accounting*, 23, 451– 467
- Lee, S., Choe H., Kim, M. (2017). Mental Accounting of Retired Household by the Type of Household Financial Strategy. *Korean Journal of Human Ecology*, 26(5), 403 – 417.
- Llewellyn, S. and Walker, S. P. (2000). Household accounting as an interface activity: the home, the economy, and gender. *Critical Perspectives on Accounting*, 11, 447 – 478.
- Mero-Jaffe, I. (2011). 'Is that what I said?' Interview transcript approval by participants: An aspect of ethics in qualitative research. *International Journal of Qualitative Methods*, 10(3), 231 – 247.
- Miles, M.B., Huberman, A.M., and Saldana, J. (2014). *Qualitative Data Analysis: A Methods Sourcebook*. Third Edition. Sage Publications.
- Mullan, K., Sutherland, H., and Zantomio, F. (2011). Accounting for housing in poverty analysis. *Social Policy & Society*, 10(4), 471 – 482.
- Musdalifa, E. and Mulawarman, A.D. (2019). Budaya Sibaliparriq dalam praktik household accounting. *Jurnal Akuntansi Multiparadigma*, 10(3), 413 – 432.
- Northcott, D. and Doolin, B. (2000). Home accountants: exploring their practices. *Accounting Auditing & Accountability Journal*, 13(4), 475 – 501.

- Pahl, J. (2000). Couples and their money: patterns of accounting and accountability in the domestic economy. *Accounting Auditing & Accountability Journal*, 13(4), 502 – 517.
- Piorkowsky, M-B. (2000). Household accounting in Germany – Some statistical evidence and the development of new systems. *Accounting, Auditing & Accountability Journal*, 13(4), 518 – 534.
- Quattrone, P. (2015). Governing social orders, unfolding rationality, and Jesuit accounting practices: A procedural approach to institutional logics. *Administrative Science Quarterly*, 60(3), 411 – 445.
- Raharjo, A.P., Kamayanti, A. (2015). Household Accounting Values and Implementation Interpretive Study. *The Indonesian Journal of Accounting Research*, 18 (1), 74 – 96.
- Ramlugun, V.G., Ramdhony, D., Poornima, B. (2016). An Evaluation of Household Accounting in Mauritius. *International Journal of Accounting and Financial Reporting*. 6(2), 62 – 76.
- Rant, D., Horvat, R., Tominc, P., & Korošec, B. (2017). Household Accounting – A Case of Subsidised Self Employed Entrepreneurs in Slovenia. *Naše gospodarstvo/Our Economy*, 63(2), 32 – 41. DOI: 10.1515/ngoe-2017 -0010
- Sanchez-Martinez, M.T., Sanches-Campillo, M.T. and Moreno-Herrero, D. (2016). Mortgage debt and household vulnerability: evidence from Spain before and during the global financial crisis. *International Journal of Housing Markets and Analysis*, 9(3), 400-420.
- Seidel, J.V. (1998). *Qualitative Data Analysis*. Retrieved from Qualis@qualisresearch.com, www.qualisresearch.com
- Seiler, M.J., Seiler, V.L. and Lane, M.L. (2012). Mental accounting and false reference points in real estate investment decision making. *The Journal of Behavioral Finance*, 13, 17-26.
- Thaler, R.H. (1992). *The Winner's Curse: Paradoxes and Anomalies of Economic Life*. Princeton NJ: Princeton University Press.
- Wahyudi, I. (2012). The Effect of Corruption on Accounting Information: An Institutional Theory Perspectives. October. *24th Asian-Pacific Conference on International Accounting Issues*. Hawaii USA.
- Wahyudi, I. (2010). A Political Display and Symbolic Reasoning of Budgeting – A Case of an Indonesian Higher Education Institution. *The Indonesian Journal of Accounting Research*, 13(1), 79 – 100.
- Walker, S.P. (2003). Professionalization or incarceration? Household engineering, accounting, and the domestic ideal. *Accounting, Organizations and Society*, 28, 743 – 772.

- Walker, S.P. (1998). How to secure your husband's esteem. Accounting and private patriarchy in the British middle-class household in the 19th century. *Accounting, Organizations and Society*, 23(5 – 6), 485 – 514.
- Walker, S. P., and Llewellyn, S. (2000). Accounting at home: some interdisciplinary perspectives. *Accounting, Auditing & Accountability Journal*, 13(4), 425 – 449.
- Worthington, A.C. (2009). The usage and understanding of Australian household mortgages. *International Journal of Housing Markets and Analysis*, 2(4), 347 – 362.
- Weber, M. (1947). *The Theory of Social and Economic Organization*. Translated by A.M. Henderson and Talcott Parsons. New York: Free Press
- Zhang, C.Y. and Sussman, A.B. (2017). The role of mental accounting in household spending and investing decisions. In C. Chaffin (Ed.). *Client Psychology*. New York: Wiley.