

**ACCOUNTABILITY IN HAJJ FUND MANAGEMENT IN
INDONESIA**

BY

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**A dissertation submitted in fulfillment of the requirement for
the degree of Doctor of Philosophy**

**Kulliyyah of Economics and Management Sciences
International Islamic University Malaysia**

SEPTEMBER 2025

ABSTRACT

Accountability in public bodies in Asia remains a delicate issue. A public organization is characterized by its extensive engagement with multiple stakeholders, bureaucratic interconnections, rigorous oversight, and the inclusion of political considerations in decision making processes. The establishment of BPKH (Hajj Fund Management Agency) as the new and only authorized management body responsible for managing Hajj operations in the country aimed to improve the quality of Hajj services for Indonesian Muslims. Nevertheless, the issue of public trust and its legitimacy must be addressed mainly due to the history of Hajj fund mismanagement in prior eras. This study developed an accountability based conceptual framework for BPKH to gain public legitimacy. A proper accountability arrangement is essential in ensuring that BPKH, as a public organization in the country, stays true to its ethos. The investigation was carried out through in depth interviews with BPKH insiders and relevant stakeholders and cross checked against published documents. The study discovered that the BPKH insiders valued the new reform, which they cultivated through accountable actions and adaptation to the changing social landscape. Despite the availability of public information provided by BPKH, the information gap in society has remained relatively unchanged. It was found that there are two perspectives in understanding the legitimacy of Hajj fund management in Indonesia. First, in terms of organizational legitimacy, an improved transparency of public information has resulted in improvements in the governance of Hajj fund administration. It demonstrated how BPKH is adjusting to the needs of stakeholders in order to be accountable for professional management as a response to organizational and environmental pressure. Second, the public legitimacy perspective reveals that the Hajj fund managers were not perceived as legitimate organizers. An unresponsive entity coupled with a rather indifferent, albeit almost ignorant, public attitude suggests a lack of public legitimacy. Despite a changed information communication approach through an improved presentation of financial figures, such accountability action was rather muted. It was not felt, especially by the stakeholders who are not closely related to BPKH's routine activities. Therefore, developing accountable systems to sustain the Hajj fund is inevitable. This includes a more equitable allocation of Hajj subsidies that includes a healthier proportion for the long term functioning of a healthy organization.

خلاصة البحث

تظل المساءلة في الهيئات العامة في آسيا قضية حساسة. وتتميز الهيئة العامة بانخراطها الواسع مع العديد من أصحاب المصلحة، كما تتسم بالترابط البيروقراطي، والرقابة الصارمة، ووجود اعتبارات سياسية في عمليات اتخاذ القرار. وقد تم إنشاء هيئة إدارة أموال الحج باعتبارها الهيئة الجديدة والوحيدة المخولة لإدارة عمليات الحج في البلاد، بهدف تحسين جودة خدمات الحج للمسلمين الإندونيسيين. ومع ذلك، يجب معالجة قضية الثقة العامة وشرعية الهيئة، وخاصةً في ضوء تاريخ سوء إدارة أموال الحج في الفترات السابقة. وقد طور هذا البحث إطارًا مفاهيميًا قائمًا على المساءلة لهيئة إدارة أموال الحج، من أجل كسب الشرعية العامة. فتنظيم المساءلة بشكل مناسب أمر ضروري لضمان التزام تلك الهيئة بمبادئها الأساسية، بوصفها منظمة عامة في البلاد. وقد تم إجراء هذا التحقيق من خلال مقابلات معمقة مع أشخاص من داخل الهيئة، ومع أصحاب مصلحة ذوي صلة، وتم التحقق من صحة المعلومات من خلال الوثائق المنشورة. وقد كشفت الدراسة أن المعنيين داخل هيئة إدارة أموال الحج يقدرون الإصلاح الجديد، الذي تم تعزيزه من خلال إجراءات مسؤولة تتسم بالقدرة على التكيف مع المشهد الاجتماعي المتغير. وعلى الرغم من توفر المعلومات العامة التي تقدمها الهيئة، إلا أن فجوة المعلومات في المجتمع لا تزال قائمة تقريبًا كما كانت. وقد تبين أن هناك منظورين لفهم شرعية إدارة أموال الحج في إندونيسيا: أولاً، من حيث الشرعية التنظيمية، حيث أدى تحسين الشفافية في المعلومات العامة إلى تحسينات في حوكمة إدارة أموال الحج، مما يُظهر كيف أن الهيئة أصبحت تستجيب لاحتياجات أصحاب المصلحة لتكون مسؤولة عن الإدارة المهنية، استجابةً للضغوط التنظيمية والبيئية. ثانيًا، يكشف منظور الشرعية العامة أن مديري أموال الحج لا يُنظر إليهم على أنهم منظّمون شرعيون. فالكيان غير المتجاوب إلى جانب الموقف العام المتسم باللامبالاة –وأحيانًا بالجهل– يشير إلى نقص في الشرعية العامة. وعلى الرغم من التغيير في نهج التواصل من خلال تحسين عرض الأرقام المالية، إلا أن هذا الفعل المرتبط بالمساءلة لم يكن له تأثير ملموس، وخاصةً على أصحاب المصلحة الذين لا يرتبطون بشكل مباشر بأنشطة الهيئة اليومية. وبالتالي، فإن تطوير أنظمة مساءلة مستدامة لصندوق الحج، أمر لا مفر منه. ويتضمن ذلك تخصيصًا أكثر عدالة لإعانات الحج بما يضمن نسبة صحية من الموارد من أجل استمرارية المنظمة على المدى الطويل.

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DECLARATION

I hereby declare that this dissertation is the result of my own investigations, except where otherwise stated. I also declare that it has not been previously or concurrently submitted as a whole for any other degrees at IIUM or other institutions.

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This thesis is dedicated to my late Father, Mom, Husband and Family, for their loving support through the life journey that put me in this chapter of life.



ACKNOWLEDGEMENTS

All glory is due to Allah, the Almighty, whose Grace and Mercies have been with me throughout my programme. Although it has been tasking, His Mercies and Blessings on me eased the herculean task of completing this dissertation. I owe a debt of gratitude to numerous individuals for their significant contributions in finishing this academic journey.

I am most indebted to my supervisor, Assoc. Prof. Dr. Ahmad Zamri Osman @ Hussin, whose enduring disposition, kindness, promptitude, thoroughness and friendship have facilitated the successful completion of my work. I put on record and appreciate his detailed comments, useful suggestions and inspiring queries which have considerably improved this thesis. His brilliant grasp of the aim and content of this work led to his insightful comments, suggestions and queries which helped me a great deal. Despite his commitments, he took time to listen and attend to me whenever requested. The moral support he extended to me is no doubt a boost that helped in building and writing the draft of this research work. I am also grateful to my co-supervisor, Assoc. Prof. Dr. Hairul Azlan Annuar, whose support and cooperation contributed to the outcome of this work.

I thank the management of the Hajj Management Agency, MORA, and the interviewees for availing me the opportunity to gather information and have their valuable time in contributing to this Thesis. I am also indebted to my institution Universitas Negeri Jakarta and the faculty of FEB UNJ and SFD UNJ as the scholarship funder. My dean Prof Rizan, Prof Usep as former dean and head of the program Ati Sumiati, and my dearest supportive senior Prof Arita and Mrs Sri Zulaihati. During the data collection, I met VIP persons who are humble and helpful, may Allah benefit value their kindness. My high appreciation to Prof Akhyar, Mr. Ajar, the late Andi Bangun, and Mr. Kautsar who assisted me as PIC from BPKH.

My sincere gratitude to my dear husband Toni Priyanto, whose presence in terms of prayer and full support through the challenging situation to the successful completion of this thesis. My beloved children, Daffa, Salsa, and Khansa, all of you are my happiness and strength. I would like to thank my mom, siblings Mira and Azis, and my mother-in-law for their prayers.

Lastly, I take this opportunity to appreciate my friends Thoat family, Juna's family, Kak Maria family and Annisa Nuriva for their support and love through the journey. My high appreciation goes to my dear colleagues Dewi Nurmalasari, and the late Yunika. The IIUM doctoral friends, Gina H, Lailatis, Tiana, Yudhi, and Rini who shared my sorrow and happiness.

Once again, we glorify Allah for His endless mercy on us one of which is enabling us to successfully round off the efforts of writing this thesis. Alhamdulillah.

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LIST OF ABBREVIATIONS

AMPHURI	Ikatan Muslim Penyelenggara Haji dan Umrah Republik Indonesia (Muslim Association of Hajj and Umrah Organizers of the Republic of Indonesia)
ACT	Aksi Cepat Tanggap (Action Quick Response)
ASEAN	Asosiasi of South East Asian Nations
BAPPENAS	Badan Perencana Pembangunan Nasional (The Indonesian Ministry of National Development Planning)
BIPIH	Biaya Perjalanan Ibadah Haji (Hajj Travel Cost)
BPKH	Badan Pengelola Keuangan Haji (Hajj Fund Management Agency)
BPIH	Biaya Penyelenggaraan Ibadah Haji (Cost of Organizing the Pilgrims)
BPK	Badan Pemeriksa Keuangan (Government Audit Bodies)
BPS	Bank Penerima Setoran (The Islami Bank that Receive the Initial Hajj Deposit)
BP DAU	Badan Pengelola Dana Abadi Umat (The First Independent Organizationis the Ummah Endowment Fund)
CAQDAS	Computer Aided Qualitative Data
CEO	Chief Executive Officer
COVID-19	Corona Virus Disease 2019
DAU	Dana Abadi Umat (The People's Endowment Fund)
DPR	Dewan Perwakilan Rakyat (House of Representatives)
DPD	Dewan Perwakilan Daerah (Assembly at Provincial Republic of Indonesia)
DSN	Dewan Syariah Nasional (Sharia national Board)
DUHA	Dewan Urusan Haji (Hajj Affairs Council)
FG	Forum Group
FGD	Forum Group Discussion
GCG	Good Corporate Governance
GDI-QR	Generic, Descriptive, Interpretative Qualitative Research
HIMPUH	Asosiasi Penyelenggara Haji dan Umroh (The Association of Umrah and Hajj Organizers)

ID	Individual Interview
IDI	In Depth Interview
IDR	Indonesian Rupiah
IPHI	Ikatan Persaudaraan Haji Indonesia (Indonesian Hajj Brotherhood Association)
IRS	Internal Revenue Service
ISAK	Interpretasi Standar Akuntansi Keuangan (Interpretation of Statement of Financial Accounting Standards applicable in Indonesian)
KEMENAG	Kementerian Agama (Ministry of Religion)
KEMENKEU	Kementerian Keuangan (Ministry of Finance)
KBIH	Kelompok Bimbingan Ibadah Haji (Hajj Guidance Groups)
KPK	Komisi Pemberantasan Korupsi (Corruption Eradication Commission)
KPHI	Komisi Pengawas Haji Indonesia (The Indonesian Hajj Supervisory Commission)
LKKA	Laporan Keuangan Kementerian Agama (Ministry of Religion Financial Report)
MORA	Kementerian Agama Republik Indonesia (Ministry of Religious Affairs)
MUI	Majelis Ulama Indonesia (Indonesian Council of Ulama)
NGOs	Non Governmental Organization
OIC	Organization of Islamic Conference
OJK	Otoritas Jasa Keuangan (Financial Services Authority)
ONH	Ongkos Naik Haji (Hajj Costs)
PBUH	Peace and Blessings Be Upon Him
PBPKH	Peraturan Badan Pengelola Keuangan Haji (Internal Regulation of BPKH)
P3H	Panitia Pemberangkatan dan Pemulangan Jamaah <i>Haji</i> (Committee for Departure and Benefit Value of Hajj Pilgrims)
PHU	Penyelenggaraan Haji & Umrah (Organizing Hajj & Umrah)
PIHK	Penyelenggara Ibadah Haji Khusus (Hajj plus Organizers)
PIHU	Pengelola Ibadah Haji dan Umrah (The Implementation of Hajj and Umrah)

PPIH	Panitia Penyelenggara Ibadah Haji (Hajj Organizing Committee)
PPH	Pajak Penghasilan (Income tax)
PSAK	Pernyataan Standar Akuntansi Keuangan (Statement of Financial Accounting Standard)
PWC	PricewaterhouseCoopers
QR	Qualitative Research
RDP	Rapat Dengar Pendapat (Hearing Meeting)
RI	Republik Indonesia
RM	Ringgit Malaysia
RO	Research Objectives
ROI	Benefit value on Investment
SISKOHAT	Sistem Informasi dan Komputerisasi Haji Terpadu (The Integrated Hajj Information and Computerization System)
SOE's	State Owned Enterprise's
UU	Undang-Undang (Law)
UK	United Kingdom
US	United States
USA	United States of America
USD	United States Dolar
VA	Virtual Account
WTP	Wajar Tanpa Pengecualian (Reasonable Without Exceptions)

CHAPTER ONE

INTRODUCTION

1.1. INTRODUCTION

وَأَذِّنْ فِي النَّاسِ بِالْحَجِّ يَأْتُوكَ رِجَالًا وَعَلَى كُلِّ ضَامِرٍ يَأْتِينَ مِنْ كُلِّ فَجٍّ عَمِيقٍ

"And proclaim to the people the Hajj [pilgrimage]; they will come to you on foot and on every lean camel; they will come from every distant pass" (Qur'an 22: 27).

Islam is the world's second-largest religion after Christianity, with about 1.9 billion Muslims worldwide. Indonesia, where there are approximately 229 million Muslims, is the largest Muslim country. The Muslims equate to 87.2 percent of Indonesia's 263 million population and roughly 13 percent of the world's Muslim population (World Population Review, 2021). Muslims follow and believe in Islam's teachings, where the Qur'an (the holy book of Islam) and Hadith (recorded sayings of the Prophet Muhammad PBUH) are the primary sources of Islamic Law. The five pillars of Islam are the five official actions that all Muslims are required to perform. The Quran portrays them as a foundation for worship and a symbol of faith and devotion. Despite the fact that the five pillars of Islam are all essential, Muslims should not place equal weight on them. For example, anything else Muslim would be invalid if they did not have Shahadah, the first pillar of Islam, making it the most significant. Similarly, without Salat (prayer), you are not considered a Muslim, as Muslims believe this would be the first question asked on the Day of Resurrection (also known as "the last day"). In order of importance, the five pillars of Islam are: the Shahadah (Testimony of Faith), Salat (Prayer), The Zakat (Giving in charity), As Saum (Fasting; abstaining from all foods and drinks during daylight in Ramadhan), and the final one is Al-Hajj or pilgrimage to Mecca in Saudi Arabia for those who have the means and resources to perform it.

Nevertheless, carrying out the Hajj duty once in a lifetime to become a pilgrimage will be a priority goal in every Muslim life (Qur'an 3:97):

وَلِلَّهِ عَلَى النَّاسِ حِجُّ الْبَيْتِ مَنِ اسْتَطَاعَ إِلَيْهِ سَبِيلًا

"Performing Hajj is a human obligation to Allah, namely (for) those who can travel to the Baitullah". (Qur'an 3:97)

Therefore, as the world's largest Muslim population, it is not surprising that the number of Indonesian citizens who register to perform the pilgrimage continues to increase each year. Countries with significant Muslim communities also receive special quotas from Saudi Arabia (Indonesia had approximately 220 thousand Hajj pilgrim quota in 2019).

The limited Hajj quota allocated to Indonesia significantly affects the waiting period for prospective pilgrims. Although Indonesia receives one of the largest Hajj quotas globally, the overwhelming demand consistently exceeds the number of available slots. As of 2019, the average waiting time to perform Hajj was approximately 20 years, varying considerably across regions. In areas with lower applicant density, the wait may be as short as 11 years, whereas in high-demand regions such as South Sulawesi, the average waiting time has reached 39 years, primarily due to the disproportionately high number of registrants relative to the quota. This extended waiting period highlights the substantial challenges faced by Indonesian Muslims (Witjaksono, 2019). Therefore, the Hajj money remains in the fund for at least 11 years before it is utilized for the intended purpose. This burgeoning of funds is increasingly more difficult to ignore when the number of Hajj aspirants grow every year due to the new registration.

As the representative of the Indonesian government mandated to manage community Hajj funds, BPKH (Badan Pengelola Keuangan Haji) a Hajj Fund Management Agency established in 2018 is expected to manage these funds productively and in accordance with sharia principles. By the end of 2020, BPKH managed approximately IDR 144.91 trillion, equivalent to around USD 10.28 billion or MYR 41.4 billion as per December 2020 (Purnamasari & Prabowo, 2021). Although this situation had taken attention due to these enormous funds, two former religious ministers who have become suspects of corruption over the Hajj fund had reflected how vulnerable its management is. Therefore, the issue has grown in importance in managing the funds to maximize its benefits to support the Indonesian Hajj aspirants.

Consequently, huge accumulated public funds increase the need for accountability as well. Everyone intuitively believes that public bodies should hold themselves accountable for carrying out their mandates. The issue of accountability in Hajj management is in the fund management area, where the lack of transparency typically results in public funds abuse (Owechi & Namara, 2012). Accountability seems to be the most significant impediment to the Hajj fund management, especially in

developing countries, namely Indonesia, Malaysia, and Maldives (Muneeza et al., 2018). Before the establishment of BPKH, the Hajj fund were managed by the Minister of Religious Affairs or MORA with the ta'awun pattern meaning the principle of helping one another as pilgrims (Nasution et al., 2019). As a result, there was less transparency because the governance derived from this principle is considered from a purely religious perspective rather than financial.

Being accountable exudes the notion of transparency in every action. This is especially imperative for a person or/an organization holding a public fund. Therefore, accountability is generally regarded as an instrument for people to compel those in positions of public authority to tell the truth. Increased oversight for more transparency is needed to avoid being corrupted. Therefore, this research explores Hajj fund management in Indonesia with its unique characteristics from its advent through to a reformed entity as BPKH, through a lens of accountability, drawing upon qualitative research that takes a naturalistic, interpretive approach to its subject. Qualitative perspectives look at objects in their natural surroundings, striving to make sense of events based on the meanings that people bring to them and conducting their studies accordingly (Aspers & Corte, 2019).

1.2. BACKGROUND/MOTIVATION

"To talk about accountability is to define who can call for an account and who owes a duty of explanation." (Day & Klein, 1987, p. 5)

Accountability informs us that there is a line where each party has an obligation to be "held responsible" by other people, which people and organizations report to a recognized authority (or authorities) and are held accountable for their actions (Edwards & Hulme, 1996). Highlighting a key characteristic of public agencies, Bovens (2007) conceptualizes accountability as a relational mechanism in which an actor such as a public institution is obliged to explain and justify its conduct to a designated forum, such as a legislature, citizens, or an oversight body. This forum is entitled to pose questions, assess the actor's performance, and potentially impose consequences. Complementing this, Stewart's (1984) Ladder of Accountability offers a graded model of accountability ranging from basic compliance with due process to higher levels of justification involving program evaluation, policy rationale, and responsiveness to democratic demands. Together, these frameworks provide a robust lens for analyzing

accountability practices within public sector institutions, particularly in the Asian context. Many Asian countries continue to face challenges in transitioning from procedural or performance based accountability to more substantive forms of policy justification and public engagement. This is often constrained by hierarchical administrative cultures, limited institutional independence, and uneven capacities for civic participation (Briliantes & Fernandez, 2008; Cheung, 2005; Joshi & Houtzager, 2012). Therefore, understanding the interplay between Bovens' accountability relationship and the stages outlined in Stewart's ladder can illuminate both the strengths and limitations of public accountability practices especially in Asia.

This is very much within the ambit of responsibility of BPKH where the public expects BPKH to be responsible and accountable in managing the Hajj fund. As of early 2021, the funds amounted to IDR 140 trillion (USD 10 billion or RM 41 billion) from approximately 5.5 million Hajj aspirants. Therefore, adequate information is an inescapable requirement. As commonly believed, without transparent arrangements, there is no responsible government. The establishment of Law No. 34/2014 is considered a response to managing the Hajj fund for better conditions (R. M. Aziz, 2018). BPKH is now able to expand the portfolio as per Law No 34/2014 to support depositors as primary beneficiaries and enhance the Muslim welfare society. The need for transparency, necessitates proper accountability arrangements, for example, the structure, process, mechanism, and policies. It is an essential tool for achieving accountable governance, ensuring that public actors stay on the right path. Fox and Brown (1998) say that accountability is "the process of holding actors responsible for their actions".

Accountability also has an external dimension in the form of "an obligation to meet prescribed standards of behaviour" (Chisolm, 1995). The Ministry of Religious Affairs (MORA), as the previous organizer before BPKH, is perceived to be lacking accountability wise. Two corruption scandal cases from two ministers of religion in 2004 and 2014 indicate that the accountability towards management of Hajj fund is not fully observed at best, or blatantly ignored at worst. The Minister of Religion, Suryadharma Ali, is the second Minister of Religion to be implicated in a corruption scandal at the Ministry of Religion involving the administration of Hajj (Kemenag). He was convicted as a suspect in the alleged corruption case related to the implementation of Hajj in 2012-2013. Previously, Said Agil Husin Al Munawar, who served as Minister

of Religion from 2001 to 2004, was also implicated in corrupt activity in managing the people's endowment fund, originating from Hajj deposits (Solehudin, 2019).

Furthermore, the Corruption Eradication Commission, locally known as Komisi Pemberantasan Korupsi (KPK), highlighted the vulnerability of Hajj fund management by MORA. The lack of clearly defined use criteria and accountability systems leaves room for potential abuse (ICW, 2022). This situation has led to conspiracy and the possibility of bribery in deciding the cost of Hajj, which tends to go up every year. The cost of organizing the pilgrimage (BPIH or Biaya Penyelenggaraan Ibadah Haji) has been jointly determined by the Ministry of Religion and the House of Representatives (DPR/Dewan Perwakilan Rakyat). Besides, those already in close contact with MORA authorities and the DPR will likely emerge victorious due to the closed procurement process in supplying the pilgrim's needs during their Hajj (food, accommodation, and transportation). In the end, the impact on MORA as the organizer of the Hajj to provide quality Hajj services is negatively impacted due to the procurement process, which is rife with corruption and collusion. The last critical point is the people's endowment fund (DAU/Dana Abadi Umat), which originates from the cost efficiency of organizing the pilgrimage, and general knowledge as a strategic or non budgetary fund at the Ministry of Religion. The strategic/non budgetary is interpreted as a tactical fund for MORA. Therefore, the allocation of the funds is relatively flexible due to the situation or discretion of the MORA's relevant strategy. In the end, this fund is frequently used for individuals' interests or activities.

As a consequence of this, accountability possesses both an external dimension in the form of "an obligation to meet prescribed standards of behaviour" (Chisolm, 1995) and an internal dimension in the form of "felt the responsibility" (Fry, 1995) which is demonstrated through individual action and organizational mission is needed. This dual perspective is comparable to the arguments made by democratic accountability theorists, who place a greater focus on public institutions and the representation provided by elected officials. Behn (2001) proposes a "360 degree model" of accountability that would compel public agencies to shift away from adversarial accountability enforcement and toward an emphasis on collective responsibility. According to Dunn (1999), public officials who claim to be acting in the public interest should be more open and transparent with information.

Aligned with the reform spirit, the Hajj Fund Management Agency (BPKH) attempts to operationalize its accountability through the officials media, such as a

website or internet site filled with financial performance and other relevant informative issues. Official web based financial figures provide the tools to transmit the series of accountable actions of BPKH in managing the Hajj fund to the public. This phenomenon explains accountability literature where public sector organizations compete using the web of accountability (Page, 2006). The web based media is considered a place to present and account for their management and achievements, among other sorts of accountability forums like inspections, auditors, or the media (Bovens et al., 2014).

The managed funds (initial deposits, benefit value, and surplus from efficient pilgrimage arrangement from previous years) were used primarily to subsidize the actual Hajj cost (the cost of organizing the Hajj labelled as Biaya Penyelenggaraan Ibadah Haji or BPIH) and ummah's social welfare (budget for the ummah in the society, namely education, and da'wah, worship infrastructure, etc). Specifically, the benefit value (profit/Benefit value on Investment/ROI from the managed fund) experienced by the pilgrims is the difference between the cost of organizing the Hajj/BPIH minus the BIPIH or Biaya Perjalanan Ibadah Haji (Hajj travel costs). BIPIH was set by the Ministry of Religious Affairs (the entire cost paid, which is the initial deposit plus the settlement part the pilgrims must pay before leaving Mecca). More simply, the cost of organizing the Hajj (BPIH) is the total amount paid by pilgrims (BIPIH) plus benefit value (the benefit value funds from Hajj investment management). Figure 1 illustrates the trends in the cost of Hajj components where benefit value consistently showed a significant contribution of approximately 50% over the years.

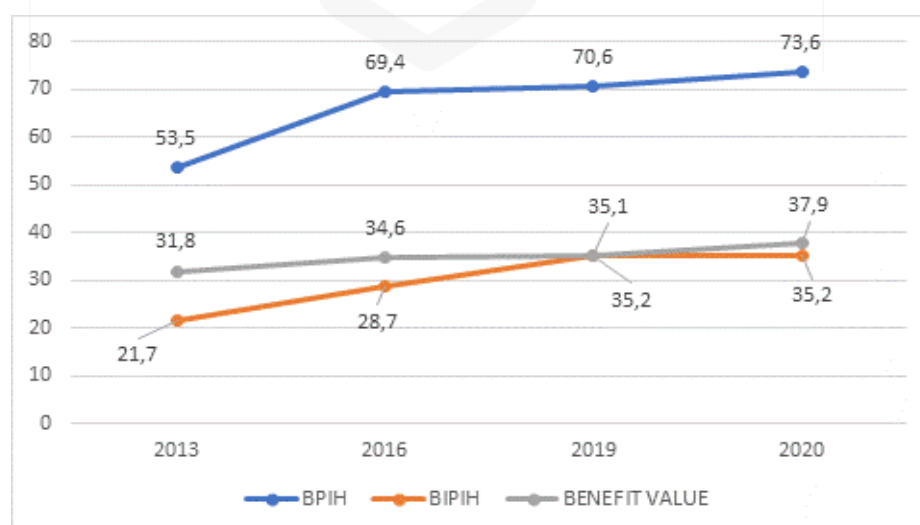


Figure 1. 1 Comparison of BPKH Benefit Value and BIPIH
 Source: (<https://bpkh.go.id/Planning and Risk Management Division of BPKH>)

The distribution of benefit value derived from Hajj fund investments illustrates how these returns consistently support the needs of Indonesian pilgrims. However, before the establishment of BPKH, such financial details were not transparently communicated to the public. The MORA had not provided clear or accessible information regarding key components of the Hajj, such as the actual cost of the pilgrimage, the total amount of managed funds, the types of Sharia compliant investments used, or the mechanisms through which investment returns were generated and allocated. Consequently, the public had grown accustomed to limited disclosures regarding the financial governance of their Hajj contributions. This lack of transparency and accountability was a major impetus behind the enactment of Law No. 34 of 2014 on Hajj Financial Management, which mandated the establishment of BPKH in 2017. The law assigned BPKH the responsibility of managing Hajj funds in a sharia compliant, transparent, and accountable manner, thereby aligning public financial governance with broader principles of good governance and public trust.

The establishment of a dedicated entity managing the Hajj fund is challenging. It resulted from the strong commitment of the President Republic of Indonesia, Joko Widodo, who enacted Law 34/2014 by releasing Presidential Decree No.74/P 2017 (the legal formation of the BPKH). A year after that, the Hajj Fund Management Agency, or BPKH, officially launched and became the basis for establishing the BPKH in 2018. Therefore, the strong commitment to reform the Hajj fund more professionally from President Joko Widodo as the fundamental platform of BPKH independence is highly significant. The large, accumulated fund naturally attracts some parties to utilize it under the pretext of national interest (Lombok Post, 2020). Utilizing the funds during the pandemic and for government infrastructure are among the current debates on funding use. Therefore, the objective of giving affordable and quality Hajj services may be compromised.

In addition, being the sole Hajj management entity in the country also has its challenges. Smith (1990) notes that assessing accountability for the public entity is different because there is no comparison within the country (Smith, 1990). BPKH as the sole government affiliated public institution that handles Hajj fund in Indonesia can only compare with its neighbouring country experience, i.e., Malaysia Tabung Haji, which was established much earlier. Therefore, the action of accountability must be addressed accordingly. How and why, it is discharged must be thoroughly examined. BPKH has to consider how to manage its information to be addressed as discharging

its accountability satisfactorily. BPKH may learn several lessons, "good and bad," from the Malaysian experience with Tabung Haji. It had a strong influence and consistently subsidized Hajj costs by more than 50% since 1963. Despite its long standing experience, the alleged management fraud still exists. For example, PricewaterhouseCoopers PWC accounting firm mentioned the poor condition of the 2017 financial statements. The report stated that Tabung Haji had done many accounting practices and policies that do not follow generally accepted rules. This further motivates BPKH to take the matter of accountability even more seriously.

1.3. RESEARCH PROBLEM

The accountability story of BPKH is explored through an interpretive approach in qualitative research. The accountability phenomenon is examined with specific data analysis adapted to their purposes and assumptions about what they know and what is right (Aspers & Corte, 2019). First, the participation is intentional with a diverse sample of people, events, and organizational units. This sample is then evaluated. A thorough picture of specific situations and consequences is gathered by listening to the voices of various people (Arnett, 2007). An interpretive approach attempts to capture how BPKH operates and how accountability arrangements transpire. In doing so, this research describes how multiple actors in BPKH as a government affiliated public institution in Indonesia interact with these actors in discharging their responsibilities and duty of accountability satisfactorily to meet the needs of its stakeholders. The interpretive approach attempts to explain the plausibility, coherence, comprehensiveness, and rigour of a phenomenon (Bantz, 1983; Deetz, 1982). For example, plausibility provides insights into the participants' ideas that make sense and seem true to participants and the scholarly community. In particular, interpretations that extract tacit knowledge are the ones that resonate with and appear most convincing to participants. These interpretations may equally be or even more credible than quantitative findings.

Accountability in the public sector should be understood as an overarching concept that encompasses not only compliance with administrative procedures but also embodies the principles of legitimacy and sustainability as core dimensions of responsible public governance (Bovens, 2007). In the Indonesian context, where public trust in governmental institutions remains a critical issue, accountability must extend beyond mere reporting and performance metrics (Dwiyanto, 2008). It must also reflect

the legitimization of authority, whereby public agencies derive their right to govern through transparent, participatory, and ethically grounded processes, and the sustainability of governance outcomes that align with long term social, economic, and environmental goals (Dubnick & Frederickson, 2011). Specifically, the Hajj Fund Management Agency (BPKH) is the only authorized public legal entity managing the Indonesian Hajj fund, as stated in Law No. 34/2014, Chapter 20 and Presidential Regulation No. 110/2017, Chapter 3 (Republic of Indonesia, 2014; Republic of Indonesia, 2017). This unique character creates a mixed style between the public and the corporate sector. In practice, BPKH uses the "corporate" and "non profit" principles that illustrate a business pattern by prioritizing efficiency and effectiveness in its management. In addition, they are using the proceeds from the invested Hajj fund to benefit the Hajj pilgrims and Indonesian Muslims. This reform action is taken to gain public trust and as a tool for achieving accountability. Reflecting on the history of lack of accountability of Hajj fund under the leadership of the MORA, the establishment of BPKH is aimed at restoring public trust as an accountable organizer.

The issues around where the huge Hajj fund goes continue to grow significantly in the pandemic. Trust becomes an aspect of shaping organizational legitimacy in this environment, reflecting organizational behaviour. Here, legitimacy refers to the agency's capacity to justify its authority and decisions to a wide array of stakeholders including pilgrims, religious leaders, civil society, and the state (Bovens, 2007). This requires transparent fund management, credible communication, and inclusive stakeholder engagement to reinforce public trust and strengthen the moral authority of the institution. The perceptions of stakeholders determine the legitimacy (Dowling & Pfeffer, 1975; Suchman, 1995). Consequently, legitimation strategy is a critical technique that determines how stakeholders perceive the organization. Meanwhile, sustainability in BPKH's accountability practices pertains to how financial decisions ensure long-term benefits not merely immediate investment returns, but also the preservation of fund integrity and the continuity of pilgrimage services for future generations. It should be framed as a dynamic and multidimensional process that legitimizes its stewardship role while ensuring the sustainability of its mission.

Therefore, highlighting proper and effective accountability is not simply by discharging actions regarding responsible activities and duty only. It is highly crucial for BPKH to legitimize its professionalism with accountable action verified and accepted by its multiple stakeholders. According to legitimacy theory, companies share

information about their social activities to show that they are socially responsible so that their stakeholder groups will accept their actions. The premise that there is a social contract between society and businesses forms the foundation of legitimacy theory (Tang, 2017). So, the first problem is that there is a need for BPKH to have organizational legitimacy as the professional Hajj fundholder in handling the Indonesian Hajj fund. Therefore, the scope of the study will focus on public accountability and the relevant stakeholders as the primary concern.

Legitimacy and public accountability are partly achievable through proper communication of information. Information sharing is the primary means through which organizations respond to the external environment. The circulation of information inside a system will result in modifications to both the structures of the system and the processes it employs (Cutlip et al., 2000). Accountability, therefore, in this context, is not confined to regulatory compliance or financial disclosures, but extends to the ethical justification of investment decisions, future oriented governance, and alignment with Islamic financial principles. Communication between an organization and society in developing accountability can be improved by implementing legitimation strategies and releasing information in the company's annual report. Relative to the previous management, BPKH seems to realize such importance. However, the availability of data by BPKH is not yet understood by most of its external parties. This could be attributed to mostly Hajj aspirants, the ethos that fund management is less important than the religious ethos. The mindset that “as long as I perform the religious duty, i.e., Hajj, all else is secondary” contributes towards fewer questions and complaints towards the managing entity (Li, 2022). Therefore, the initiative by BPKH to disseminate information has not fully addressed the information asymmetry regarding the management of the Hajj fund.

The communication by an organization regarding its action can contribute to organizational legitimacy (Dowling & Pfeffer, 1975; Suchman, 1995). As the primary stakeholder of BPKH, all Hajj aspirants have the right to benefit from using the funds, whether they are going this year or those who are still on the waiting list. Based on the data collected during the research, the Hajj aspirants on the waiting list have only enjoyed the benefit during the two years, in 2018 and 2019. This coincides with the establishment of BPKH. Prior to that, the benefit is enjoyed mostly by the departing Hajj aspirant. Those on the waiting list shared only a tiny percentage compared to embarking pilgrims. This situation is arguably inconsistent with the mandate of Law

No. 34 /2014 on transparency in the management of the Hajj Fund that enhances public confidence and the reputation of the providers (BPKH and Ministry of Religious Affairs). The establishment of BPKH will hopefully change the way Hajj matters is managed in response to the expectations and societal norms. The situation given is a framework where the decision maker of BPKH has a sense of responsibility to behave accordingly towards the environment surrounding them. It is important to remember that it is appropriate to keep the public informed, and there is a need to disclose all relevant activities. Therefore, the third problem is the reason of the accountability actions by BPKH addressed the issues of the profit-sharing policy and investment strategies in formulating the sustainability policy in managing the Hajj fund.

The qualitative approach can be employed to address the above issue. Frey (1994) says that interpretive research is carried out to give participants power and make them partners in the research process as they share information. In their roles as both actors and researchers, participants build a sense of community and negotiate their various understandings of established norms and practices. The interpretive approach complements this research where researchers are transparent by letting people know their values and taking part in a process where a story slowly comes together as part of their work (Ricoeur, 1991). Additional requirements such as rules for ethically treating participants, applying ethical norms to the circumstances, and aiding organizational members in recognizing choices for making responsible judgments should also be included (Bantz, 1983; Deetz, 1982).

1.4. RESEARCH OBJECTIVES AND RESEARCH QUESTIONS

The study aims to understand the way BPKH discharges its responsibilities and duty of accountabilities in Hajj management. This research demonstrates how the duties are constructed and extracted from those held accountable. Informed by Boven's classification of public accountability (Bovens, 2010), the accountability concept is primarily associated with power delegation from principal to managers/agents and the way to ensure a proper accountability relationship between the agents and the principals (Broadbent et al., 1996; Jenkins & Gray, 1993; Sinclair, 1995). The focus of this study is a case study method with interpretive analysis, both well established in the fields of anthropology and sociology but well suited to management research because they can embed such processes in their historical and socio cultural contexts. The interplay

between accountability and legitimacy plays a pivotal role in shaping the sustainability of public governance, particularly in institutions that manage sensitive and high stakes public resources such as religious funds.

The accountability mechanism developed by Boven (2007) provides the language to explain the accountability relationship in BPKH. It is not merely a technical or procedural obligation but serves as a foundation for building institutional legitimacy a perception by stakeholders that the agency is acting in a just, transparent, and competent manner (Bovens, 2007). This legitimacy is crucial in the Indonesian socio religious context, where trust in public institutions remains fragile and deeply intertwined with moral and religious expectations (Dwiyanto, 2008). BPKH's adherence to sharia compliant investment frameworks, transparent reporting of benefit values, and efforts to involve stakeholders through public consultations are part of its strategy to reinforce both vertical (state to citizen) and horizontal (peer to peer) accountability. At the same time, Stewart's ladder of accountability (Stewart, 1984) was used as the complementary theory in categorizing different accountability levels to demonstrate that accountability can be rendered in several levels of specificity (Stewart, 1984).

As legitimacy increases, so too does the likelihood of sustained stakeholder support, which is essential for the long term viability and ethical continuity of Hajj fund management (Dubnick & Frederickson, 2011). Moreover, the alignment between accountability mechanisms and public legitimacy ensures that the agency's financial and ethical performance is not only observable but also acceptable to those it serves, thereby enhancing governance sustainability. This includes the agency's capacity to maintain operational integrity, generate consistent sharia compliant returns, and ensure accessibility and affordability of Hajj services for future generations representing a form of responsibility to future stakeholders (Ebrahim, 2003). Hence, in the BPKH context, sustainability is not just about fiscal endurance, but also about maintaining public trust, and institutional legitimacy across time. Using the case study to describe BPKH in particular, it examines the practices of discharging responsibilities and duty of accountability practices in the organization as experienced by BPKH and its environment. Case studies are in depth investigations of individuals, communities, or organizations. In case studies, data collection can be accomplished using various methods, including but not limited to surveys, interviews, observations, or written

reports provided by the subject. There is a possibility that information could be recorded in diaries. After that, the researcher would examine these data.

To accomplish the aim of examining the practices of discharging responsibilities and duty of accountability practices in BPKH, three research objectives are developed, which are,

- i. To explore the need for organizational legitimacy of BPKH.
- ii. To understand the way the responsibilities and duties of accountabilities are discharged.
- iii. To examine the practices in sustaining The Hajj fund.

The first research objective is addressed through two interconnected research questions (RQ); (i) What is the nature of organizational legitimacy in BPKH; and (ii) How is organizational legitimacy achieved through accountability actions and activities. The first research objective explores the need for legitimacy where it can serve as a form of responsibility albeit a social one. When the organization needs to retain or restore its legitimacy, generally due to any unfavourable events, the legitimacy narratives posit that an increase in voluntary, social, and environmental accounting disclosure is required. As the nexus of contracts, including social contracts from various parties in its environment makes a complex relationship, accountability can be perceived as a particular social relationship or mechanism with a commitment to clarify and justify the behaviour (Day & Klein, 1987; Goodin, 2003; Lerner & Tetlock, 1999; Mulgan, 2003; Pollitt, 2003; Romzek & Dubnick, 1998; W. R. Scott et al., 2000). The relation indicates that the actor, the accountor, and the account holder (acountee), are connected (Pollitt, 2003).

Social accountability systems that work horizontally are arguably better suited to instil reflexivity and learning in their users. Argyris and Schon (1978) define 'deutero learning', or the ability to learn in an institutionalized setting, as being dependent on one's ability to hold oneself accountable (Argyris & Schon, 1978). The ability of an organization to adapt to different strategies provides results, that stakeholders use to assess an organization's adherence to a given standard or model and in turn, decide its legitimacy (Ruef & Scott, 1998). In this regard, all stakeholders assume the role in assessing legitimacy by "judging one or more aspects of the organization with varying degrees of knowledge and influence on the overall level of legitimacy" (Ruef & Scott, 1998). The nature of assessment varies focus groups, citizen panels, and independent external evaluations, but all aim to determine the effectiveness of an entity in providing

policymakers with input on the legitimacy and consequences of policies (Bovens et al., 2008; A. Meijer & Schillemans, 2009; Schillemans, 2008). This necessitates the development of RQ1, what is the nature of organizational legitimacy in BPKH.

For RQ2, the focus is on the link between the notion of legitimacy and accountability. In Indonesia, there are various accountor and accountee in the Hajj management. A wide range of accountability forums (Bovens, 2007) are/were involved such as Government Audit Bodies (BPK), OJK (Otoritas Jasa Keuangan/Financial Services Authority), MUI (Majelis Ulama Indonesia/Indonesian Council of Ulama), public communities from Nahdatul Ulama and Muhammadiyah (the two largest Islamic communities in Indonesia), Sharia Financial Institutions, and even higher institutions. Some of these entities have direct and explicit accountability towards the public, clients (such as Hajj aspirants), citizens, and civil society on the other (McCandless, 2001) while others have a rather indirect and ambiguous accountability towards them, called social accountability. Ultimately, accountability should ideally be focused on issues that matter to clients and other stakeholders, although discharging it may not always be at least on the face of it, a gratuitous act (O'Loughlin, 1990). As accountability towards the primary stakeholders can establish legitimacy (Cutlip et al., 2000), it is imperative to explore how does accountability actions and activities are conducted. Therefore, the RQ2 of how organizational legitimacy is achieved through accountability actions and activities.

The second objective intends to extend the RQ2. It delves further into the accountability realm. More specifically, it examines how the responsibilities and duties of accountabilities are discharged. Hence the RQ3 is how does BPKH discharge its responsibilities and duty of accountability. The thesis defines accountability with a normative definition with the locus of studies in the behavior of public agents/actors in BPKH. In this sense, accountability relates to an ideal state of affairs. They perceive it as a desirable quality for officials, government agencies, or firms (Dubnick, 2007b). The term connotatively relates to several positive features of being accountable such as openness, responsiveness, and the feeling of being responsible. The operationalization of accountability affects officials/accountor through official action or his/her feeling "soft" or "hard" (Fox, 2007). Dialogue is one of the actions to encourage mutual adjustments between an organization and society (Newsom et al., 2004). In essence, it is a tool for achieving accountability. This communication is employed extensively to manage organizational interactions, as Seitel (2004) defined communication as a

"process of exchanging information, transmitting ideas, making oneself known by others and understanding people in return". These actions are conducive to minimizing the distance between people and their representatives and between the governed and the government (Aucoin & Heintzman, 2000).

As a public institution, the notion of reporting, "accountability action," meetings, and any form of accountability mechanisms are explored. The approach to conveying the duty in political or legal accountability is through the accountability mechanism (Bovens, 2007). It is critical to describe the accountability arrangement that happened in BPKH. As the independent public institution, BPKH as the agent/actor, has a certain autonomy but is still beholden to a higher principal (Broadbent & Laughlin, 1998). BPKH tends to redefine its practices in response to new managerial changes and government direction. This is akin to the notion of political accountability (Boven, 2007) within the public sector which can be subsumed under a larger notion of varied accountability preferences such as vertical oriented for public servants (Li, 2022). According to Scott (2003), the organization not only responds to their environments but also tries to affect them by advocating for legislative change or shaping public opinion. This is in addition to the fact that organizations respond to the contexts in which they operate. As a result, companies must regularly comprehend its interaction with their environments and the consequences of their actions. Stewart (Stewart, 1984) attempts to understand these multitudes of accountability in terms of the ladder, in that the accountability relationship is indeed complex.

The third research objectives essentially relate the sustainability of Hajj fund to accountability. In other words, accountability action (or inaction) can be reflected in the treatment of the Hajj managing entity in sustaining the Hajj funds. This is including its treatment towards its Hajj aspirant and the investment policy. The third and final research objective is addressed in RQ4, and RQ5 as follows,

RQ 4: What is (and has been) the policy adopted in sustaining Hajj fund.

RQ 5: Why such a policy is adopted.

The third research objective explores the unequal distribution of investment benefit value (profit/benefit value) from the Hajj fund management. There are two groups of Hajj aspirants depositing their money, i.e., those who are departing during the year (the departing) and those who are waiting for their turn in future years (the waitlist). There is a huge public complaint regarding the purported uneven benefit value for the deposited money between these two groups. Since the beginning of the implementation

of the prodigious Hajj so far, the pilgrims who enjoy the benefits of the profit are the departing. This may not be sustainable as it is akin to a Ponzi scheme. The waitlists have only enjoyed the distribution of management benefits since 2018 take it out (no only). The notion of accountability also implies that all Hajj fund owners are entitled to benefit from their benefit value of Hajj fund management fairly. This condition deserves attention because Hajj aspirants are experiencing unfair conditions and are exposed to the risk of uncertainty in the longer term. So far, profit allocation is skewed towards the departing using the fiqh concept of mutual assistance ta'awun (Nasution et al., 2019). Accountability processes related to sustainability of the fund regarding investment policy and profit distribution policy are the essential instrument in seeing the transformation of transparency and accountability reforms manifest in public information.

This research seeks to describe the reality of managing information on the management of Hajj fund in the public area with the openness of information, especially information relevant to interested parties. Try exploring how all parties in the link of accountability in BPKH perform their roles in formulating policies and decisions, especially in achieving public satisfaction with the performance and responsibilities of a government agency. The small letter “depicting” the accountability mechanism developed by Boven (2007) explains the reason for accountability presentation nowadays and the policy process behind it.

1.5. CONTRIBUTION

The core contribution of this study lies in its critical examination of the Hajj fund management agency (BPKH) and the legitimacy it seeks in providing responsible and accountable Hajj fund management in Indonesia. By adopting an emic (internal) perspective capturing narratives and understandings from within BPKH this research offers a nuanced, insider view of the organization’s processes and intentions. Drawing from the interpretive framework of organizational communication, the study applies the concept of comprehensiveness as discussed by Bantz (1983) and Deetz (1982), referring to the availability and richness of internal texts and discourses that allow for meaningful interpretations of shared understandings, contrasts, and comparisons within the organization. These accounts are systematically organized and best understood when contextualized within BPKH’s operational environment.

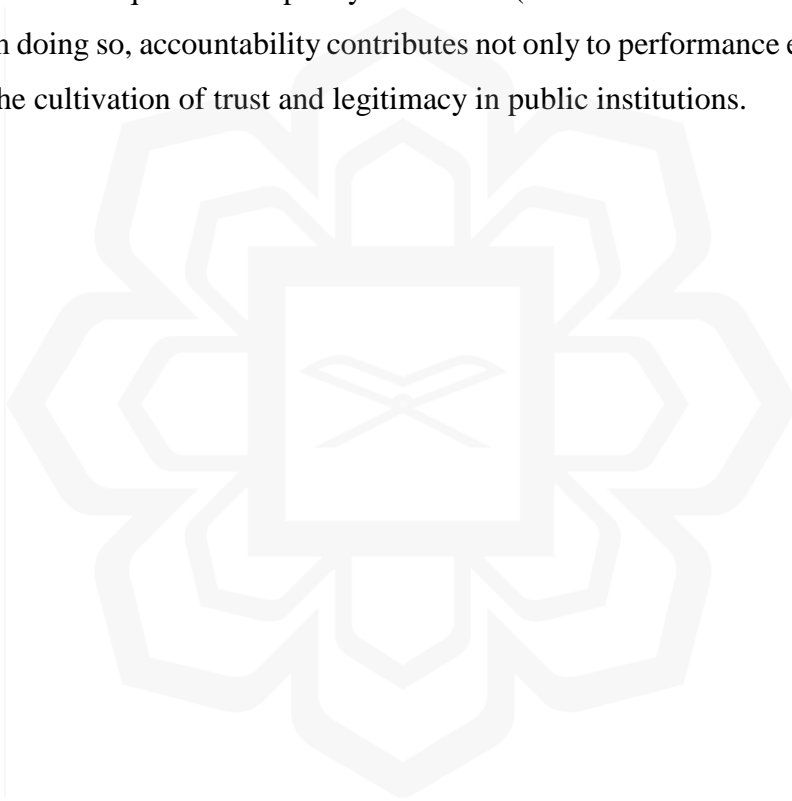
Addressing accountability particularly when focused on a single entity such as BPKH is inherently complex. This research aims to document the evolving processes by which BPKH discharges its responsibilities and fulfils its accountability obligations. Practically, the study offers insights that may foster organizational reflection and learning, serving as mechanisms for internal improvement and public accountability. Such mechanisms are vital in ensuring that BPKH delivers on its promise to provide affordable Hajj costs while maintaining high-quality services for Indonesian pilgrims.

From a policy standpoint, the findings support the formulation of targeted regulatory frameworks. These should align with the principles of sharia compliance, optimality, efficiency, safety, and liquidity ensuring that Hajj funds are managed in the best interest of the ummah. From an accounting perspective, particularly in terms of financial presentation and disclosure, the study underscores the importance of transparent and coherent financial accounts as instruments of legitimacy. These elements contribute to building public trust and increasing participation in the Hajj fund scheme. Furthermore, in the political realm, enhanced legitimacy and formal regulation can encourage cooperation and alignment with other governmental stakeholders who have vested interests in the Hajj fund. Ultimately, establishing and maintaining a robust accountability mechanism is crucial. It not only safeguards transparency and regulatory compliance but also strengthens BPKH's credibility and public trust in its ability to manage the Hajj funds professionally and ethically.

1.6. SUMMARY

In this study, accountability is defined as the obligation to provide answers that satisfy the queries or claims of relevant stakeholders. This notion is closely associated with broader principles of openness and transparency, which underpin the concept of public accountability. The principle of public openness ensures that essential information is accessible to society and external actors, reinforcing democratic oversight and citizen engagement. In the context of Indonesia, the Hajj Fund Management Agency (BPKH) is subject to rising public expectations to act in a responsive, responsible, and transparent manner. Professional stewardship of the Hajj fund requires not only accountable actions but also the consistent dissemination of information through formal accountability reports and disclosures.

The relevance of public accountability has grown, particularly as a mechanism for uncovering and addressing injustices and institutional responsibilities (Braithwaite, 2006). It serves as a vehicle for penitence, reparation, and societal reconciliation, contributing to enhanced social and political transparency (Harlow, 2002). Such mechanisms are essential for preserving the integrity of public governance. However, in the absence of a moral or virtuous foundation, accountability practices may become procedural rather than transformational. Ultimately, accountability serves a developmental purpose it encourages public officials and institutions to reflect, learn, and improve. This process requires consideration of both intended outcomes and unforeseen consequences of policy decisions (Aucoin & Heintzman, 2000; Behn, 2001). In doing so, accountability contributes not only to performance enhancement but also to the cultivation of trust and legitimacy in public institutions.



CHAPTER TWO

HAJJ AND Hajj MANAGEMENT IN INDONESIA

2.1. INTRODUCTION

The Hajj, or pilgrimage to Mecca, is one of the five pillars of Islam and represents one of the most sacred and obligatory acts of worship for Muslims. As prescribed in the Qur'an (3:97), it is a religious duty that must be undertaken at least once in a lifetime by every Muslim who is physically and financially capable. Rooted in centuries of tradition, the Hajj is not only the oldest and most significant pilgrimage in Islam but also a deeply transformative spiritual journey. For many Muslims, fulfilling this pillar becomes a lifelong aspiration and a defining moment of religious devotion and identity. Pilgrims believe that by praying within the Grand Mosque and dedicating their lives solely to Allah, they will be forgiven of all their sins. The forgiveness is because the advantages of praying inside the Masjid Al-Haram are multiplied several times over praying elsewhere (Huzaiifa et al., 2014). Hajj is a Muslim's most significant accomplishment. Once completed, male pilgrims will be named Hajji and female pilgrims, Hajjah (H. Aziz, 2001; Gatrad & Sheikh, 2005; Lücking, 2014; Timothy & Olsen, 2006). Indonesia is a country in which 87% of the total population are Muslims (Elisiva & Sule, 2015), therefore Indonesia receives the most significant Hajj quota from Saudi Arabia. However, since the demand for Hajj is very high, the waiting period for the Hajj visa is very long due to the increasing number of Hajj registrants every year (reaching 600,000 people per year, data from the MORA).

2.2. Hajj WORSHIP

Muslim identity is manifested in the five pillars of Islam, and it has become a way of life practiced in their daily life. Hajj is the last pillar (the obligation of pilgrimage), and the obligation only goes to a capable Muslim who has financial and physical ability. Likewise, with this requirement, Allah SWT obliges the Hajj to those who can afford it and is a once in a lifetime duty that Muslims should perform.

Al Qur'anul Karim Surah Al-Imran [3: 97]

وَلِلَّهِ عَلَى النَّاسِ حِجُّ الْبَيْتِ مَنِ اسْتَطَاعَ إِلَيْهِ سَبِيلًا

"Performing Hajj is a human obligation to Allah, namely (for) those who can travel to the Baitullah". (Qur'an 3:97)

In Islam, every recommendation or command is always based on Allah's word or the words of His Prophet. The words of the Prophet Muhammad SAW (peace be up on Him PBUH):

عَنْ أَبِي عَبْدِ الرَّحْمَنِ عَبْدِ اللَّهِ بْنِ عُمَرَ بْنِ الْخَطَّابِ رَضِيَ اللَّهُ عَنْهُمَا قَالَ : سَمِعْتُ رَسُولَ اللَّهِ صَلَّى اللَّهُ عَلَيْهِ وَسَلَّمَ يَقُولُ : بُنِيَ الْإِسْلَامُ عَلَى خَمْسٍ : شَهَادَةِ أَنْ لَا إِلَهَ إِلَّا اللَّهُ وَأَنَّ مُحَمَّدًا رَسُولُ اللَّهِ وَإِقَامِ الصَّلَاةِ وَإِيتَاءِ الزَّكَاةِ وَحِجِّ الْبَيْتِ وَصَوْمِ رَمَضَانَ " رَوَاهُ الْبُخَارِيُّ وَمُسْلِمٌ

"Islam is built upon five [pillars]: bearing witness that there is no god but Allah and that Muhammad is the Messenger of Allah, establishing the prayer, giving zakat, performing the Hajj (pilgrimage to the House), and fasting in the month of Ramadan." (Al Bukhari and Muslim)

Consequently, every Muslim wants to perform Hajj at least once in his life to fulfil the fifth pillar. Indonesia faces a massive demand from its citizens eager to perform Hajj.

Hajj takes place over five days in the month of Dzulhijjah, the Islamic lunar calendar's final month, from the 8th to the 12th. As a result, the exact Hajj date will differ from year to year as measured by the Gregorian calendar (Gatrad & Sheikh, 2005). This worship is unique since it will be costly and need physical endurance. It is clearly defined in the Qur'an and Sunnah as the principal guiding tool for a Muslim. The pilgrimage must be performed by visiting the House of God. The House of Allah is called Hajj in Mecca, where Masjid Al Haram the Grand Mosque is located. The Kaaba is located in the Mosque's central area. During prayer, all Muslims face the Kaaba, no matter where they are in the country. Kaaba is a cube shaped structure measuring 15 meters in height, 12 meters in length, and 10.5 meters in width (Long, 1979; F. E. Peters, 1994; Timothy & Olsen, 2006). During the time of the prophet Muhammad, the Grand Mosque of Masjidil Al-Haram did not exist, but the Kaaba was already there. The Mosque was later built around the original site of the Kaaba.

The journey of Hajj is a deeply spiritual experience involving a series of sacred rituals performed over five days in Mecca. These rituals are classified into three categories based on their importance in Islamic jurisprudence: rukun (pillars), wajib (obligatory duties), and sunnah (recommended acts). The rukun of Hajj are the core rituals that must be completed for the pilgrimage to be valid, including wearing the ihram with the intention of Hajj, standing at Arafat, performing tawaf around the Kaaba, running between the hills of Safa and Marwah, and shaving or cutting the hair. Missing any of these invalidates the Hajj. In contrast, wajib acts, such as spending the night at Muzdalifah and Mina, throwing stones at the Jamarat (symbolizing the rejection of evil), and sacrificing an animal during Eid al-Adha, are also essential but not to the same degree; if skipped, they require a penalty or compensation to preserve the validity of the Hajj. Meanwhile, acts like drinking Zamzam water and other spiritually enriching practices are considered sunnah not obligatory, but highly recommended for greater reward. Understanding these categories helps pilgrims fulfill their obligations with both accuracy and devotion, ensuring a complete and meaningful Hajj journey.

Given its economic and religious significance, the Hajj in Indonesia receives considerable attention from the Indonesian government. For the past 20 years, Hajj travel has been available through two types of packages: the Regular Hajj and the Hajj Plus. These arrangements are regulated by the Ministry of Religious Affairs (MORA) of the Republic of Indonesia. The main differences between the two packages typically lie in the duration of the pilgrimage, catering, costs, and the level of service provided. The Regular Hajj lasts approximately 40 days, while the Hajj plus is shorter, lasting around 25 days. Additionally, Hajj Plus pilgrims benefit from a shorter waiting period, usually 6 - 7 years, compared to the average 20 year wait for the Regular Hajj (Cabinet Secretariat of the Republic of Indonesia, 2019). The Hajj Plus package also includes higher quality services, particularly in transportation and accommodation. These premium services are offered by private tour operators, known as Hajj plus Organizers (Penyelenggara Ibadah Haji Khusus or PIHK) who operate under the supervision of MORA.

This Hajj Plus service package was introduced in 1987 (Pusponegoro, 2008), offering a higher level of comfort at a significantly greater cost (often ten times or more) than the Regular Hajj. The cost ranges from USD 10,000 to 20,000 (approximately RM 42,000 - 84,000) (BPKH, 2020) and is subject to a limited quota, comprising only 6 - 8% of Indonesia's total Hajj quota of 241,000 pilgrims. In contrast, the Regular Hajj

accounts for the majority of Indonesian pilgrims, who receive standard services. This package is not considered luxurious, with pilgrims typically staying in shared rooms that accommodate five people, with separate arrangements for males and females. The Regular Hajj process is administered directly by the MORA. Despite the differences in service levels between Regular and Hajj Plus packages, the Indonesian government maintains oversight over all key aspects of the pilgrimage, including transportation, logistics, catering, visa processing, and other operational arrangements. MORA holds substantial authority to ensure that the annual Indonesian Hajj pilgrimage is well organized and effectively managed (Ichwan, 2008).

2.3. LESSON LEARN OF HAJJ FUND MANAGEMENT (MALAYSIA AND SAUDI)

Successful Hajj fund governance is exemplified by Malaysia's Lembaga Tabung Haji (TH), which demonstrates how organized investment and savings plans can promote both financial inclusion and religious commitment. As the first Hajj fund management company in history, TH was founded in 1963 and now serves nine million depositors through 125 branches and an office in Saudi Arabia. In 2019, about 56% of the total cost of Hajj was subsidized by TH; pilgrims paid only RM 9,980, while the actual cost was RM 22,900, with TH covering the remaining RM 12,920 (Baig, 2016). Diversified Shariah-compliant investments such as Wadiah yad dhamanah, Mudarabah, and Murabahah, enabled this substantial support while providing depositors with both financial security and returns. The fund's growth was also catalyzed by Malaysia's New Economic Policy (NEP), which allowed Tabung Haji to attract foreign investors seeking partnerships with credible Malay institutions (Cizakca, 2011; Handley, 1997; Bianchi, 2004).

However, Tabung Haji's leadership appeared to prioritize political objectives over financial prudence, thereby jeopardizing the savings entrusted by millions of Malaysian Muslims. This concern was further underscored by the institution's involvement in politically influenced transactions most notably, the acquisition of overvalued properties linked to the 1Malaysia Development Berhad (1MDB) sovereign wealth fund scandal. Such actions not only tarnished Tabung Haji's credibility but also exposed deeper governance issues, revealing a lack of institutional checks and

accountability mechanisms that allowed these decisions to proceed without proper oversight (Maksum, 2020).

Saudi Arabia, as the host nation for Hajj, does not operate a centralized Hajj savings fund for its citizens; however, it offers a compelling model of national level infrastructure development and financial management. As of 2014, Hajj related revenue in Saudi Arabia stood at USD 8.5 billion, with projections indicating it could reach USD 150 billion by 2022 and USD 350 billion by 2032, in alignment with the Vision 2030 religious tourism initiative. Over the past decades, the government has invested more than USD 100 billion in expanding airports, accommodation, transportation, and healthcare services. Agencies such as the Ministry of Hajj and Umrah coordinate with more than 40 institutions to ensure seamless service delivery.

Furthermore, technological innovations such as electronic bracelets, the Makkah Route Initiative, and mobile applications illustrate Saudi Arabia's success in managing the scale and complexity of the pilgrimage. For Indonesia, Saudi Arabia's model highlights the importance of technology driven crowd management, inter agency coordination, and long-term infrastructure investment. This strategy maximizes the benefit value of religious tourism by synchronizing economic, health, and logistical planning. Indonesia can adopt these best practices by investing in digital Hajj infrastructure, enhancing crowd control systems, and fostering cross-ministerial collaboration. In doing so, the country can move beyond mere financial returns and achieve broader societal benefits. In this vision, benefit values are not confined to financial metrics but also encompass improved pilgrim experiences, reduced operational risks, and enhanced national economic performance.

The experiences of Malaysia and Saudi Arabia offer Indonesia valuable lessons in Hajj fund governance and service delivery. Malaysia's Tabung Haji exemplifies how a well structured, Shariah compliant savings and investment system can make the pilgrimage financially accessible while supporting economic inclusion. However, the 1MDB linked scandal also highlights the risks of political interference and the need for strong institutional governance and accountability. In contrast, Saudi Arabia demonstrates the importance of large scale, coordinated infrastructure and technological innovation in managing the logistical complexities of Hajj. Its integrated approach, driven by Vision 2030, emphasizes long term investment in transport, healthcare, and digital solutions that enhance the overall pilgrim experience. For Indonesia, the key takeaway lies in combining Malaysia's financial inclusion strategy

with Saudi Arabia's systemic, future oriented infrastructure planning and ensuring both economic sustainability and service excellence in Hajj management.

2.4. THE MANAGEMENT OF THE HAJJ PILGRIMAGE IN INDONESIA

Indonesia, home to the world's largest Muslim population, faces significant challenges in managing Hajj pilgrimages due to quota limitations imposed by the Kingdom of Saudi Arabia. These quotas aim to regulate the influx of pilgrims and ensure safety during the pilgrimage. However, the growing global Muslim population and increased affordability of air travel have led to longer waiting periods for Indonesian pilgrims. For instance, in 2020, Indonesia's Hajj waiting list reached approximately 4.25 million, while the annual quota stood at about 221,000 pilgrims (Ministry of Religious Affairs, 2020). This disparity results in waiting times varying significantly across regions, with some areas experiencing delays of up to 41 years (Amini & Illahi, 2023).

The Ministry of Religious Affairs (MORA) oversees both policymaking and the practical administration of the Hajj pilgrimage in Indonesia. According to Law No. 34/2014, the Hajj pilgrimage encompasses organized activities involving worship management, including guidance, services, and protection for pilgrims, all conducted by the government. The Hajj is categorized into Regular Hajj and Special Hajj (Hajj Plus), each facilitated by different organizers. While Regular Hajj is fully managed by MORA, Hajj plus is organized through Special Hajj Organizers (PIHK), which are private travel agencies officially licensed by MORA (Law No. 34/2014).

In addition to quota based services, PIHKs also handle non quota Hajj arrangements, such as Hajj Furoda, a pilgrimage program based on invitations from the Kingdom of Saudi Arabia. Hajj Furoda is allocated to a limited number of individuals and is intended for invited guests or those willing to pay a premium cost, starting at a minimum of USD 20,000. Unlike regular Hajj applicants, Furoda pilgrims do not need to wait for visa approval through the national quota system (Aji & Helmi, 2021). Both Hajj Plus and Hajj Furoda pilgrims must select officially licensed PIHKs recognized by MORA. Supporting the logistical and administrative processes, industry associations such as HIMPUGH and AMPHURI play vital roles in managing operational data. They are responsible for inputting key information, such as accommodation, transportation, and catering arrangements, into the SISKOHAT system (Integrated Hajj Information

and Computerization System), ensuring compliance with government regulations and service standards (Qolbi & Rahman, 2023).

The cost structure for performing Hajj in Indonesia differs significantly between the Regular Hajj and the Special Hajj programs. The tariff for Regular Hajj is determined by MORA and currently ranges from IDR 70 - 75 million (approximately USD 5,000). In contrast, the cost of Special Hajj can be up to five times higher, depending on the services offered by the selected PIHK. To be officially registered as a Hajj aspirant and secure a place in the quota system, each pilgrim must make an initial deposit of IDR 25 million (approximately USD 1,700), as outlined in PBPKH Regulation No. 3/2018. This deposit is paid through an approved Islamic bank, referred to as a Hajj Deposit Recipient Bank (BPS) (BPKH, 2018).

The Hajj Financial Management Agency (BPKH) is responsible for managing these funds. According to Law No. 34/2014, BPKH's duties include planning, implementing, controlling, and supervising the acceptance, development, expenditure, and accountability of Hajj finances. The agency is authorized to invest Hajj funds in accordance with sharia principles, ensuring prudence, security, and benefit value. Investments can be made in banking products, securities, gold, direct investments, and other sharia compliant avenues. The returns generated are intended to improve the quality of Hajj services, enhance the rationality and efficiency of Hajj costs, and benefit the Muslim community at large (Islamy, 2020). To enhance the management and protection of pilgrims' data, the Ministry of Religious Affairs has integrated digital systems, including the e-Visa and SISKOHAT. These systems aim to improve transparency, accountability, and the overall quality of the Hajj pilgrimage. The SISKOHAT system, in particular, has received the ISO 27001 Information Security Management System certification, reflecting the government's commitment to safeguarding personal data and enhancing service delivery (Antara News, 2025).

2.5. HISTORY OF ORGANIZING HAJJ IN INDONESIA

Before the establishment of BPKH, the Hajj matter was exclusively managed by MORA. Where there were changes during this period, apparently it seemed very minimal. Regulating Hajj by the government could be classified into several phases. The political reformation in 1998 became the cut off to explain the change before and after the reform phase. In the early Indonesian Independence (1950-1959), it was known

as the old regime (orde lama). Then it continued with the new regime (orde baru), where the Republic of Indonesia settled up managing the country. The two regimes represented the Hajj management style before the reform phase. It implicitly showed the management style did not change significantly. After the national reformation momentum in 1998, the Hajj management improved a milestone for reformation, as we can see in Table 2.1 below.

Table 2. 1 Hajj Management in Indonesia

Government Period	Period	Description
Before reform Phase		
Old Regime	1950-1965	There were four phases during which the agency changed its handling of operational and administrative matters many times, but all the agencies were still under the same 'umbrella' within the MORA.
New Regime	1966-1997	the management of the pilgrimage still did not experience a significant difference, or change in terms of the caretaker in managing the Hajj worship with the Directorate General of Islamic Community Guidance and Hajj Affairs.
Reform Phase		
Law No.17/1999	1999	The law stated that the Hajj process as a first platform could be used to guide the performance of Hajj in Indonesia.
Presidential Decree 22/2001	2001	The establishment of a non-structural institution that was tasked with planning, arranging, managing, and having the authority to take advantage of the Hajj pilgrimage funds known as the Ummah Endowment Fund (BP DAU/Dana Abadi Umat)
Law No.13/2008	2008	Another institution carried out the supervision element called the Indonesian Hajj Supervisory Commission KPHI (Komisi Pengawas Haji Indonesia).
Law No. 34/2014	2014	The fundamental principle for the establishment of the Hajj Fund Management Agency or BPKH
Law No. 8/2019	2019	The Implementation of Hajj and Umrah (Pengelolaan Ibadah Haji dan Umrah/PIHU) dissolved KPHI. It stipulated that Hajj supervision was carried out by internal supervisors (inspectories) and external supervisors (DPR/ Dewa Perwakilan Rakyat or parliament of RI, DPD/Dewan Perwakilan

Government Period	Period	Description
Before reform Phase		
		Rakyat Daerah or Assembly at provincial RI, and BPK/Badan Pengawas Keuangan or Financial Audit Board RI).

Source: Mubarak & Fuhaida, 2018; Alfianti,Ulfah,Firdaus & Fatah; 2019

Performing Hajj is divided into two functions, namely administrative and operational. There are four phases from 1950 to 1965 (Mubarak and Fuhaidah, 2018). In the early years (1950-1959), MORA was handled by the administrative division, and the operational aspect was conducted by the Indonesian Hajj Organizing Committee (PPIH). Entering the second phase (1960-1962), both two functions were handled by MORA. From 1963 to 1964, there was a reversal in the third phase: the Hajj Travel Committee (P3H) managed the administrative division, and the PPIH managed the operational aspect. The last phase of Hajj was in 1965; Hajj's administration and operations were carried out by the Hajj Affairs Council (DUHA). From 1966 to 1997, the pilgrimage management did not experience a significant difference, continuing to change in the caretaker managing the Hajj worship. As explained, since 1950 the Hajj management was handled only by one administrator, which was under MORA. The management of all Hajj worship is processed under one roof. It was susceptible to corruption and mismanagement. The scandal was evident when two former religious ministers were arrested for the Hajj fund issues mismanagement (Fadillah, 2020).

A significant Hajj management reform began its journey in early 2000 with Law No. 17 of 1999 on Hajj as a platform to guide performing Hajj in Indonesia (1999). The rule explained the government's existence as the administrator in the Hajj worship process for regular pilgrimage and PIHK (from the private sector). The reform was also marked by establishing a non structural institution which was an independent institution outside MORA aimed to deliver the special task given. The first independent Organization was the Ummah Endowment Fund (BP Dana Abadi Umat/DAU), tasked with planning, arranging, managing, and having the authority to take advantage of the Hajj pilgrimage to give better facilities for Indonesian pilgrims. The legal basis for the BP DAU was Presidential Decree No. 22 of 2001, describing the source of funds for the DAU (Republic of Indonesia, 2001).

The reformation progress in managing Hajj worship continued with the issuance of Law No.13/2008 (2008) with significant changes from the previous revised Law No.17/1999. The ratification underlined the separation of control, and the Hajj

management was grouped into three elements: policy, implementation, and supervision. The three divisions of these elements were expected to have a control mechanism. The government carried out the policy and execution entirely, while another institution called the Indonesian Hajj Supervisory Commission (KPHI) carried out the supervision function.

Later, Law No. 34 of 2014 was issued and started the beginning of the establishment of the Hajj Fund Management Agency or BPKH. With Law 34/2014, Hajj worship management was divided separately between the administrator responsible for the Hajj worship process's operation and the fund management. The separate function will make the monitoring process more manageable because financial management is in the hands of BPKH. In contrast, MORA carries out the Hajj worship process's active part and policymaker for the Hajj pilgrimage. BPKH becomes a representative for the Hajj pilgrims of the Republic of Indonesia according to Law 34/2014 Article 1 Paragraph 6 and Paragraph 7, who can use the mandated Hajj fund for the future benefit of pilgrims in their Hajj departure time.

The latest one is Law Number 8 of 2019 concerning Hajj and Umrah's implementation (Management of Hajj and Umrah/PIHU) was passed on April 26, 2019. It is known as the PIHU Law, which has significant differences from the previous Law on Organizing Hajj (Law Number 13/2008). Therefore, essential issues addressed were the PIHU Law dissolves KPHI and stipulates that Hajj supervision is carried out by internal supervisors (inspectorates) and external supervisors (DPR/Dewan Perwakilan Rakyat or parliament of the Republic of Indonesia, DPD/Dewan Perwakilan Rakyat Daerah or Assembly at provincial RI, and BPK/Badan Pengawas Keuangan or Financial Audit Board RI). Furthermore, some technical issues also become attention, such as addressing the term "BIPIH" or Hajj Travel Costs, which means money paid by citizens performing the Hajj. Then about the quota, the percentages of regular Hajj and Hajj Plus quotas are divided and clearly stated that Hajj Plus is 8% of the national Hajj quota. Elderly pilgrims with a minimum age of 65 (sixty five) and Hajj pilgrims with disabilities receive special services and fill the quota. Additionally, the seat portion of pilgrims who passed away after being announced to pay BPIH can be assigned to one family member.

Government support for the management of the Hajj fund can also be seen from the tax stimulus in Article 111 of the 2020 UU Cipta Kerja (Employment copyright laws). BPKH is an agency that gets tax exemption from Income Tax/Pajak Penghasilan

or PPh. Previously, BPKH was subject to 20% PPh on deposit placements and 15% on government securities. In 2018, the total tax paid for investment placements reached IDR 1.2 trillion (Agustiyanti, 2020). Consequently, the Hajj fund potential to get bigger is even more significant, especially with the policy that the funds deposited for Hajj are exempted from the income tax. This policy makes the Hajj fund more valuable and is expected to support an increasingly conducive atmosphere in managing the Hajj fund for Muslim's benefit in Indonesia.

2.5.1. Before Reform Phase (1950-1997)

The history of Hajj management in Indonesia since its inception in 1950, coinciding with the country's independence, has consistently demonstrated the government's prominent involvement in overseeing the process. During the period from 1950 to 1965, known as the Old Order period, the Hajj Affairs Section of MORA had a leading role in coordinating the Hajj pilgrimage. During the previous regime, a party was designated to handle the transportation for the Hajj pilgrimage, utilizing both maritime and aerial means. This party got integrated into the Hajj organizing body. Meanwhile, the administration continues searching for the optimal structure for organizing the Hajj. In this instance, MORA oversees administrative tasks, while the Hajj organizers handle operational duties. This is evident through the creation of the Hajj Affairs Supervisor, which is responsible for coordinating the execution of the Hajj pilgrimage. The organization has undergone several changes over time and may be categorized into four distinct phases (Mubarak & Fuhaidah, 2018). In 1960, Panuhad, also known as the State Committee for Hajj Affairs, was formed. Subsequently, in 1962, it changed to PPPH, which stands for Hajj Departure and Repatriation Committee. In 1964, after the breakup of PPPH, the management of Hajj was taken over by the Directorate General of Hajj Affairs (DUHA). In 1965, the transportation method used for the departure of Indonesian pilgrims was only by sea.

The subsequent phase of the Hajj administration spanned from 1966 to 1999, sometimes referred to as the New Order era. During the old order period, changes were made to the Hajj management processes by completely transferring them from the government's control in 1969. This occurred because of the lack of trustworthiness of the organizers, resulting in numerous pilgrims failing to depart in the previous year. Since 1979, the transportation method for Indonesian pilgrims on their journey has been exclusively by air and is under complete government control. The private sector has

been involved in the operational activities of the Hajj since 1985. Overall, there were no major alterations to the management structure. However, there was a shift in leadership, with the Directorate General of Hajj Affairs (DUHA) assuming control. This persisted until the occurrence of a significant political transformation referred to as the reform era in 1998. This year initiated a substantial overhaul of Hajj management under the era of change.

2.5.2. Reform Phase (1999-2014)

The year 1999 witnessed a significant enhancement in the administration of Hajj due to the government's heightened dedication, exemplified by the enactment of Law No. 17/1999 about the Execution of Hajj, which provided a solid legal framework. The implementation of this law holds significant historical significance since it marked the inaugural instance of a methodical registration process. This law establishes two categories for the quota allocation: Regular Hajj and Special Hajj. Additionally, it mandates the implementation of a comprehensive information and computerization system (SISKOHAT) for the registration process of regular Hajj. An additional crucial aspect is the implementation of an initial deposit for undertaking the Hajj pilgrimage, which is set at a specified amount of IDR 5,000,000 (five million rupiah) in the form of savings dedicated to the pilgrimage. In addition, establishing the Endowment Fund Management Agency (BP DAU) was mandated by Law No. 17/1999 and implemented through Presidential Decree No. 22/2001 (Republic of Indonesia, 2001). This is the basis for establishing an independent institution in the management of Hajj in Indonesia that is tasked with managing the Hajj fund to improve service facilities for Indonesian Hajj pilgrims. The General Endowment Fund (DAU) is a fund obtained from the efficiency of the cost of organizing the Hajj pilgrimage and other sources per the provisions of the applicable laws and regulations. The management of the Endowment Fund for the benefit of the people was carried out in the fields of education and *da'wah*, health, social and economic, construction of worship facilities and infrastructure, and the implementation of the Hajj pilgrimage.

Further refinement of the legal framework enabling such adjustments was still required. Several instances arose regarding the professionalism of public services during the Hajj season. For instance, in 2004, approximately 30,000 individuals were unable to complete the Hajj pilgrimage. Additionally, in 2006, around 200,000

Indonesian pilgrims experienced hunger as a result of caterers appointed by MORA failing to supply food and beverages (Erianto, 2023). Law No. 17/1999 was revised and included in Law No. 13/2008, which specifically deals with the execution of the Hajj pilgrimage. This legislation elucidated multiple principles of transformation, encompassing: 1. The principles governing the implementation of Hajj are elucidated, specifically justice, professionalism, accountability, and the non profit principle. 2. The creation of the Indonesian Hajj Supervisory Commission (KPHI) serves to enhance the government's role as both regulator and operator. 3. The rights and responsibilities of pilgrims are outlined. 4. The process for managing the Hajj Implementation Fee (BPIH) is detailed, encompassing planning, execution, oversight, and reporting. Law No. 13/2008 established specific guidelines for the government's responsibilities and the oversight of an autonomous commission. It outlined the government's obligations in terms of financing, as well as the rights and obligations of pilgrims. The law also addressed the management of Hajj fund and the organized structure for coordinating the Hajj pilgrimage.

Following Law No.13/2008, it was imperative to establish a specific law that governs the financial management of Hajj. This served as the primary foundation for establishing Law No. 34/2014 on managing financial matters related to the Hajj pilgrimage. According to legal provisions, the total sum of Hajj fund had the capacity to enhance the value of advantages that can be utilized to facilitate the execution of high quality Hajj.

2.6. BPKH (INDONESIA HAJJ FUND MANAGEMENT AGENCY) AS THE CURRENT AUTHORITY

The purpose of establishing BPKH, as stated in Article 3 of Law 34/2014, is to improve the quality of Hajj pilgrimage as the first goal. To accomplish this, BPKH must manage the fund effectively. BPKH's vision is to become a trusted financial management institution that provides optimal value for the pilgrims and the people's benefit. The existence of BPKH is very strategic in managing Hajj fund in Indonesia through a transparent and accountable management system. The firm platform equipped with the legal and infrastructure aspects of BPKH was built to support the reform spirit. It emphasizes the importance of system-based management of Hajj fund. Virtuous

principles like efficiency, rationality, and transparency continue to develop along with management challenges.

BPKH is responsible and acts as the recipient of the initial deposit of regular Hajj fund and Hajj Plus funds (*Law No. 34/2014, article 1 paragraph 4*; Republic of Indonesia, 2014). When the Hajj aspirants made the initial deposit, there was an agreement to manage the funds to MORA, which BPKH represented. Naturally, BPKH is an independent, government affiliated public institution with a legal entity status (*Law No. 34/2014, article 20*; Republic of Indonesia, 2014). This hybrid status underlines its position as a public entity with a private legal status. The fund is managed using a corporate style, emphasizing efficient, effective management. At the same time, the non profit element is when the profit is given back to the pilgrims as the fund owner.

The reform in the public sector accommodates the model, and the precedent set in the private sector is expected to be followed by government agencies (Flinders, 2001, p. 235). They are encouraged to act and operate more like companies in markets to enhance customer responsiveness and boost financial management and overall performance. Mechanisms for holding people accountable encourage transparency and self reflection in political and administrative systems that would otherwise be predominantly inward looking, are in place.

Hajj fund management is carried out based on transparency, which means openness by providing material and relevant information to the public. In this case, the BPKH financial report should be made monthly, quarterly, semiannually, and yearly (*Law No. 34/2014, article 52; Presidential Regulation No. 110/2017, articles 9 & 17*; Republic of Indonesia, 2014, 2017). BPKH obligation to prepare performance report is also mandated (*BPKH Regulation No. 3/2018, article 10*; BPKH, 2018). The action refers to the conformity between the executive body of BPKH with the applicable laws and regulations.

**BPKH FINANCIAL REPORT OBLIGATION
BPKH REGULATION NO.3 TAHUN 2018 ARTICLE 18**

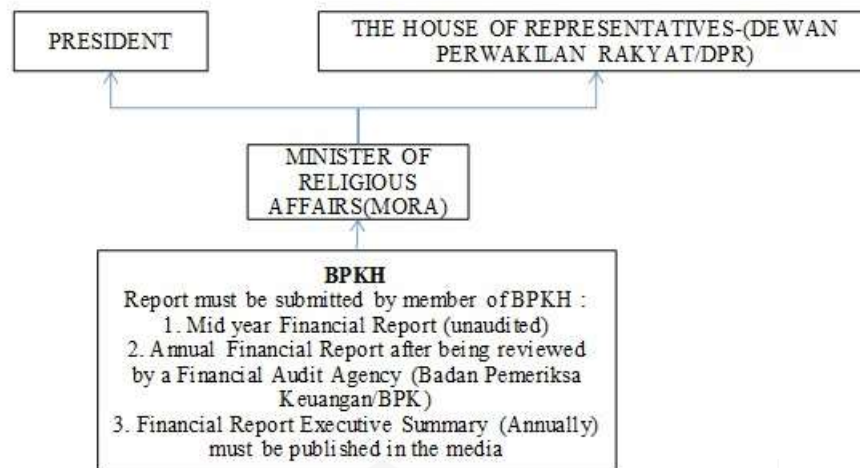


Figure 2. 1 BPKH Financial Report Obligation
Sources: P BPKH No.3/2018

MORA is responsible for ensuring that the executive body complies with accountability requirements, which are directed towards the President and DPR. At the same time, the supervisory board is responsible for supervising Hajj's financial management towards the DPR (P BPKH No.3/2018 article 17). The financial report should obtain validity and legality from the government financial audit agency (Badan Pemeriksa Keuangan or BPK).

Table 2. 2 The Monitoring Control Mechanism

No	Mechanism	Regulations
1.	Supervisory boards The internal mechanism in financial reporting	The Law No. 34/2014 - Article 13, 30-31 Presidential Regulation P.P. No.110/2017 - Article 7 P BPKH No.3/2018 - Article 13
2.	Financial Supervisory Agency (Badan Pemeriksa Keuangan/BPK) External Controlling mechanism through the audit of annual financial statements	P BPKH No.3/2018 - Article 15
3.	Indonesia Financial Services Authority (Otoritas Jasa Keuangan/OJK)	Government Regulation P.P. No.5/2018 - Article 28, regulation for investment in securities.

	External Controlling mechanism regarding the Hajj investment in securities and gold	Government Regulation P.P. No.5/2018 - Article 29, regulation for investment in gold.
4.	House of Representatives – (Dewan Perwakilan Rakyat- DPR) External Controlling mechanism for all Hajj financial management by the House of Representatives - Commission VIII (Dewan Perwakilan Rakyat-Komisi VIII/DPR)	The Law No. 34/2014 - Article 16-20 PBPKH No.3/2018 - Article 15 & 18

Sources: relevant legal aspects of BPKH

The mechanism presented above was designed to contribute excellent results performance since the functions and descriptions of the existing tasks should provide an accountable output. Meanwhile, performance measurement provided information on measuring achievement and being accepted by many parties even though the dominant form of accountability showed only limited economic aspects and activities related to environmental concerns and social responsibility. BPKH has delivered a significant change in accountability reports since its early beginning. It makes the Hajj fund management enhances public confidence in BPKH and MORA's reputation as the public provider.

BPKH's efficiency and effectiveness as a public service contribute to a distinctive character marked by complexity and closely tied to the concept of public accountability. The complexity of this governmental context makes it difficult to clearly define fundamental elements such as the "What, When, and How" (3W) aspects of accountability. In response, the government tends to exercise stricter oversight over delegated authority for activities under its direct control. As a result, accountability manifests as a dynamic, two way interaction among all participants in the process. Furthermore, transparency is a crucial component of accountability, as it requires understanding how to provide an appropriate response during an accountability evaluation in a legitimate forum (Mulgan, 2000; Romzek & Ingraham, 2000; Williams & Taylor, 2013). Achieving this ideal level of transparency and accountability requires time and coordination among BPKH stakeholders to foster a shared vision and cultivate a culture of openness. This study documented BPKH's ongoing efforts to improve accountability in Hajj management, highlighting its role as an agent of reform. These

findings shed light on accountability challenges in public agencies, a topic that has been largely underexplored, particularly in the context of Asian countries.

2.6.1. The Management Structures

In its initial phases, BPKH prioritized the establishment of a robust management infrastructure to support its broader development objectives. This included formulating a comprehensive business model and strategic roadmap aimed at achieving BPKH's institutional goals effectively. Over the first five year period, the agency focused on implementing synergistic investment activities, expanding business development initiatives, and undertaking direct investments to enhance the quality of Hajj pilgrimage services, as outlined in the BPKH Grand Roadmap.

One of the core pillars supporting this institutional effort is the integration of system and technology based management practices to improve service delivery. The application of modern digital infrastructure serves to streamline operational procedures and elevate organizational performance. To formalize accountability mechanisms within BPKH, P BPKH Regulation No. 3/2018 was introduced. This internal regulation defines the clarity of functions and delineates the responsibilities of BPKH's organizational components, ensuring transparency and accountability in its operations. It emphasizes the importance of aligning competency, role suitability, and performance metrics to ensure that tasks are assigned to the right individuals with the appropriate expertise.

BPKH acknowledges that clearly defined functions and responsibilities among its organs (both the executive body and the supervisory board) are essential for maintaining institutional effectiveness (*Law No. 34/2014, article 27-44; Government Regulation No. 110/2017, article 5-8; Republic of Indonesia, 2014, 2017*). These structures, grounded in the fundamental principles of Hajj financial management, form the foundation for implementing a robust system of checks and balances, thereby reinforcing good governance and institutional integrity.

The Head of BPKH serves as the primary coordinator and official representative of the agency to external stakeholders and is responsible for overseeing the organizational structure of the BPKH Implementing Body. As illustrated in Figure 2.2, the organizational framework includes four key support divisions under the direct supervision of the Deputy Internal Auditor and Corporate Secretary, both of whom

function as critical representatives of the institution. Additionally, seven technical departments operate under the Head of BPKH, each tasked with specific responsibilities to uphold procedural mechanisms in accordance with BPKH's role as a public institution managing Hajj funds.

This delegation of duties, through a structured division of functions and authority among various BPKH organs, is clearly depicted in the Executive Board's organizational chart (Figure 2.2). The executive body is charged with the planning, implementation, financial management, and reporting of Hajj operations. As a government affiliated institution, BPKH exercises due diligence through hierarchical coordination, ensuring accountability to higher authorities involved in Hajj fund governance.

In parallel, the Supervisory Board functions as an independent organ within BPKH, responsible for overseeing the activities of the executive body. This includes monitoring the planning, implementation, reporting, and overall accountability processes associated with the management of Hajj funds. According to Article 53 of Law No. 34/2014, both the executive and supervisory boards may be held jointly and severally liable in the event of financial loss resulting from mismanagement, provided that willful misconduct or negligence can be legally substantiated.

Further clarification regarding the roles, ethics, and accountability mechanisms of BPKH's organs is outlined in PBPBH Regulation No. 3/2018, which defines the code of conduct, compliance requirements, and the implementation of Good Corporate Governance (GCG) principles. Internally, the Supervisory Board evaluates, monitors, and provides approval for ongoing financial management practices undertaken by the executive body. The promotion of transparent and accountable governance was recognized early on as a strategic priority during BPKH's formative years. This vision was articulated in BPKH's inaugural Five Year Strategic Plan (2018 - 2022), approved by both the Supervisory Board and the House of Representatives (DPR). Within this governance framework, the Supervisory Board also oversees internal controls and reporting systems established by the Implementing Body.

These hierarchical structures give rise to formal accountability reporting mechanisms, which serve not only to reduce information asymmetry among stakeholders but also to function as communication tools. Such reports establish accountability beyond vertical chains of command by also addressing horizontal accountability, where agencies are answerable to non hierarchical stakeholders such as

the public, clients, or peer institutions. As Dewi et al. (2019) emphasize, the perception of accountability is shaped by the social roles, expectations, and experiences of its participants. This is consistent with Schillemans (2008), who argues that accountability is contextually constructed based on who the stakeholders are and where they are positioned within the system.



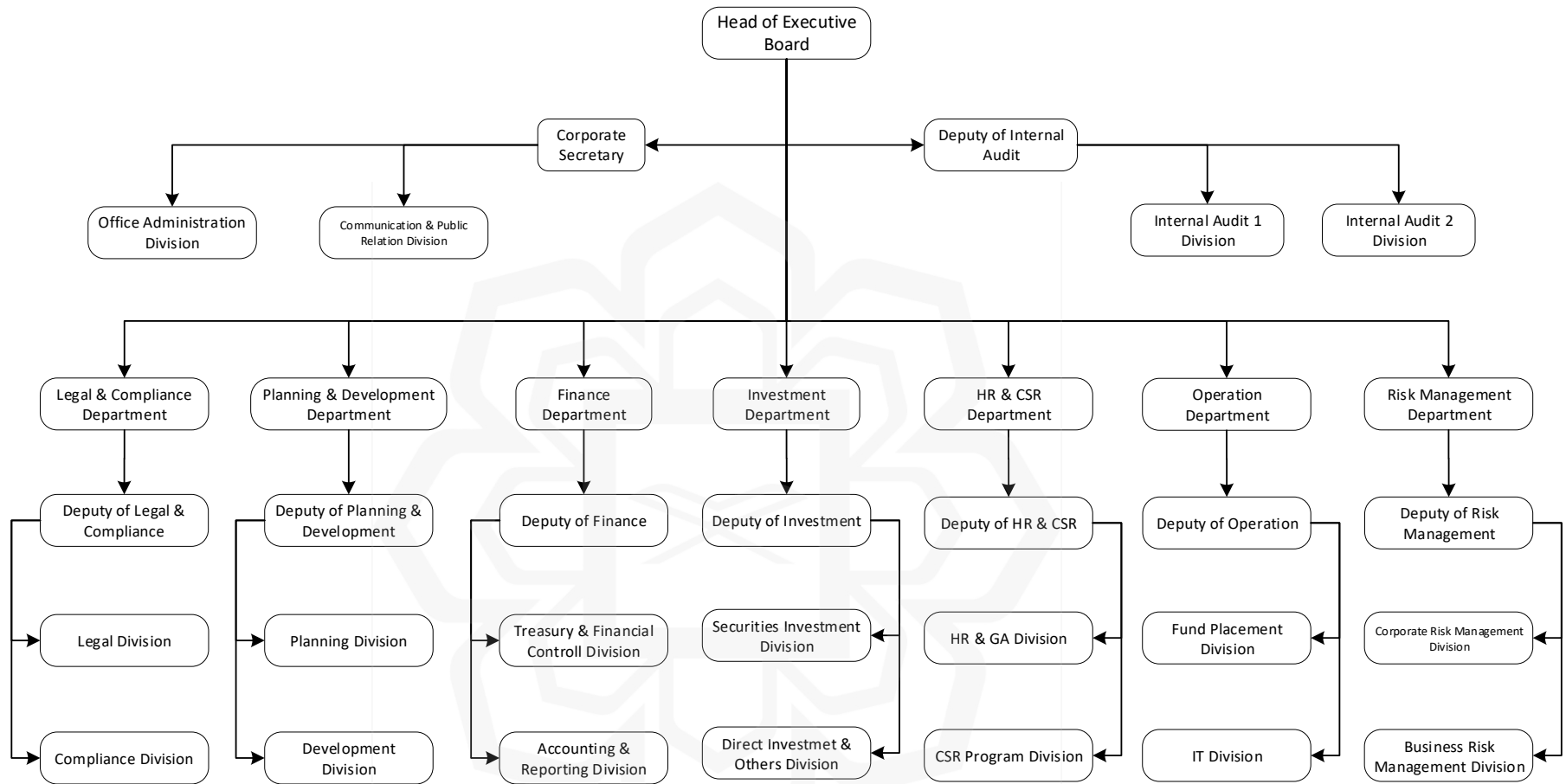


Figure 2. 2 The Organizational Structure of the BPKH Executive Board
Sources: BPKH Annual Report

2.6.2. The Responsibility of BPKH

The principle of transparency plays a critical role in ensuring the availability of complete, accurate, and timely information. This principle must be supported by a reliable and robust information system, enabled through appropriate technological infrastructure. The disclosure of information to the public should be conducted fairly and proportionally, in accordance with established information classification policies. This aligns with the principles of Good Corporate Governance (GCG), as outlined in P BPKH Regulation No. 3/2018. Information disclosed must be material, relevant, accurate, and accessible to all relevant stakeholders. Non confidential disclosures include data related to financial performance, risk management, internal control systems, compliance practices, the implementation of GCG, and other pertinent information relevant to BPKH's operations.

The target audience for such disclosures includes pilgrims, the general public, and other stakeholders. The intent behind this information dissemination is to strengthen the effectiveness of both the executive and supervisory bodies, safeguard stakeholders' rights, and foster greater community engagement and participation. This expectation underscores BPKH's responsibility and accountability in its role as a public institution managing community funds. Transparency in this context is not merely a compliance obligation but a reflection of public interest protection, responding to societal expectations of ethical governance and civic responsiveness. As noted by Habermas (1985), these expectations often arise in informal spaces beyond the formal structures of law, bureaucracy, or financial authority.

Accordingly, it is imperative for BPKH to adopt a dialogical approach to accountability (Unerman & Bennett, 2004). Engaging in open, participatory dialogue can enhance the institution's understanding of beneficiary expectations. Roberts (1991) argues that informal, face to face communication "sharpens one's grasp" of complex subjects, making learning and mutual understanding more effective. Through such dialogical engagement, BPKH can better align its actions with the values and concerns of its stakeholders (O'Dwyer & Unerman, 2007). In this regard, society also bears a vital role in protecting the public interest by actively monitoring public institutions. One effective means of doing so is by understanding and critically engaging with publicly shared information. Cultivating a culture of awareness and open dialogue particularly through official communication channels empowers citizens to question, participate, and hold public agents accountable in a constructive and informed manner.

Society plays a critical role in safeguarding the public interest by actively engaging in the monitoring of public agencies as they carry out their mandated responsibilities. One way to fulfill this civic duty is by understanding publicly disclosed information and cultivating awareness that enables citizens to question and assess the alignment of institutional practices with public interest, particularly through dialogue facilitated via official communication channels. The common tool is financial performance, which is typically presented in the form of quantitative data, such as tables and numerical summaries, which serve as a widely accepted standard for public accountability. To foster a comprehensive understanding of financial performance, the following sub sections will explore the various aspects of financial classification, specifically within the context of Hajj fund management by BPKH.

To fully comprehend the rationale behind these financial strategies, a fundamental understanding of financial literacy is essential. This includes the ability to interpret investment choices, assess returns, and evaluate financial risks. Moreover, it is important to analyze the operational expenditures incurred by BPKH in executing its managerial functions, including the costs associated with fund administration, stakeholder engagement, and program implementation. Finally, in accordance with its public mandate, BPKH is required to submit formal accountability reports detailing its financial management performance. These reports are a key instrument for ensuring transparency, reinforcing public trust, and demonstrating the institution's commitment to ethical stewardship of pilgrims' funds.

2.6.2.1. Accepting Fund

Through the establishment of BPKH (Hajj Fund Management Agency), the management of Hajj funds is mandated to operate under a more professional and accountable system (*Law No. 34/2014 article 22*; Republic of Indonesia, 2014). This mandate must be supported by clearly defined functions and structures within the institutional framework. Legal instruments governing Hajj financial management serve as the foundational platform for BPKH's operational model and form the basis for compliance standards, including due diligence practices. The executive body is tasked with delivering optimal benefit value, guided by Sharia principles, not only for pilgrims but also for the broader Muslim community (ummah). BPKH's strategic goal is to maximize benefit values through optimal investments within a fully Sharia compliant framework (*Law No. 34/2014, Article 48*; *BPKH Regulation No. 5/2018*; *BPKH*

Regulation No. 1/2019; Republic of Indonesia, 2014; BPKH, 2018, 2019). Hajj financial management cannot be separated from the basic principles regulated in Article 2 of Law No.34/2014, where the central platform are sharia, prudence, benefit, non profit, transparency, and accountability.

In accordance with this legal foundation, BPKH's investment strategy involves the placement of funds in demand deposits, time deposits in sharia compliant banks, and various Islamic financial instruments. These include government issued Hajj sukuk, corporate sukuk, Sharia mutual funds, and sharia compliant equities. The accounting treatment for these investments follows PSAK 13 (the Indonesian Financial Accounting Standards for investment property, 2011), which provides the relevant guidance for fixed asset classification in investment activities. Further, the procurement of fixed assets, whether for operational use or investment purposes such as transportation or accommodation facilities, is governed internally by PBPKH Regulation No. 5/2019 on Goods and Services Procurement. These internal policies ensure that all procurement processes align with Sharia principles, regardless of the intended function (for operations or long term investment). Investments in property and other tangible assets are intended not only to enhance the quality of services provided by Hajj Organizers but also to generate sustainable, recurring income. This approach reflects BPKH's long term investment vision, in which asset based income serves as a stable financial resource that supports the continuity and quality of Hajj services over time.

2.6.2.2. Allocating Funds (Expenditure)

An essential component of Hajj financial management, aside from investment and fund collection, is the expenditure aspect, which encompasses the financing of Hajj pilgrimage operations, fund placement strategies (i.e., allocation across various banks), and the implementation of investment related activities. In this context, expenditure primarily refers to BPKH's responsibility to ensure adequate liquidity for the operational execution of the Hajj pilgrimage. As mandated in Article 47 of Law No. 34/2014, BPKH is required to maintain a liquidity reserve equivalent to at least twice the cost of organizing the Hajj for the current pilgrimage season.

The allocation and disbursement of these funds are executed following the issuance of a ministerial decree, which must be approved by the House of Representatives (DPR). The operational mechanism involves the regular transfer of funds from the BPKH treasury to the designated pilgrimage implementation work unit

under the Ministry of Religious Affairs (MORA). MORA is responsible for overseeing the Regular Hajj, while the Special Hajj (Hajj Plus) is managed by officially licensed private travel agencies (PIHK). Accordingly, MORA distributes the designated funding for Hajj Plus to the respective PIHKs.

Historically, during MORA's administration of Hajj finances, the detailed breakdown of expenditures incurred during pilgrimage operations was not made publicly available. However, since BPKH assumed responsibility, there has been a significant improvement in transparency and disclosure. The expenditure components are now categorized, with particular emphasis on the indirect cost, which refers to the government subsidy provided to cover part of the overall Hajj cost. This subsidy is sourced from the benefit value the returns generated from the investment of pilgrim's funds and is explicitly regulated and reported as part of BPKH's financial accountability.

For instance, in 2019, BPKH publicly disclosed a detailed breakdown of the Hajj cost structure, including the amount covered by direct payments from pilgrims and the portion subsidized through the benefit value. This marked a notable shift towards greater transparency and public trust in Hajj financial governance. In 2019, BPKH contributed approximately 50% or more of the total Hajj cost per pilgrim. Referred to as the actual Biaya Penyelenggaraan Ibadah Haji (BPIH) which ranged from IDR 67 million to IDR 76 million, depending on the designated airport of departure.

Table 2. 3 Cost Component on Hajj Perform

Cost Category	Direct Cost of 2019	
	USD/SAR/RM	Rp
Flight Ticket	US2,073.56/ RM8,638	Rp29.555.597,-
Accommodation in Makkah	-	-
Accommodation in Medina	-	-
Living Cost	SAR1,494/ RM 1,685	Rp 5.680.005,-
Direct cost (i.e. Hajj fund deposits per Pilgrim/BPIH)	RM 10,339	Rp35.235.602,-

Cost Category	Indirect Cost of 2019	
	In RM	Rp
Congregational service in Saudi	RM 1,978,248,953.7	Rp6.767.795.750.978,-
Congregational service in Indonesia	RM 68,725,036.56	Rp 235.115.509.384,-
Hajj Operation in Saudi	RM 213,197	Rp 726.586.240,-
Hajj Operation in Indonesia	RM 4,742,933	Rp 16.164.124.652,-
Reserve fund (safeguarding)	RM 5,868,469	Rp 20.000.000.000,-
Total Indirect Cost	RM 2,065,642,844	Rp7.039.801.971.254,-
Indirect Cost per Congregation	RM 10,165	Rp 34.765.454,-

Total actual cost BPIH per Congregation (direct + indirect)	RM 20,467.3	Rp 70.000.056,-
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Sources : Data on Hajj costs adapted from BPKH (Adnan, 2021); exchange rates as of December 30, 2021 (XE, 2021).

The allocation of funds derived from the benefit value on investment (Return on Investment/ROI) by BPKH is distributed across three primary areas. First, a substantial portion is allocated to subsidize the Biaya Penyelenggaraan Ibadah Haji (BPIH), covering what is referred to as the indirect cost. Since 2004, BPKH (and previously MORA) has consistently contributed approximately 50% to 60% of the total Hajj cost per pilgrim to support this subsidy, as detailed in Table 2.3. Second, the remaining portion of the benefit value, after the indirect costs have been addressed, is distributed to the virtual accounts of pilgrims currently on the waiting list. This allocation is intended to reflect each pilgrim's share of the fund's investment benefits, accumulated while they await departure. Third, a portion of the benefit value is directed toward social responsibility programs, which are designed to serve the wider Muslim community in Indonesia. These programs demonstrate BPKH's broader commitment not only to the financial sustainability of Hajj operations but also to the socio religious development of the ummah.

As outlined in Table 2.4, these social responsibility programs extend the impact of Hajj financial management beyond pilgrimage operations, reflecting BPKH's role in community development. Based on 2019 data, the fund distribution was as follows: Hajj Services (77% or IDR 131.48 billion), Education and Da'wah (2% or IDR 3.96 billion), Health (17% or IDR 28.78 billion), Socio Religious Programs (proportionally 0%, equivalent to IDR 0.84 billion), and Construction of Worship Facilities and Infrastructure (4% or IDR 6.49 billion). These figures highlight BPKH's commitment to enhancing both religious and social infrastructure in the country.

Table 2. 4 BPKH Allocation Expenditure 2017 – 2018

Description	2017 (IDR)	2018 (IDR)	2019 (IDR)	2020 (IDR)
Benefit Value	5,28 Triliun	5,51 Triliun	7,14 Triliun	7,21 Triliun
BPIH Subsidize		6,50 Triliun	6,81 Triliun	0,01 Triliun
Allocation of Virtual Account		0,77 Triliun	1,08 Triliun	2,00 Triliun
Distribution of welfare program		0,04 Triliun	0,18 Triliun	0,16 Triliun

Source: (<https://bpkh.go.id/2021>)

In accordance with Article 10(b) of Law No. 34/2014, the operational costs of BPKH are financed from the benefit value generated through Hajj fund investments. However, this expenditure is capped at a maximum of 5% of the total benefit value and is subject to approval by the House of Representatives (DPR).

As of December 2020, BPKH reported that the audited value of the Hajj fund, as verified by the Supreme Audit Agency (BPK), had increased by 16.56%, reaching a total of IDR 144.91 trillion. Other expenditure items include disbursements related to current year Hajj operations, such as BPIH and BPIH Plus balances of pilgrims. Additionally, refunds for cancelled pilgrimages are processed and returned to pilgrims via their respective accounts at Hajj Deposit Recipient Banks (BPS BPIH). The same procedure applies to any differences in deposit balances from current year BPIH adjustments. The legal foundation for these procedures is outlined in PPKH Regulation No. 3 of 2018, which governs fund transparency and the accountability mechanisms of BPKH.

2.6.2.3. Reporting Funds

Performance measurement serves as a widely accepted language of communication in public sector governance and functions as a key mechanism for legitimizing and formalizing accountability. In the context of Indonesia, BPKH (Hajj Fund Management Agency) is the sole government affiliated public institution responsible for managing the Hajj fund. However, it currently lacks an established industry benchmark to assess the quality of its performance. This absence poses challenges in fulfilling its accountability obligations to stakeholders. Given BPKH's dual role as both fund holder and investment manager, Hajj pilgrims represent not only the beneficial owners of the fund but also citizens to whom the agency is publicly accountable. Therefore, establishing clear and credible performance metrics is essential for reinforcing transparency and strengthening the legitimacy of BPKH's operations within the broader framework of public accountability.

BPKH is a unique institution operating under a dual function model, combining the responsibilities of a public financial body with the investment mandate of a professional asset manager. This duality necessitates the application of multiple accounting standards to accurately manage, report, and disclose its diverse range of financial instruments in accordance with national financial reporting frameworks. In

the domain of asset management, BPKH is required to evaluate and measure asset impairments based on PSAK 48 (2014b), which governs the treatment of diminished asset value. Due to the varied nature of its investment portfolio, the recognition, recording, and presentation of assets must adhere to different accounting standards, each depending on the asset class. For example, gold holdings are managed under PSAK 14: Accounting for Inventories (2008), while property investments are recognized using either ISAK 31 or PSAK 13: Investment Property. For more specialized assets, such as aircraft and buses, BPKH refers to PSAK 14 or PSAK 16: Fixed Assets (2011), depending on whether the asset is held for operational use or resale.

Moreover, BPKH's financial reporting framework reflects its dual structure by incorporating standards for both conventional and sharia compliant instruments. Financial instruments such as current accounts and time deposits are recorded following PSAK 50, 55, and 60 (2016), which collectively address financial instrument presentation, recognition, and disclosure. For sharia based investments, such as placements in Islamic entities, PSAK 15 (2013) is applied. In addition, more complex sharia compliant instruments, including sukuk, Islamic mutual funds, and equity in associated Islamic companies, are governed under PSAK 110 (2014a), which specifically regulates financial reporting for Sharia transactions. By adopting this integrated and standards driven approach, BPKH ensures the transparency, reliability, and sharia compliance of its financial practices, consistent with its mandate as a steward of Hajj funds for the benefit of Indonesian pilgrims and the broader Muslim community. BPKH has demonstrated a commitment to transparency since its inception. Its strong performance was evident during the period from 2017 to 2019, as reflected in its financial reports, which show a steady upward trend in both the total managed funds and the value of returns generated, as presented in Table 2.3 and Table 2.4.

Hajj fund management in Indonesia is formally governed by Government Regulation No. 5/2018, Article 26, which classifies the fund into two primary categories. The first is placements, referring to funds allocated to sharia compliant banking products. The second is investments, involving the allocation of funds into Islamic financial instruments such as sukuk (Islamic bonds), gold, direct investments, and other assets that comply with sharia principles.

Table 2. 5 BPKH Financial Summary 2017 – 2018

Description	2017 (IDR)	%	2018 (IDR)	%	2019 (IDR)	%
Manage Fund	105,51 Triliun	100,00%	112,35 Triliun	100,00%	120,16 Triliun	100,00%
a. Investment	37,07 Triliun	36,16%	46,92 Triliun	41,92%	67,44 Triliun	56,21%
b. Placement	65,44 Triliun	63,88%	65,43 Triliun	58,24%	52,53 Triliun	43,79%

Source: (<https://bpkh.go.id/2019>)

To uphold its mandate of transparency and accountability, the Hajj Fund Management Agency (BPKH) has adopted a digitally driven information system. This infrastructure enables real time dissemination of key data to the public and plays a significant role in building public trust. BPKH routinely updates its official website and social media channels, providing information such as the number of registered Hajj aspirants, online tenders for Hajj service packages, community programs aimed at serving the ummah, academic forums promoting Islamic finance, and other institutional updates. A significant innovation introduced by BPKH is the virtual account system, which allows each pilgrim to access their Benefit Value (BV), the return on investment generated from their *Biaya Penyelenggaraan Ibadah Haji* (BPIH) or special BPIH deposits.

This system was implemented in response to growing demands for financial transparency, particularly from pilgrims on the waiting list. Empirical evidence have emphasized the critical role of virtual accounts in helping pilgrims understand how their funds managed by previous manager (Nasution et al., 2019; Aziz, 2018). In support of this, Article 26, point 6 of Law No. 34/2014 obliges BPKH to establish an information system that enables depositors to access relevant financial data efficiently. The virtual account system serves as more than a transparency tool, it also reflects the accumulated benefit value generated from BPKH's investment strategies while pilgrims are awaiting their departure. This accumulated BV is applied to reduce the pilgrims' total financial obligation, thereby minimizing the lump sum required at the time of departure. By offering real time, individualized access to financial status, the virtual account enhances transparency and fosters a greater sense of inclusion among pilgrims in the Hajj fund management process.

Each Hajj aspirant is assigned a unique virtual account number linked to their Hajj savings. This account provides information on the current savings balance, estimated departure year, and other financial data relevant to the pilgrimage. The

allocation of BV is determined by the House of Representatives (DPR) and distributed through BPS Islamic banks on a regular schedule. Over time, the benefit value is accumulated annually and ultimately applied to offset the cost of the BPIH in the year the pilgrim departs for Hajj.

However, the availability of information does not in itself guarantee transparency or accountability. As Fox (2007) argues, transparency and accountability may overlap, but they are not inherently synonymous. Transparency must be implemented meaningfully and paired with institutional responsibility and oversight. Without these mechanisms, transparency can become superficial and may even hinder accountability if it leads to complacency or uncritical acceptance. In this regard, access to information must be designed not only to inform but also to empower stakeholders, promote responsiveness, and prevent corruption.

2.6.3. BPKH Environment

Accountability is defined by Edwards and Hulme (1996) as "the process through which individuals and organizations report to a recognized authority (or authorities) and are held accountable for their activities" (Edwards & Hulme, 1996). So, in the link of the accountability process, the accountant is a party who held to account another party for their act of being responsible. The one who is taking to giving the account is called the accountee. Thus, the actor/agent is connotatively defined as an accountee in the form of an individual, team, or institution in charge of doing the action held to account.

Within BPKH's accountability framework, various parties are involved, stemming from both legal and political contexts. From a legal standpoint, relevant stakeholders include the President of Indonesia and the Ministry of Religious Affairs (MORA). Politically, the House of Representatives (DPR) and its associated commissions serve as key oversight bodies. Other important stakeholders include the Hajj pilgrims as fund owners, the media, and broader civil society. These actors represent the "accountors" those who demand accountability. Meanwhile, forums refer to the institutional or procedural settings in which accountability is exercised, such as public audits, hearings, or reports.

BPKH, as the manager of the Hajj fund, is accountable to multiple entities, including the fundholders (pilgrims), the President (who appoints its leadership), and various government bodies connected to Hajj and financial governance. These include

MORA, the Audit Board of Indonesia (Badan Pemeriksa Keuangan or BPK), the Financial Services Authority (Otoritas Jasa Keuangan or OJK), and the Ministry of Finance (Kementerian Keuangan or KEMENKEU). In this structure, BPKH operates as the accountee, the entity being held accountable. While the President, MORA, BPK, and DPR function as the accountors. The forums for accountability may include government audits, financial reviews, and other oversight mechanisms, while the actors are represented by BPKH's management and operational team, who are responsible for executing the agency's mandate.

Organizational legitimacy refers to the perception and acceptance by stakeholders and the wider public that an organization has the right to operate and is engaged in morally and socially acceptable activities. This legitimacy is built through a reciprocal process: on one hand, an organization gains legitimacy only if it is accepted by society; on the other hand, society's acceptance is typically contingent upon the organization's ability to deliver social and economic benefits. In the context of Hajj fund management, BPKH's legitimacy also depends on its engagement with key social stakeholders, including major Islamic organizations such as Nahdlatul Ulama and Muhammadiyah, as well as Kelompok Bimbingan Ibadah Haji (KBIH) or Hajj guidance groups, Hajj and Umrah travel agencies, Sharia financial institutions, and other higher education and religious institutions. These groups play a critical role in shaping the dialogue and partnership necessary to strengthen BPKH's accountability mechanisms and maintain trust within the Indonesian Muslim community.

2.7. ISSUES AROUND HAJJ FUND IN BPKH

Issues surrounding the management of the Hajj fund are both inevitable and significant, largely due to the immense size of the fund and the potential benefits it offers. Its magnitude has naturally attracted interest from various parties eager to play a role in its management and to benefit from its investment returns. However, it is critical to underscore that this fund belongs to Hajj pilgrims, individuals who have entrusted their money in anticipation of fulfilling a sacred religious obligation. Therefore, the governance of the Hajj fund must prioritize a clear and ethical vision: ensuring the affordability of the pilgrimage while maintaining the quality of services provided to Indonesian pilgrims, all within a framework that is fully compliant with Shariah principles.

To prevent misuse or diversion of funds from their intended religious and social objectives, every action taken must directly contribute to safeguarding and enhancing the value of the Hajj fund. This requires attention to several foundational aspects: first, the legal and regulatory framework must be robust and enforceable; second, reporting standards must be transparent, standardized, and accessible; and third, stakeholder engagement must be strengthened to foster accountability. These measures are essential for maintaining public trust and ensuring the legitimacy of institutions involved in Hajj fund management.

This study identifies three critical issues currently affecting Hajj fund governance in Indonesia. The first concerns the public's growing demand for relevant, transparent, and timely information about how the Hajj fund is being managed. Many pilgrims and citizens feel excluded from the decision-making process due to limited disclosure practices. The second issue relates to the perceived inequity in the distribution of BV with concerns that the Hajj aspirants receive disproportionately fewer financial advantages compared to those who are departing. Finally, the third issue is the low level of public trust in Hajj organizers and institutional actors, which stems from past experiences, lack of communication, and perceived inefficiencies.

Addressing these challenges requires a strategic commitment to institutional transparency, fair resource distribution, and proactive stakeholder communication. By doing so, BPKH and related entities can reinforce their accountability and fulfill their mandate to manage the Hajj fund in a way that is just, effective, and consistent with the expectations of the Muslim public they serve.

2.7.1. The Need for Relevant Information

Accountability is strongly related to financial performance reports, which are in the form of formal reports with the number and relevant information around them (Vosselman, 2013). Accurate financial reports have become a crucial aspect in which accountability is expected to be demonstrated. Although BPKH is fully informative, most ordinary citizens or pilgrims still need to understand the information easily. Steccolini (2003) argued that external stakeholders or outsiders do not use such disclosure even if it is ready (in the official web or the media) (Steccolini, 2003). The content regarding the discharge of accountability may not exactly be the form of accountability report that the pilgrims or outsiders want to see. Similarly, the preparer's

perspectives agree that internal users have a higher need for report based information, decisions, and actions in their line of duty as CEOs, executive members, government officials, presidents, auditors, etc. They need it more frequently, and of course, they also have access to it.

The use of financial reports for outsiders is still being questioned since it is considered unhelpful for many of its readers (Connolly & Hyndman, 2013). Confirming the phenomenon, as the religious value of Hajj for Muslims, pilgrims take it for granted for all the Hajj fund management as long as they can perform their Hajj. The most common form of responsibility pilgrims expect from the organizer is to feel the benefit during their Hajj worship. Numbers with performance measurements do not attract pilgrims' attention. It might be considered too complex, so they will likely ignore and miss the information presented (O'Neil, 2006). Data availability may not be presented in a helpful way to the potential pilgrims, although it might be employed for management purposes. While the formal report is closely related to numbers calculation and performance measurements, another view of accountability can be seen in various manifestations. Such as the environmental area, where the form is not only in numbers and formal reports. Instead, it is in the form of a documentation series of actions and some solutions that can be managed through the process of preserving accountability differently (J. Christensen, 2003). Critical and interpretative research contends that narrative forms of accountability facilitate dialogue between accountors and accountees more than accountability formal reports (Boland & Schultze, 1996; McKernan & McPhail, 2012). A functionalist approach to narrative analysis, as shown by psychologist Jerome S. Bruner (Bruner, 1986; Bruner, 1990; Bruner, 1991) whose work also influenced Boland and Schultze's (1996) argument, helps explain how a narrative mode of cognition works to handle accountability conflicts and obstacles (Boland & Schultze, 1996).

2.7.2. Unfair Distribution of ROI/Benefit Value between Departing and Hajj Aspirants/the Wait List

Accordingly, all pilgrims have the right to benefit from BV generated from the initial Hajj fund deposits made by the pilgrims. This benefit is intended to be distributed fairly among both departing pilgrims (those about to perform Hajj) and Hajj aspirants on the waiting list. However, for many years, the distribution of BV was inequitable, with only

departing pilgrims receiving it at the time of their departure for Mecca. This unequal distribution persisted from the early days of Hajj fund management in Indonesia until 2018.

A shift occurred when BPKH assumed responsibility for managing the Hajj fund. Beginning in 2018 and continuing into 2019, Hajj aspirants on the waiting list began to receive a portion of the BV. Before this period, the entirety of the benefit value was allocated exclusively to those departing for Hajj, leaving aspirants with no share in the BV generated from their own deposits. Even after this shift, a significant disparity remained. According to BPKH's annual reports, in both 2018 and 2019, the BV was distributed in a ratio of approximately 80% for departing pilgrims and 20% for those on the waiting list. This distribution reflects the allocation recorded in virtual accounts created for Hajj aspirants, an innovation introduced to improve transparency and inclusiveness.

Prior to the BPKH era, the principle of *ta'awun* (mutual assistance) was often cited as a justification for the lack of clear information regarding BV allocation, further complicating accountability. Recent studies have emphasized the urgent need for transparency in Hajj fund management, particularly regarding the use of virtual accounts for aspirants (Nasution et al., 2019; Aziz, 2018). These accounts are now used to track individual benefit value accruals and help ensure that all pilgrims, regardless of departure status are acknowledged as fund contributors and rightful beneficiaries. The allocation scheme between departing and non departing pilgrims is regulated through PBPKH Regulation No. 6/2018, which mandates that BPKH propose an annual work plan and budget to be approved by the House of Representatives (DPR). The ROI derived from the management of initial deposits is primarily used to subsidize the current year's Hajj operations, especially to improve service quality and reduce the financial burden on pilgrims. This is especially necessary because the official Hajj fee (BPIH) set by the Ministry of Religious Affairs (MORA) typically covers only approximately half of the total actual cost of organizing the Hajj. As a result, it is understandable though not ideal that a larger portion of the ROI is allocated to departing pilgrims, whose travel is imminent.

Nonetheless, this approach has led to an inevitable imbalance. The small ROI share received by Hajj aspirants reflects not only policy limitations but also broader systemic issues. MORA's method for determining BPIH arguably far below actual cost requirements has been identified as a key contributor to this inequity in ROI

distribution. As the obligation to perform Hajj is linked to the concept of *istito'ah* (financial and physical capability), it is essential to ensure fairer treatment of ROI allocation between the two categories of pilgrims. A more proportional and transparent calculation of BPIH, based on actual costs, would better uphold equity and accountability in Hajj fund management.

2.7.3. Trust toward BPKH

Gaining public trust in the management of the Hajj fund in Indonesia requires strong commitment, sustained effort, and professional integrity. Over the years, trust in the institutions responsible for managing the fund has been seriously undermined by various incidents, including corruption cases, low quality services during the Hajj, and a general lack of accessible public information (Solehudin, 2019). The persistent absence of transparency has contributed to repeated instances of fund mismanagement and misuse, eroding confidence in the system.

A more recent challenge emerged during the COVID-19 pandemic, which led to the cancellation of Hajj and Umrah pilgrimages in 2020 and 2021. This disruption caused deep disappointment among Indonesian pilgrims and raised questions regarding BPKH's role as the custodian of Hajj funds. The situation brought renewed attention to the importance of public education about the governance reforms undertaken by BPKH and the need to communicate its efforts in promoting transparency and accountability.

The establishment of BPKH itself was a significant milestone in reforming the management of the Hajj fund. As an independent institution with a clearly defined mandate, BPKH was created to provide professional, transparent, and Sharia-compliant oversight of Hajj fund management. One of its primary objectives is to ensure better service quality and affordability for Indonesian pilgrims, thereby aligning financial management with the spiritual and practical needs of the Hajj. Before BPKH's formation, the Ministry of Religious Affairs (MORA) was responsible for managing the fund, often applying the *ta'awun* principle, a concept of mutual support among pilgrims (Nasution et al., 2019). While well intentioned, this approach lacked the formal structures needed to ensure financial transparency and accountability.

Despite progress, the management of a large and growing Hajj fund continues to face significant challenges. There remains public concern that the fund, due to its size, may be misused for purposes beyond its religious intent, such as pandemic relief

or government infrastructure development (Aditya, 2021). These debates reflect broader anxieties about the potential politicization or abuse of public religious funds. In this context, the original mandate of BPKH to make the Hajj more affordable and improve service quality, should be treated as non negotiable. Upholding this mission is essential to restoring and maintaining public trust, and ensuring that the Hajj fund is managed with the transparency, accountability, and professionalism that the Indonesian Muslim community expects and deserves.

2.8. CONCLUSION

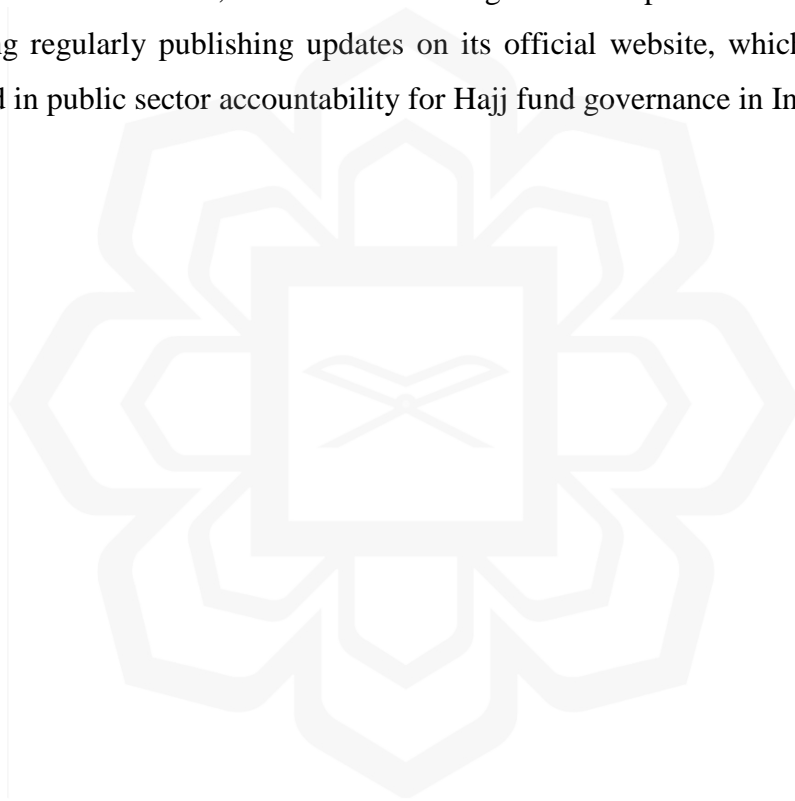
The management of Hajj in Indonesia has undergone a long and complex journey. Throughout this history, allegations of fund mismanagement have emerged across various phases, highlighting the urgent need for transparent and accountable governance. Several scandals have demonstrated that funds originally intended for the People's Endowment Fund and the organization of Hajj services, were misallocated in ways that violated official regulations (ICW, 2022). Resources that should have supported education, health services, and the construction of religious facilities were, at times, diverted inappropriately. As a result, many pilgrims encountered unsatisfactory service conditions during their pilgrimage but often accepted them with patience, rooted in the religious value of mutual support (*ta'awun*).

The increasing awareness of these issues underscored the urgency to improve service quality, especially considering the enormous size and growth potential of the Hajj fund. Yet, for years, pilgrims did not directly experience the benefits of the funds they had entrusted. Prior to the establishment of BPKH, transparency and accountability were not embedded in the reporting culture of Hajj fund management, and access to critical financial and service related information remained limited.

The transformation began with the enactment of Law No. 34/2014, which laid the legal foundation for the creation of a separate, independent institution to manage the Hajj fund more professionally. This milestone marked a critical turning point in the governance of pilgrimage operations in Indonesia. The formation of the Hajj Fund Management Agency (BPKH) was grounded in a clear mandate: to ensure that Hajj funds are managed independently, professionally, and in accordance with Sharia principles, with the overarching goal of delivering high quality, affordable Hajj services to Indonesian pilgrims.

As the institution entrusted with this responsibility, BPKH's accountability practices serve as a direct response to public expectations surrounding Hajj governance. Discharging this accountability involves a series of strategic and operational steps taken by BPKH in fulfilling its legal and moral obligations. The agency also seeks to strengthen public trust while proactively addressing challenges arising from socioeconomic conditions that may impact Hajj participation or service delivery.

It is important to note that prior to the establishment of BPKH, the Ministry of Religious Affairs (MORA) the previous organizer of Hajj did not implement a systematic policy for public access to information, particularly regarding financial management. In contrast, BPKH has taken significant steps to increase transparency, including regularly publishing updates on its official website, which reflects a new standard in public sector accountability for Hajj fund governance in Indonesia.



CHAPTER THREE

ACCOUNTABILITY IN LITERATURE

3.1. INTRODUCTION

In simple terms, the accountability concept is considered an act of being accountable in many ways to another party. The term may be applied to individuals, organizations, governments, and any other forms of institutions. The concept is considered an action, process, output, or performance, mainly with at least two related parties. The most common perception of accountability is responsible, while various definitions of the accountability term have been suggested. Some authors infer it with reporting action, and others imply the term to explain actions. Traditionally, the external report is the primary means of communicating the mission responsibly and providing insight to users (Vosselman, 2013). Accountability as a goal targeted at diverse stakeholders will promote acceptance, support, and diligence.

In general, the definition of accountability is transparent and accountable action, which is an extended form of disclosure in delivering information to the public. Many forms of accountability shown in a recent study, such as Steccolini (2003), documented that external stakeholders do not acquire the data even if it is ready (on the web or sent by mail), so it is not about accessibility (Steccolini, 2003). While contented that communicated accountability was found to be limited and only described basic descriptive information, especially for faith based charity organizations in the United Kingdom (UK) (Yasmin et al., 2014).

The move from a symbolic and imprecise disclosure to a formal compliance disclosure is important for the organization to attain and maintain its legitimacy. Legitimacy theory is often used to explain how internal practice can be separated from what is seen as the symbolic and practical use of external reporting (Brown & Deegan, 1998; Cho et al., 2015; Tilling & Tilt, 2010; C. Deegan, 2014). The encouragement to use greater accountability by valuing social accounting addresses the testimony and gift approach that offers an open relationship among the parties involved (McKernan & McPhail, 2012). Then, Lee (2013) demonstrated empirical evidence of web disclosure from 630 non profit organizations in the USA (R. L. Lee & Joseph, 2013). Their shortage of high quality financial performance and information comes with an opaque digital informative strategy. Therefore, achieving a higher level in "the ladder of

accountability" in years to come becomes a framework to deliver a suitable and significant role of accountability in this research (Stewart, 1984).

3.2. DEFINING ACCOUNTABILITY

"Accountability is present when public services are high quality, low cost and are performed in a courteous manner." (O'Connell, 2005).

Accountability is used as a normative concept, a set of standards for the behavior of actors, or a desirable state of affairs. Often, in this type of discourse, the adjective "accountable" is used, as in: 'We want public officials to be accountable, "accountable governance," or "government" has to behave in an accountable manner. It is widely perceived that accountability not only stands as a synonym for "clarity," "transparency," "efficiency," and "responsibility," but also for a broader range of terms like "involving," "deliberating," and "participation." These different usages, however loosely defined, have one thing in common: they regard transparency as a desirable attribute of officials, government agencies, or businesses (Dubnick, 2007a). Desirable means that the value of being accountable is a good attitude and would positively impact the organization. Therefore, it should be maintained and empowered in the organization.

Consequently, the relational concepts of accountability begin their definition with "accountability is about providing answers for your behaviour" and then explore it (Romzek & Dubnick, 1998; Mulgan, 2003; Strom, 2000). In a situation in which one party (the accountant/agent) is held accountable to another (the accountee/principal) for an event, procedure, performance, or result (Patton, 1992). It all began with the transfer of financial resources from someone (a principal) to another (an agent) that allows the giver to have certain rights over the behaviour of the receiver (Gray, 1983). Therefore, the nature and level of the expectations and control surrounding this transfer create the specific situation. The transfers happen for a particular broad purpose and then leave the agent with some level of autonomy. It is recognized and seen as a problem that needs to be overcome using contracts and accountability systems. The principal has the right to gather and use the information to keep the agent accountable, as the accountant is responsible for disclosing details as part of his accountability. Finally, these two actions were essential to developing accountability (Stewart, 1984, pp. 14 - 15).

The concept of transparency and liability can be considered the primary basis for undermining the spirit and accountability in its existence. The keyword for transparency will push the first steps to open the factual information in the organization's management process. Information disclosure is about the company's performance and includes other dimensions that are felt critical for other interested parties. Highlighting the government setting, accountability, or "being accountable" (transparent) is seen as a virtue or positive feature of organizations or officials. Therefore, the need to behave in an accountable manner' to its stakeholders is essential (liability) because it concerns public service interests. There is no consensus about the standards for accountable behaviour in using this virtue concept because these standards differ depending on role, institutional context, era, and political perspective. However, these standards have changed over time and often vary according to political perspective and affiliation. As Gallie (1962) contends, accountability as a virtue is an essentially contested and contestable concept par excellence (Gallie, 1962).

In this study, the term openness or transparency as a shared sense of accountability will be considered public accountability. It refers to openness to the public, and this principle will give the society or outsider parties access to information at large. As the Hajj management fund committee in Indonesia, BPKH had many public concerns with the outsider expectations to be "responsive," "responsible," or feel obliged to be transparent and compliant. Managing the Hajj fund professionally for BPKH means performing accountable action and presenting the information by discharging accountability reports to the public.

The account giving scheme fits the concept when the principal or authority with the hierarchical power delegates their autonomy to BPKH. The fundamental legal standing is from the President, who commands BPKH as the independent public affiliated agency managing Hajj fund. Then, the part of autonomy given to BPKH is supervised annually by an internal control mechanism through MORA and the House of Representatives. Different views on accountability are offered in the literature and show depth information about the need and its function in reality.

3.2.1. Accountability as a Concept

This concept of accountability usually entails formulating a set of criteria for transnational actors conduct. They should establish relationships with stakeholders, be sensitive to their needs and perspectives, and provide explanations; they should be

transparent, participate in the conversation, and learn from it. In theory, the induced environment can produce new behaviours to perform and demonstrate collective standards and organizational behaviour. It provided a simple description of accountability by referring to Koppell's five definitions of accountability (2005) (Koppell, 2005). As seen in the following table, the five dimensions of accountability are conceptualized as a virtue (Koppell, 2005).

Table 3. 1 Accountability Dimension Key Determination

Transparency	Did the organization reveal the facts of its performance?
Liability	Did the organization face the consequences for its performance?
Controllability	Did the organization do what the principal desired?
Responsibility	Did the organization follow the rules?
Responsiveness	Did the organization fulfill the substantive expectation (demand/need)?

Sources : (Koppel,2005)

The dimension (controllability, accountability, and responsiveness) can be interpreted as the planned behavior to be fulfilled by the organization in response to outsider demand. The motive in the dimension makes the relationship between actors within an organization act and be accountable for understanding reward and punishment requirements. This scenario is more prone to external responsibility and a customer focused mindset.

Another fundamental approach in this value-based is the characteristic of felt accountability illustrated by Sinclair (1995), stating that:

"It rests on the belief that ultimate accountability is driven by adherence to internalized moral ethical values. Because it is enforced by psychological rather than external control, personal accountability is regarded as particularly powerful and binding" (Sinclair, 1995)

Felt accountability is a necessary form underlying the motives in attaining the organization's mission, which may be drawn from "personal religious and moral values" (A. T. Hall et al., 2015). This inside motive encourages individuals to behave and conduct inappropriately and be responsible for carrying out their duties. Since values create a certain aura (Laughlin, 1996, p. 228). Therefore, the strong effect of inside values as the motive for accountability is underlined by Sinclair, 1995.

"enforced by psychological, rather than external, controls...can haunt like a ghost or overpower like a higher being".

The conduct also indicates that accountability is internal in that it is internally felt rather than externally imposed (Sinclair, 1995, p. 233).

3.2.2. Accountability in Social Perspectives

BPKH, as the public entity managing the Hajj fund and as the actor, indeed finds multi facing accountability. Environment setting is broader than a principal agent relationship with the fund owner but certainly to various stakeholders, including employees, customers, and suppliers. Social, environmental, and economic groups are the groups that are affected by or can change the social, ecological, and economic effects of an organization (Gray et al., 1996). The forum will take different parties depending on the accountability setting. The most common set suite is political forms of responsibility and hierarchical or administrative setting as a public entity. Even though their labeled are different, they are quite alike in explaining the hierarchical or upward accountability position in a government setting.

The forum must ask the actor about the accuracy of the information or the legitimacy of their actions, so the terms "accountability" and "answerability" have such a close semantic link. Then, the forum may judge the actor's behavior. It has the authority to endorse an annual report, denounce a policy, or publicly criticize the behavior of a public official or an agency, among other things. In an unfavorable judgment, the forum typically punishes the actor. As social accountability perspectives take place, at the same time, in a different setting, the forum will change accordingly. There could be MORA, a government audit agency, financial authority, and other related parties in the BPKH link of accountability.

Accountability is the underlying principle of social accounting. The main argument for accountability is that stakeholders have a right to know about business activity's social and environmental impacts. These rights to information may be written into the law, in quasi legal or voluntary codes of conduct, or unseen as moral. They could also be written into the law (Gray et al., 1996). To be held accountable for their behavior and performance in the eyes of the public and service users is what social accountability means. It applies to public officials, politicians, and service providers.

A crucial democratic principle is that voters have the right to demand a governance system that assures accountability of those in positions of authority as well as of public actors. Accountability involves being held accountable by external actors

and standards and taking internal responsibility for one's behaviour. Therefore, an "integrated" view of accountability from Ebrahim (2003) holds that it works on many different levels, with a lot of types of people involved (patrons, clients, ourselves), with various mechanisms and standards of performance (external and internal, legal and voluntary), and with dynamic levels of organizational response (functional and strategic) (Ebrahim, 2003).

Traditional accounting or accrual transactions record is supposed to keep a firm accountable to its financial owners, whereas social accounting tries to discharge accountability to various stakeholders. Open and effective communication with communities is a critical component of social responsibility since it allows them to be informed about and participate in creating projects and delivering services. The situation describes a horizontal position between related parties amongst BPKH contra to the formal hierarchical position as a government public institution. This type of obligation is called horizontal accountability. Horizontal accountability is defined by the presence of government authority responsible for overseeing and even punishing the actions of other government entities.

In the context of social accountability in public institutions, the relationship is more complex due to the responsibility of various stakeholders. They give an account to society, commonly considered a voluntary action that stands straitly independent from the principal. The responsibility to account for themselves is widely based on a responsive action with moral values. Although, in some cases, it was documented clearly in their charters, just like BPKH. It stimulates learning that develops in the dialogue approach. It is vital to ensure that the systems in place to create social responsibility are successful in their intended purpose. Along with this perspective, the interpretive approach in this study fits well for total engagement with both people and the organizational setting (Frey, 1994). Participants become collaborators in the broader research process as they trade resources, establish a feeling of community, and negotiate diverse interpretations of norms and practices with one another.

3.2.3. Accountability in Religious Perspectives

Referring to the faith and morality of accountability, Islam has a broader understanding of its comprehensive approach beyond human society. The concept goes far beyond financial reports, where the individual will be accountable for their actions and inactions on the day of judgment. The idea of accountability is highly related to the

concepts of Tawhid and the concept of ownership (Maali & Napier, 1970; Hameed, 2001; Lewis, 2001). Individuals are seen as trustees to whom God has given blessings in the form of goods, property, and other less tangible assets (Lewis, 2001):

"All resources made available to individuals are made so in the form of a trust. Individuals are trustees for what God has given them in the form of goods, Property, and less tangible 'assets'. The extent to which individuals must use what is being entrusted to them is specified in the shari'a, and the success of individuals in the hereafter depends upon their performance in this world. In this sense, every Muslim has an 'account' with Allah, in which is 'recorded' all good and all wrong actions, an account which will continue until death, for Allah shows all people their accounts on their judgment day."

Muslims have to devote themselves to Allah SWT as the fundamental aspect of their behavior (Tawhid). The concept of accountability in Islam is derived from the Qur'an, which refers to the principle of accountability.

Islam has a fundamental concept of being accountable as a way of life. Since accountability is designed not only for the stakeholders in life, it directly goes to their creator Allah SWT in the hereafter. On the day of judgment, human beings will account for their actions in this world. Accountability is clearly stated in the Qur'an, which says:

"and every human's deeds have We fastened around his neck, and on the day of resurrection, We shall bring forth for him a record which he will find wide open. (and he will be told) 'Read your record. Today, there need be none but yourself to make out an account against you.'
(Al-Qur'an, 17:13-14).

The verses highlight that human being will have to be accountable for their actions good and bad during their lifetime. Nahar and Yaacob (2011) pointed out that the word 'account' in Islam conceptually relates to humans' (Nahar & Yaacob, 2011), obligations as Allah's representatives on earth (Khalifah - vicegerent) (Quran 2:30; 35:39), and they have to 'account' to Allah SWT (Al Baqarah: 225; 284).

Therefore, accountability has a broader meaning in Muslim perspectives. It moves within a person who feels responsible to Allah SWT and should be accountable for every action taken. Conclusively, the religious views in Islam are supposed to be internally attached to Muslims that understand their religion. Then, it will automatically make someone as an individual live a careful and responsible life for themselves and

other people around them. The situation happens since they believe that anything would be asked in front of Allah SWT when the day of judgment change.

Hajj for Muslims is considered the highest achievement for every Muslim. The ultimate goal of this pilgrimage is for pilgrims to show their firm belief in Islamic teaching and dedication to Allah (Hammoudi, 2006). Therefore, the solid religious value of Hajj for Muslims is firmly attached. The emphasis on maintaining a good social life is the responsibility of every Muslim. The Prophet Muhammad (PBUH) said:

"Live together, do not turn against each other, make things easy for others and do not put obstacles in each other's way" (Ahmad, 1999)

On the other hand, the religious value has created a strong sense of tolerance for the lack of transparency in Hajj management in Indonesia. This resulted in a contra phenomenon of accountability by the fraudulent public agent in managing the Hajj fund. Research regarding this scam behavior is shown by Nasution, et al. (2019); the pattern of governance in the Hajj fund before the time of BPKH expressed by the ta'awun way meaning that the principle of helping one another as a pilgrim (Nasution et al., 2019). Ta'awun becomes an excuse for the transparency absentia. As a result, pilgrims forego all the management regarded the Hajj fund as long as they can perform their Hajj.

Organizational culture in which "the articulation of common values and beliefs can become a way of life" can also strengthen personal responsibility (Denhardt, 1991). Personal accountability refers to following one's conscience in universal principles such as respect for human dignity and behaving in a way that acknowledges one's responsibility for others' lives (Harmon & Mayer, 1986). Personal accountability is more "idiosyncratic" in other situations, the product of childhood or a personal journey of discovery: as something they maintain and fear, something they experience both anguish and attachment to as a "moral activity" (Schweiker, 1993). In this sense, individuals' beliefs guide their actions and "feeling of accountability" (Sinclair, 1995). Therefore, as can be seen, Islamic religious perspectives have a connection meaning in building personal life for being responsible. The personal argument acknowledges the threats, shortcomings, exposure, and intrusiveness that accountability entails.

Pilgrims assess accountability not only through numbers but also through moral congruence. In Islam, concepts like *adl* (justice), *amanah* (trust), and *niyyah* (intentions) guide public conduct. Mismanagement of Hajj funds is often viewed not

merely as inefficiency, but as a spiritual violation. As Ismail (2020) notes, the Tabung Haji scandal was experienced by many Malaysians as an ethical crisis, eroding the sanctity of a fund designed to facilitate a religious duty. Pilgrims expect ethical behavior in investment choices (e.g., avoiding riba based instruments), leadership selection (free from nepotism or politicization), and service delivery. When such expectations are unmet, the damage extends beyond finances to the institution's religious legitimacy. Therefore, ethical accountability must be integrated into governance frameworks through Shariah advisory boards, transparent leadership selection, and consistent engagement with pilgrims' values and concerns.

An accountability relationship must begin with an actor feeling or believing they are required to provide information on how tasks are completed, the results, and how the procedures change implemented. There may also be a need for an explanation or justification in cases of failure or incidents. Personal responsibility is a component of a much larger scheme, including fidelity to a higher purpose and invoking virtues such as integrity and the public interest. It is "doing the right thing because it is the right thing to do and accepting the consequences." This responsibility transcends personality and argument, and the structural dialogue ignores the enormous emotional consequences of being "personally accountable." Personal accountability is robust and binding because it is imposed by psychological rather than external controls (Harmon & Mayer, 1986). It is based on the premise that, in the end, commitment to internal, moral, and ethical principles drives responsibility. Therefore, BPKH's accountability organizational culture is how personal accountability can be strengthened inside an organization (Denhardt, 1991).

3.2.4. Downward Accountability

Although citizens and the general public are the essential stakeholders in public accountability, there has been no concerted attempt to inform and improve how the government manages public money by including citizens as the end user of the report. Previous works of literature offered the proposed situation where the prominent target is not considered in the preparation of accountability output. Osman and Agyemang (2020), with the setting of waqf property management in Malaysia, found that there was no purposeful effort to engage beneficiaries and the general public to inform and improve the way waqf properties are administered (Osman & Agyemang, 2020). An in depth case study of an Indonesian non governmental organization (NGOs), a study from

Aksi Cepat Tanggap or ACT case, one of the NGOs in Indonesia, develops a conceptual framework for the accountability of beneficiaries (Dewi et al., 2019).

Since most information is directed toward citizens or pilgrims in this study, it is essential to note that it centralized the issue. The risk of citizens not comprehending and grasping the information offered increases when the material is overly complicated (O'Neil, 2006). O'Dwyer (2007) describes a downward setting as an attempt to get to know the individual who is being counted (Fry, 1995; O'Dwyer & Unerman, 2007). An informal and participative face to face debate "sharpens one's understanding" of the themes under discussion, resulting in a more realistic appearance of the learning process (Roberts, 1991). There are no hidden agendas when one interacts, chats, and asks and is asked questions this is referred to as "strategic communicative action" (Jeffrey Unerman & Bennett, 2004). How downward accountability is discharged, as well as the amount to which it can be considered to have been released, differs from the manner in which hierarchical accountability is discharged.

O'Dwyer and Unerman (2008) state that learning, on the other hand, aids in the accountant's understanding of the goals and concerns of those who benefit from the account (O'Dwyer & Unerman, 2008). The relational concept of accountability presents and inference for being accountable from the actor/agent/accountor to the forum/principal/accountee. Intuitively, the situation exist either in obligatory action or a voluntary case. This schematic situation will lead to the style of power that disclose during the relationship in managing accountability. The downward setting is an informal position compared to political accountability (most common for the public institution). The perspective of citizens or pilgrims in the process of delivering accountability appear with no authoritative power. Instead, it is made compatible with the goal and specific needs of the beneficiary (in this case, pilgrims).

3.3. ACCOUNTABILITY TO WHO

The actor who will take responsibility for the situation in a public organization comes in many different forms. It depends on the character and the condition of the public organization itself. Consequently, a hierarchical principal agent relationship should identify the need to support proper accountability. Reconceptualizing the accountability concept makes identifying the parties involved in the accountability link highly important. The role and the nature relationship will lead to accountability behaviour in

justifying their conduct towards others (Bovens, 2007). Recognizing the parties who act as agents will be very helpful in understanding how they prepare accountability for the processes that have been carried out with the aim that outsider parties can accept it. In contrast, forums are generally parties associated with agents/actors either directly or indirectly. The engagement of these external parties is very diverse and will form a relationship in the context of the responsibility carried out by the agent. The relationship that exists can be in the form of legal, normative, religious, social, economic, cultural, or other linkages that may occur due to the agent's position.

3.3.1. The Prominent Party in Public Agency Perspectives

Regarding who will render the account, it will define the accountability type. The situation may serve as if the organization is an actor, which is called corporate accountability. When the actor is structured according to its hierarchy, it will be all for one (hierarchical accountability), one for all (collective accountability) and individual accountability. Firstly, the organization as an actor or corporate accountability mostly can be found in an agency with independent legal status. Secondly, the hierarchical accountability or all for one situation is when the accountability forum will begin at the top, with the highest official. It means that calling to account takes place in the context of hierarchical systems along the strict lines of the chain of control. The rank will start with the Minister, commissioner, or agency head, who takes full responsibility and should be responsible for all the criticism. At least, in dealing with the outside world. In most public organizations, this is the designated location for transparency.

The nature of BPKH is defined in article 20 Law 34/2014 with the status of a public legal entity, accountable to the President (paragraph 2) and independent (paragraph 3). BPKH, with this hybrid status underlining its position as a public entity with a private legal status, acts as one unit organization and can be held accountable. If there is deviance, the forum can turn directly to the organization and hold it responsible for the collective result instead of the real responsible actor. In BPKH, the implementing body and the supervisory board as the organ will be collectively and severally liable if there is a loss in the placement and investments of Hajj fund due to errors and omissions in management as stated in Law 34/2014 Chapter 53. The situation will only occur when the BPKH organ proves intentionally doing unlawful behavior in conducting their duty.

The forum is generally known as parties to hold the government accountable. It can be classified into direct and indirect related groups within the agent/actor. As a result, there are forums like administrative bodies and regulators such as courts of audit and ombudsmen that are involved in administrative accountability. Clients, interest groups, impacted third parties, and other societal stakeholders are included in a subset of social or horizontal accountability forums. Stakeholders who must be involved in every organization's activity in achieving its primary goals are included in the main category. Classified as the party that must be managed closely or the most influential categories and acted as a bureaucratic accountability forum.

The intense power from the principal/forum to the agent/actor, especially in the hierarchical position, refers to vertical accountability. Such as political and legal accountability, where the forum, in this case, could be a parliament or the court. The bureaucratic or managerial accountability, or administrative forum, is part of a bureaucratic chain of command. Hierarchical accountability is another term for this. The list of the parties in BPKH is the Presidential Staff Office, Ministry of Religion, Government of the Kingdom of Saudi Arabia, Indonesian Ulema Council, DPR, BPK, and Deposit Receiving Banks (BPS). Next are the stakeholders whose provisions must be met to support the primary activities smoothly. This group categorized as stakeholders who must be satisfied can be referred to as the administrative forum. In the BPKH environment, the related government agents namely, The Ministry of Finance, Financial Services Authority (OJK), Government Audit Agency, National Sharia Board of Indonesian Ulema Council (Dewan Syariah Nasional Majelis Ulama Indonesia), The Ombudsman, the Indonesian Anti Fraud Office and the Court of Auditors are examples of these kinds of administrative accountability.

3.3.2. The Prominent Party in Social Perspectives

A long hierarchical process labelled as the problem of many hands (Thompson, 1980) is commonly associated with public institutions. There is increasing concern that the public is questioning accountability in a public institution.

In response to a perceived lack of confidence in government, many Western democracies are moving toward more transparent and clear accountability relationships between public institutions on the one side and customers, people, and civil society on the other (McCandless, 2001). Connecting with the public may be referred to as social

responsibility. The establishment of public reporting, citizen and stakeholder committees and external assessments are examples of these processes. Such actions are publishing public disclosure, membership, and participant audits. Society has the potential to play a significant role in increasing public trust in government.

The following classification is in the category of stakeholders who are not directly related but are also a significant part of the accountability process for the transparency of organizational activities. The first is the stakeholders, who must continuously be updated about the organization's actions because it is related to the strategic position in terms of financial and social supervision. The administrative forum will follow the type of accountability forum regarding financial matters. These stakeholders must be considered and kept informed, such as the Central Bank of Indonesia, the Financial Services Authority/Otoritas Jasa Keuangan/OJK, large mass organizations such as Nahdlatul Ulama, and Muhammadiyah, and the Indonesian Ministry of National Development Planning/Badan Perencanaan Pembangunan Nasional/BAPPENAS. Last but not least are the Hajj pilgrims themselves. The second is the social control party that can monitor the fulfilment of the organization's obligations to the stakeholders, generally related to institutions that link the organization's operational activities or those that can improve the organization's ability in terms of future services. However, they do not have direct power and linkages. Their character as the social accountability forum in this cluster of Hajj organizers' associations (KBIH), pilgrimage services organizers, universities, Islamic financial institutions, and the media.

Nonetheless, this force does not manifest itself naturally. Such mechanisms must be designed to facilitate the translation of this potential into action and elevate social actors who serve the public good. The forum may judge the actor's behavior. It has the authority to endorse an annual report, denounce a policy, or publicly criticize the behavior of a public official or an agency, among other things. In an unfavorable judgment, the forum typically punishes the actor. There are many different types of "social accountability". Still, they all fall under the broad umbrella with various practice terms like "punishment vs reward" and rule following vs performance based methods. To a large extent, these contrasts apply to any reform aimed at increasing transparency and holding people accountable.

3.4. ACCOUNTABILITY HOW /ACCOUNTABILITY MECHANISM

The product and policy of an agency are the effect of bureaucracy red tape and through many desks. Sometimes, the resulting policy and development are outdated for the agency when implemented through that long process. The mismatch situation is known as the problem of many hands (Thompson, 1980). Therefore, a set of accountability arrangements is needed as a mechanism of being responsible and showing a duty of accountabilities.

This mechanism is designated to make public institutions accountable in conducting their conduct. The power delegation between principal agent relationships in the accountability arrangement should ensure proper accountability (Broadbent et al., 1996; Jenkins & Gray, 1993; Sinclair, 1995; Bovens, 2007). Agent forum relationships are fundamental to accountability as a mechanism. Some of these studies are purely descriptive, charting the complex webs of accountability systems surrounding today's public actors (C. Scott, 2000). Others examine how these arrangements work and their impacts (Day & Klein, 1987; Schillemans, 2011).

Accountability, as a tool, is crucial in achieving accountable governance. It means that the accountor describes and defends behaviour against other parties (Orbuch, 1997; Behn, 2001; Dubnick, 2005). Thus, accountability also refers to how actors justify their actions in light of potential negative (or positive) consequences (D. D. Dunn, 1999). Understanding that accountability is a process rather than a state is also critical. To "be" accountable requires action; it means working with society and accounting agencies to promote government honesty and performance. Accountability needs discourse, explanation, and justification. Accountability arrangements ensure that public officials or organizations stay on the right track. An accountability mechanism is conceptualized as an institutional relation or structure in which an agent can be held to account by another agent or institution (Day & Klein, 1987; C. Scott, 2000; Mulgan, 2003; Goodin, 2003; Aucoin & Jarvis, 2005; Bovens, 2007; Philp, 2009). Additionally, it may be used for more specific and direct purposes and serve as a public catharsis. Both processes can perform the critical ritual and purification functions.

3.4.1. The Vertical Mechanism

Accountability for due process would generally fall under constitutional and administrative law. Accounts like managerial accountability statements can be called

upon to justify government decisions. The government themselves are likely to be driven to implement tighter managerial accountabilities of the activities they have direct control over. The forum to render an account in political accountability stated clearly, which BPKH is accountable to the President and the House of Representatives (Dewan Perwakilan Rakyat/DPR) through the MORA as regulated in Law 34/2014 article 20 paragraph 2 and PBPKH No.3/2018 article 15.

Vertical accountability in the political setting works on principal agent theory based (Lupia, 2000). In contrast, legal accountability is based on laws and regulations. In general, legal accountability is focused on particular, structured, or legally assigned obligations to authorities (Romzek & Dubnick, 1987). As a result, legal accountability is the most unambiguous form of accountability because it is based on detailed legal principles prescribed by constitutional, judicial, or administrative laws or precedent. The court is a forum for legal accountability. The courts are legal sites.

The formal authority from the forum will force the actor to impose accountable action on the forum in both scenes. The hierarchy sense of a superior subordinate relationship is essential for the principal agent theory (Roberts, 1991). The principal has the right to claim an account, and the agent has to give an account. Principal/agent theory with its assumption of the self seeking behavior of the "agent" and the problems of hidden information (or adverse selection) and discreet action (or moral hazard).

Furthermore, the bureaucratic process for a public affiliation agency like BPKH usually results in a lengthy administrative process. The procedural steps are labeled with organizational accountability. Since it deals with many parties such as audit agencies, public accountants, supervisory authorities, ombudsman, the Ministry of Finance, and financial authority services with the indirect relation, it holds power to control the compliance of BPKH in managing the funds. The government parties mentioned in the relationship circle have similarities regarding their hierarchical accountability. There are two step indirect relations in a forum where they have to render account to their superior bureaucracy links. It is called accountability in the shadow of hierarchy or diagonal accountability (Schillemans, 2008).

3.4.2. The Social Mechanism

Accountability is used as a synonym for a variety of loosely defined political goals, including good governance, accountability, fairness, democracy, performance,

responsiveness, duty, and honesty (Behn, 2001, pp. 3-6; Dubnick, 2007a; Mulgan, 2000, p. 555). Still, when it comes to a quality decision making process, social psychologists consider accountability as a way to connect individuals with others, whether they are friends, strangers, or superiors (Lupson, 2007). Behavioural economics and sociology have contributed to developing a social contingency model of responsibility that combines the best of both worlds.

The primary focus of accountability studies in this research is not so much the behavior of public officials as it is how institutional structures influence the conduct of public officials. However, more on the process to be accountable, what and how is the process to correctly answer the accountability evaluation faced in a legitimate forum (Mulgan, 2000; Romzek & Ingraham, 2000; Sweeney et al., 2013). Therefore, the process is categorized as a dynamic 2 way reaction between the actors involved in the accountability process (Stewart, 1984). Finally, accountability is a meaningful activity as anyone who is being held accountable may testify. The mechanism is vital because it contributes to the legitimacy of public government.

Accountability necessitates action, which entails collaborating with society and accounting organizations to enhance government honesty and performance. Public performance reviews, for example, will lead many more managers to reconsider and adjust their policies than those under examination. Accountability is a necessary component of what Argyris and Schon (1978) call “deutero learning”, or a standardized learning capacity (Argyris & Schon, 1978). If accountability is to generate reflection and learning, it must be based on problems that matter to clients and other stakeholders (O’Loughlin, 1990) and reasonably “safe” for all parties involved so that protective routines do not take over the process (Argyris & Schon, 1978).

The social contingency model accommodates social and economic behaviour that implies rationality in the actor but does not emphasize goal directed behaviour or "ownership" relationships. Instead, it focuses on how the social environment influences the conduct of an agent. It is a common assumption in the notion that being held accountable for one's judgments, actions, and decisions has a significant impact on those same actions, judgments, and decisions. People will change their actions and decisions to conform to society's standards and expectations of proper conduct as they seek approval and as choices are frequently according to the logic of appropriateness.

Social accountability that operates on a horizontal level is best suited to instilling reflexivity and learning. It has been pointed out by Tetlock (1992) that the

model is intrinsically functionalistic (Tetlock, 1992). Decisions by decision makers are often driven by their need for approval and support from major social constituencies rather than their intention to bring about specific results (what March and Olsen named the “logic of consequences”). Since the subset of objects is linked to customers, the third party, and other members of society, they are regarded as having equal status relationships.

The relation with the indirect stakeholders of BPKH creates a dynamic process in developing accountability. The society influential institutions such as Muhamadiyah and Nahdahatul Ulama organizations, academic institutions, financial institutions, and other social institutions with relevant links with BPKH induces the learning relation in enhancing accountability in BPKH. Using focus groups, community panels, and independent external assessments of public agency practices have also helped policymakers input the legitimacy and impact of their policies (Bovens et al., 2008; A. Meijer & Schillemans, 2009). Interpretive research is performed to empower participants and to try to get involved with both people and the organization's setting as much as possible (Frey, 1994). To get a full picture of certain situations and their results, investigators must be willing to hear from many different people (Arnett, 2007).

3.4.3. The Flow Mechanism/The Mechanism Process

In the limited, passive definition (Bovens, 2010), accountability is a connection between an actor and a forum where the actor must explain and justify their actions (Bovens, 2010). The forum may pose questions and pass judgment on actors where they may have repercussions. In this context, accountability is primarily concerned with introducing processes and providing a set of methods for rendering an account. Descriptive approaches look at accountability as a process or mechanism in various social, political, or administrative fields. From this perspective, the method in question is not only an attitude of accountability.

3.4.3.1. Various Elements Within Bovens (2007) Accountability Concept

In the concept of hierarchical accountability, the accountor is always accountable to those who hold the power mechanisms to exercise influence and compel accountability. According to Ebrahim (2009), it includes "a method of monitoring and control that can

assist agents (and principals) achieve their goals more effectively" (Ebrahim, 2009). On the other hand, managerial transparency is intended to be proactive rather than reactive. Since the principal has the authority to govern the agent and an implied commitment to ensuring "agent" conduct is consistent over the long and short term, their managerial process will be transparent.

There would be at least three steps in the actor forum connection or the actual account giving process (Bovens, 2007). Before a relationship can be called "accountability", the first phase must be clear that the person who is supposed to be accountable has to tell the person who is supposed to be accountable for what they did, how well they did it, or how the process worked. This frequently entails providing explanations and justifications, which is especially important in the case of failures or incidents. Second, the forum must ask the actor about the accuracy of the information or the legitimacy of their actions. Third, it is also possible for the principal or the forum to judge the actor's actions.

Individual public managers or government agencies ought to feel obliged to account to the general public or, at the very least, to civil interest groups, charities, and client organizations for their achievements. To operationalize the sense of accountability, a person's sense of responsibility can be derived from their values. Accountability that is felt rather than imposed might be defined as self enabled accountability. Individual conscience is frequently the driving force behind such actions. This understanding may help comprehend why and how an actor conducts the accountable activity. People who are driven by a sense of duty behave "in a manner that accepts responsibility for affecting the lives of others" (Sinclair, 1995, p. 230). Those who have felt accountable seem to use a "calculus of accountability" based on their moral views to determine the degree of their responsibilities (Sinclair, 1995, p. 232). One participates in self reflection to assess and act in the interests of others to better satisfy the needs of others (Sinclair, 1995, p. 230).

It is logical that an accountability system involves monitoring and managing government behavior to guard against abuse of power when it arises (power equilibrium). Finally, it can improve responsiveness while increasing learning capacity and efficacy (Aucoin & Heintzman, 2000). The second is assessment viewpoints. Democratic control explores how to reduce moral hazard in agency theory. Constitutionally, analyze the forum in preparing enough power to uncover organizational misbehavior and sufficient sanctions as a preventative step. The

accountability systems must provide appropriate feedback, incentives, officials, and agencies to boost the public administration's learning capacity and effectiveness. The above flow is well suited to the actor-forum connection in the accountability process and will become the framework of this study (Bovens, 2007).

3.4.3.2. Stewart's Ladder of Accountability (1984)

Various stakeholders define the process of accountability and the hierarchical position involving superiors. It is commonly found in the bureaucratic organization or organizations management line supported by a chain of command. Stewart (1984) highlights that accountability standards differ depending on the topic of accountability (Stewart, 1984). He outlines a ladder of accountability that begins with legality and progresses through process, performance, program, and policy accountability. Seeking transparency for various things can result in preferences for multiple types of information/disclosures since the required characteristics of information for achieving accountability for numerous items will vary.

Table 3. 2 Stewart's Ladder Accountability

Base of Accountability	Description
1. Probity and legality	Probity ensures that the funds are appropriately used in the manner authorized; fiscal accountability is concerned with whether the funds ensures properly expended. Legality ensures that the powers given by the law are not exceeded.
2. Process	It encompasses whether the procedures used are adequate in terms of time and effort; considers efficiency to ensure no waste in using resources, and administration to ensure no maladministration.
3. Performance	Considers whether the performance achieved meets required standards output data must be added to financial data.
4. Programme	Concerns, whether the work carried out fulfil the goals; is the agency is achieving its objectives.
5. Policy	There are no set standards used in policy formulation; government is ultimately accountable to the electorate for its policies.

Sources: (Stewart, 1984, pp. 17–18)

In the Stewart ladder of accountability framework that starts from probability/legality up to the policy level, the focus and form of accountability will change and increase with the level of accountability (Stewart, 1984; Friedman & Miles, 2006). At the first level, probity/legality will focus on the proper use of funds following

applicable regulations with a reporting format of audited financial statements. The second is the process, and this level focuses on procedural compliance so that the presentation of accountability will be added to a comprehensive activity plan. The third, the performance level, the focus of accountability is in the form of output data added to the financial data generated at the previous level. Accountability reporting in this step will increase with business plans and strategies.

The fourth is the program level, where the evaluation process occurs, assessing whether the processes that was being executed have achieved the expected goals. Support for accountability reports in this phase is indeed very informative, where there will be a performance achievement standard. Explaining the details of the institution's processes, for example, balanced scorecard, budgets, annual performance, comparison of industry standards, quarterly reports, etc. The fifth and highest is policy level and the ideal condition in which the entity is categorized as highly accountable. Stakeholders feel that the information submitted can fulfil a sense of responsibility and support an excellent accountability mechanism infrastructure in every process. Although there is no standard as a reference criterion at this level because the accountability formula for each organizational entity will be appropriate.

This dimension describes the company's condition in preparing for transparency, understanding the consequences or causes and consequences for the company's performance and activities that have been achieved. In comparison, the other aspects (controllability, responsibility, and responsiveness) can be perceived as the expected actions to be fulfilled by the organization from outsiders' demands. The direction of accountability is the following type of classification, the explanation using the ladder of accountability is to classify the process of accountability (Stewart, 1984).

3.4.4. The Presentation Mechanism

In the realm of Hajj fund management, accountability is more than a bureaucratic formality, it is a moral obligation tied to the trust placed by millions of pilgrims in state linked institutions. Pilgrims contribute financially to a deeply spiritual endeavor, and their expectations of accountability span both practical concerns (cost, service quality, return on deposits) and ethical standards rooted in Islamic values such as amanah (trust) and maslahah (public interest). This section elaborates on how accountability is delivered to pilgrims and how they perceive the mechanisms that govern the use of their sacred financial contributions. Messner (2009) conceptualizes accountability as the act

of “verbally bridging the gap between action and expectation”, emphasizing the role of communication and justification in maintaining institutional legitimacy. In the context of Hajj fund governance, pilgrim’s demand not only that funds be managed efficiently but that administrators publicly explain investment strategies, disclose outcomes, and justify decisions that impact the cost and quality of their pilgrimage. It focuses on structural and systemic types of public service accountability. More specifically, authors have claimed that accountability to stakeholders can be beneficial, particularly from a learning perspective (Aucoin & Heintzman, 2000; Behn, 2001; Bovens et al., 2008).

As the Hajj funds in countries like Indonesia and Malaysia grow into multi billion dollar portfolios, stakeholders increasingly expect transparency beyond vague mission statements. They want data on returns, risk management, and whether subsidies are effectively reducing their Hajj costs (Ismail, 2020; Muneeza et al., 2018). This demand illustrates how the performance of Hajj fund managers is judged not just on compliance, but on responsiveness to public trust. Fox (2007) identifies two forms of transparency: opaque (basic access to information without context or justification) and clear (providing explanations and enabling scrutiny). In many Hajj fund systems, information dissemination remains opaque. For instance, vague summaries of "expected profit ranges" without disclosing actual returns, as once practiced by Hajj institutions in the Maldives, create ambiguity and foster distrust (Muneeza et al., 2018). By contrast, clear transparency, exemplified by post crisis reforms in Malaysia's Tabung Haji, involves comprehensive reporting, acknowledgment of past errors, and communication of remedial actions (Ismail, 2020). These practices better align with pilgrims’ needs and values, making accountability not just visible but meaningful.

Transparency alone does not satisfy the public’s demand for accountability. According to Fox (2007), soft accountability refers to voluntary disclosures and explanations, while hard accountability involves enforceable obligations, including sanctions and restitution for misconduct.

Transparency		Accountability	
Opaque	Clear	Soft	Hard
Dissemination and access to information			
	Institutional ‘answerability’		
			A sanction, compensation, and remediation

Figure 3. 1 Unpacking the Relationship between Transparency and Accountability
Sources: (Fox, 2007)

Pilgrims, especially when confronted with scandals, such as kickbacks in accommodation contracts or politically motivated investments, often perceive soft accountability as inadequate unless it leads to tangible consequences. For example, in the aftermath of the Tabung Haji financial scandal, the Malaysian government introduced hard accountability measures by repositioning the institution under Bank Negara Malaysia, installing independent directors, and subjecting operations to rigorous audits (Ismail, 2020). These moves demonstrated that accountability to pilgrims must go beyond apologies and include corrective action to regain trust.

The accessible information and the dissemination of behaviour become the lowest criteria called opaque since, unclear whether information shared is liable or not. Clear or soft accountability can be used if decision makers feel obligated to justify their acts and are ready for evaluation. Clear transparency and soft accountability are thought to be similar. However, soft accountability needs authorities to be justified, whereas clear transparency does not require it. Apart from that, both soft and hard accountability are dynamic interaction processes between society, control agents, and the organization through organized acts with compliance and performance evaluation (Fox, 2007). The migration between one conditions to another is highly possible, from opaque to clear, clear to soft, or even soft to hard. The active processes from stakeholders in the link actively respond to act appropriately and comply with the authority.

Accountability means different things to different people (Behn, 2001, pp. 3 - 6; Dubnick, 2005; Mulgan, 2000, p. 555; Pollitt, 2003, p. 89). Accountability should not only be backward looking (punishment or blame) but forward facing, a tool for institutional learning and reform. Behn (2001) and Bovens et al. (2008) argue that true accountability improves organizational performance by incorporating feedback and correcting course. In Malaysia, post scandal restructuring of Tabung Haji led to measurable improvements in fund stability and public confidence (Ismail, 2020). However, as Ebrahim (2003) notes, most NGOs and public institutions overemphasize functional mechanisms like audits and underutilize strategic tools such as social auditing and participatory decision making. A Non Governmental Organization or NGO setting, the current emphasis on functional forms of accountability tends to reward short term responses with immediate and tangible effects while neglecting longer term strategic responses that address more complex social and political change issues (Ebrahim, 2003). The point of accountability comes indirectly by addressing the often overlooked components. The most common accountability mechanisms, such as

disclosure statements, reports, and project evaluations, are primarily functional as they are mainly concerned with accounting for funds.

It is essential to address these overlooked aspects of accountability to achieve a balance between external and internal, upward and downward, as well as functional and strategic approaches. Longer term strategic responses address more complex issues of social and political change. These two long term strategies include self regulation and social auditing. Strategic: self regulation aims to change the entity as a whole by setting rules for how entity groups should act and forming umbrella groups that can talk about national policy. Hajj institutions can benefit from these more inclusive and reflective practices. Social audits, for instance, can assess whether services meet pilgrim expectations, whether subsidies are equitably distributed, and whether governance is inclusive and transparent.

3.4.4.1. Web Based Disclosure

The public perceives organizations that disclose high quality financial and performance data on their websites as more transparent, trustworthy, and accountable by the public. Despite the beneficial effect of greater public trust, numerous institutions have failed to implement web transparency principles and best practices. Web disclosure is the voluntary sharing of high quality financial and performance data on a company's public website. Prior research shows that organizations that practice high levels of web transparency enjoy significant survival benefits, including increased frequency of information disclosure, increased public confidence, and strengthened donor decision making (Gandía, 2011; Saxton et al., 2012). Policymakers, regulatory agencies, and watchdog organizations have developed a set of principles and best practices for web disclosure to foster and protect public confidence (Guidestar, 2009; Internal Revenue Service (IRS), 2008; Panel on the Nonprofit Sector, 2007; U.S.Senate, 2004).

Using the concepts and best practices, a public website can be deliberately used to promote accountability for a company. Researchers have established two critical areas of web disclosure: financial and performance disclosure (Behn, 2001; Brinkerhoff, 2001; R. L. Lee et al., 2012; Saxton & Guo, 2011; Saxton et al., 2012). The percentage of financial information disclosed on a company's public website is referred to as financial disclosure. While the degree to which a company provides goal

and outcome oriented information on its public website determines its performance disclosure (Saxton & Guo, 2011).

Prior research indicates that web disclosure practices (Non Profit Organizations) indicate a shift away from an opaque to a transparent organizational form. Eventually, the transition to a transparent form needs a radical culture change in society (Osborne, 2004). This model focuses on five financial components: the annual report, the Internal Revenue Service/IRS Form 990, the Internal Revenue Service/IRS Form 1023, the audited financial statement, and the Internal Revenue Service/IRS Letter of Determination (2008). The second type is web disclosure performance disclosure this model prioritizes six indicators: task, performance results, success stories/testimonials, staff list, and board list. Research on this area still varies in capturing the phenomena. Saxton and Guo (2011) discovered that capacity (asset size) and governance (board size) were significantly associated with the adoption of web based accountability practices in U.S. community foundations (Saxton & Guo, 2011). R.L. Lee et al. (2012) discovered that smaller and newer community foundations adopted higher levels of web based accountability practices (R. L. Lee et al., 2012).

Discharging accountability is a response or steps taken by BPKH as a mandate holder in addressing socio economic conditions related to expectations of organizing Hajj in Indonesia. By providing easy access to information on important issues regarding Hajj managed funds to the public, BPKH strives to increase public trust and anticipate challenges arising from socio economic conditions. The interpretive method used in this study does not take dependability and generalizability as an issue. Interpretive work is judged by things like how plausible it is, how well it makes sense, how complete it is, and how well it is done (Bantz, 1983; Deetz, 1982).

3.5. ACCOUNTABILITY WHY (REASONS OF ACCOUNTABILITY)

The accountability concept starts with the relationship among stakeholders in the environment. Indeed, it is a relational concept, linking agents and others for whom they perform tasks or who are affected by their functions. This relationship is most usually defined in the present literature in terms of agents and principals. However, some also discuss accountors and accountees, actors and forums, or agents and audiences. A person's responsibility is evident in regular social interactions.

However, the situation becomes more problematic when it comes to public groups and agencies. In this context, one can distinguish between corporate responsibility, which the corporation as a legal body is obligated to account for, and individual accountability. We have a variety of ways it can end: hierarchical accountability, where only the top of the company (such as the CEO or Minister) must answer externally, and collective responsibility, where every member of the organization can be held responsible. The relationship among actors within the organization to act and be liable with the awareness of rewards and punishments criteria. This situation is more inclined toward external accountability with a customer oriented mindset. As a result, it desires to behave in an open, equal, and equitable manner. In this more involved sense of virtue, accountability refers to practical standards governing actor behavior.

Accountability is essential to provide a democratic means of monitoring and controlling government behaviour. Its design prevents the creation of power concentrations and improves public administration's learning capacity and effectiveness. Accountability creates feedback information with which public organizations may learn how to improve their conduct. It compels those in positions of authority to reflect on their actions, which increases their learning capacity. 'Learning' means the revision of cognitions and values due to the transformation or recovery of knowledge based on the observation and understanding of experience' (Hemerijck & Visser, 2003, pp. 4-5). Moreover, the focus is on how being accountable and maintaining the virtue they believe in governs their behaviour. Public accountability and policy publication literature suggest three perspectives in assessing accountability, namely, democratic, constitutional, and learning.

The third is collective accountability or one for all. Any member of the organization may be kept accountable in the event of organizational misconduct. The main issue with collective responsibility is its moral appropriateness. In theory, a forum may use a collective strategy of transparency to choose any member and keep them individually responsible for the organization's actions as a whole, simply because they are a member of the organization. The collective mechanism for one's actions is nearly impossible with Western democracies legal and moral beliefs. It would only be successful in limited, collegial governments, such as local and municipal ones in some cases, for instance.

The last one or the fourth is individual responsibility. Each official is held responsible for contributing to the organization's notorious conduct, which is a more morally good technique. Each individual is assessed according to his contribution rather than his formal role in this context. Therefore, individual officials would be unable to hide behind their organization or Minister, while those in power would not be forced to bear all responsibility. This method is typical of professional accountability.

3.5.1. The Democratic Perspective

This perspective underlines citizens role in controlling public institutions with the definition of principal agent theory (Strom, 2000). In a democracy, citizens or people are the prominent principal who transfers their power to the public representatives through the election. The principal in the delegation chain can monitor the execution of the assigned public tasks by holding the agent accountable. Therefore, it is vital to control the agent by using an accountability mechanism through their participation in the democracy. Finally, at the end of the democracy chain, the citizens will evaluate their satisfaction with the elective leaders. They will vote again if they feel satisfied by the agent's conduct through their judgment in voting. The key issue from a political perspective is whether the accountability arrangement expands the options for voters, parliament, or other elected bodies to regulate executive power. According to this view, the problem with transparency is whether it addresses such issues as moral hazards, do these management systems increase political principals' knowledge about their staff and commit to their democratic promises.

3.5.2. The Constitutional Perspective

The liberal tradition of Locke, Montesquieu, and the American Federalists Madison have provided a classic benchmark in thinking about accountability (O'Donnell, 2003). This viewpoint's primary concern is the prevention of dictatorship by absolute power, overconfident elected officials, or an expansive and 'privatized' executive public authority. The organization of 'checks and balances,' or countervailing bureaucratic powers, is the solution for an overbearing, improper, or corrupt government. Public accountability, particularly in the realm of religious fund governance such as the Hajj Fund, finds deep theoretical grounding in the liberal constitutional tradition. The

seminal works of John Locke, Montesquieu, and the American Federalists provide not only philosophical insight but also structural prescriptions to mitigate abuse of power and promote transparency. These ideas are highly relevant to the governance of communal financial resources like the Hajj Fund, which is not merely a fiscal instrument but a sacred trust owned collectively by pilgrims and society at large.

John Locke articulates a foundational view of government as a fiduciary power, one entrusted by the people to act in their interest (Locke, cited in press pubs.uchicago.edu). This premise establishes that public officials, including those managing Hajj funds, are not absolute rulers over resources but trustees with obligations to the rightful owners, the people. In the context of Hajj Fund Management, this fiduciary duty means that fund administrators must prioritize the welfare of the pilgrims, ensure the financial integrity of the institution, and maintain ethical standards. Any deviation from these responsibilities, such as misuse, opacity, or politicization of funds, constitutes a breach of trust and, by Lockean logic, justifies corrective action by the people through institutional mechanisms or direct accountability.

James Madison, argues that dependence on the people is the primary control on government, but that “auxiliary precautions”, such as legal structures, oversight agencies, and disciplinary frameworks are essential to ensure accountability (avalon.law.yale.edu). In practical terms, this necessitates a network of institutions such as anti-corruption commissions, Sharia supervisory boards, and independent auditors to monitor Hajj Fund governance. Their role is not merely passive but active: identifying risks, preventing abuse, and intervening when fiduciary duties are compromised. Such institutionalization of accountability mechanisms is vital, especially considering that Hajj funds involve significant financial resources and serve a religiously motivated population that is morally and economically invested in the outcome. They are using the additional forum to render an account such as parliament, audit agency (BPK), or the judicial courts to monitor the agent's conduct. These various government forums will automatically set up a dynamic equilibrium in creating good governance in public institutions (Fisher, 2004).

The governance of Hajj funds serves as a case study in the application of constitutional accountability to a religious and financial context. The principles espoused by Locke, Montesquieu, and Madison underscore a model where power is derived from the people, exercised within constraints, and always subject to scrutiny. The crucial concern is whether the arrangement provides adequate incentives for

officials and organizations to refrain from abusing their authority. For public accountability to be stable and transparent, everyone in positions of authority should be accountable somehow. Everyone should face being regulated somehow, and everyone has the right to control their public offices. The main challenges are the existing controls able to catch acts of mismanagement and make sure that the available penalties have good preventative qualities. In the Hajj context, this requires not only structural safeguards but also an ethical commitment to justice (*adl*), trustworthiness (*amanah*), and the public interest (*maslahah*). Embedding these constitutional and Islamic principles into the institutional fabric of fund management can ensure that pilgrims' resources are protected and that governance is aligned with both democratic values and religious obligations.

3.5.3. The Learning Perspective

Accountability is seen as a mechanism for ensuring that states, agencies, and individual officials deliver on their commitments. The goal of public accountability is to teach the executive branch (Aucoin & Heintzman, 2000). The concern of sanctions from clients and others is a solid motivation to develop more informed approaches for their company. Stakeholders have a conducive environment to maintain continuous progress in building responsible action with normative values (social accountability). Furthermore, the transparency of the accountability process teaches others in similar situations what is expected of them, what works and what does not. Public feedback will motivate many administrators to change their policies or methods.

The whole accountability process in public institutions becomes a critical element in bridging the good governance institution. The process starts from preparation, discharging, rendering accounts, and assessing accountability. Bridging the gap between different sectors encourages scrutiny, awareness, and reflexivity in governments and organizations, which are predominantly secretive. Behn (2001) suggests a "360 degree model" of accountability that would require public agencies to switch from their current adversarial ways of enforcing accountability to a focus on cooperative responsibility (Behn, 2001). Dunn (1999) suggests that public officials who say they act in the public interest are more open with information (D. D. Dunn, 1999). Therefore, it is vital to control the agent's autonomy by using an accountability mechanism through a learning process model. According to Scott et al. (2000), in order

for organizations to succeed in the social environments in which they operate, they require more than just the material resources and technical information available to them (W. R. Scott et al., 2000).

According to Mulgan (2003), accountability can be demanded based on either ownership or affected interests. Pilgrims represent both. As contributors to the fund, they exercise ownership as a fiduciary relationship where they entrust their savings to the state. As service recipients, they are affected by the fund's management outcomes: delays in allocation, lack of subsidies, or substandard services during Hajj. Accountability to pilgrims, therefore, should encompass both representation mechanisms (through parliamentary or user councils) and grievance channels (via ombudspersons or transparent complaint systems). However, in most countries, institutional pathways to exercise such accountability remain limited. Often, pilgrims cannot choose investment options, cannot withdraw funds without penalty, and have little say in how returns are used. This dynamic is ethically problematic and reinforces the need for mechanisms that acknowledge the pilgrims' rights and agency within the system.

Pilgrims perception of accountability also depends on whether institutions learn and adapt after failures. Behn (2001) and Bovens et al (2008) argue that accountability should function not only as punishment but also as learning. In Malaysia, after revelations of Tabung Haji's insolvency, the institution underwent board restructuring, placed itself under central bank supervision, and improved public disclosures. These corrective actions restored partial confidence and showed that accountability can lead to institutional renewal.

By contrast, inaction or repeated failure erodes pilgrims trust and perception of legitimacy. Pilgrims want to see consequences for malpractice and commitments to improvement. Without these, accountability mechanisms may exist in form but not in function. Mulgan (2003) differentiates between ownership based accountability (derived from the delegator agent relationship) and interest based accountability (arising when the rights of third parties are impacted). Pilgrims occupy both roles, they are fund contributors entitled to answers, and beneficiaries whose well being is affected by fund performance. This dual role strengthens their moral and legal claims to hold Hajj institutions accountable. Despite this, many pilgrims have limited recourse or voice in fund management. In several countries, participation is compulsory, and fund managers operate with broad discretion, offering few avenues for pilgrims to influence

decisions or contest policies (Muneeza et al., 2018). Ethically, this creates an imbalance that can only be corrected by institutionalizing two way communication and accessible grievance mechanisms.

In addition to this, organizations need to have a high level of social acceptability and credibility (W. R. Scott et al., 2000), and competency (Hearit, 1995). The legitimacy theory is an instrument for managing various stakeholder's perceptions of the prerequisites for establishing organizational legitimacy. As a result, legitimacy allows an organization to conduct its activities in a consistent way with the interests of its stakeholders (Suchman, 1995). Stakeholders can take action to preserve an organization's legitimacy from eroding without jeopardizing its reputation. Organizations will be able to take precise action based on how societal norms and expectations develop and grow.

3.6. LEGITIMACY THEORY

The needs of society are not only moral but also economic in nature. This is because any organization that operates within a certain society has a moral obligation to ensure society's continued existence and development. On the other hand, society is responsible for providing the organization with the necessary human, material, and legal resources to assure normal functioning conditions and profit. Dowling and Pfeffer (1975) proposed the idea that legitimation attempts made by an organization will assist in explaining how an organization adjusts to its surroundings (Dowling & Pfeffer, 1975). The legitimacy hypothesis suggests that it is necessary to increase voluntary disclosures of social, environmental, and financial impacts on the community to sustain or reestablish a company's credibility. Pilgrims want to know not just vague mission statements, but hard numbers such what returns were earned, how costs are being managed, and whether their contributions are directly improving their Hajj experience (Ismail, 2020; Muneeza et al., 2018).

In Hajj fund management, pilgrims occupy a dual role: they are both the financial contributors and ultimate owners of the fund, and also citizens entitled to expect high standards of public governance. This duality is crucial the money accumulated for Hajj belongs to the pilgrims, not the state, and thus the government's role is primarily that of a custodian or trustee. According to Locke's political philosophy, the people retain ultimate ownership of public resources and possess the

“supreme power of saving themselves from the attempts and designs” of any officials who misuse their entrusted authority (Locke, 1689/1980).

Consequently, pilgrims expect a fiduciary standard of care: their savings for a sacred journey should be prudently invested, transparently managed, and directed solely toward legitimate purposes, such as subsidizing costs or improving services. From the pilgrim’s perspective, accountability comprises two interdependent dimensions. Financially, they demand assurance that the fund is solvent, efficiently operated, and capable of generating tangible returns that help reduce personal expenses for Hajj. Ethically, they expect integrity, transparency, and fairness in line with the Islamic value of *amanah* (trust) (Ismail, 2020).

A breach of this trust is not seen merely as an administrative error but a moral violation. Government appointed Hajj fund administrators are viewed as bearing a sacred duty, and failure to uphold standards of honesty and transparency is often judged as a moral failing due to the religious weight attached to the funds (Ismail, 2020). Cases of corruption such as officials using pilgrim deposits for political leverage or personal enrichment cause pilgrims to feel doubly betrayed: as financial stakeholders and as worshippers seeking to fulfil a religious pillar (Muneeza et al., 2018).

These moral expectations have amplified public demand for accountability and transparency. As Muneeza et al. (2018) note, Hajj fund institutions must uphold both functional competence and ethical standards, yet in several Muslim majority countries, they have struggled to maintain both, with recurring instances of mismanagement and opacity. Furthermore, pilgrims seek a voice at least indirectly in the governance of Hajj funds.

As citizens, they rely on elected representatives or civil society mechanisms to oversee the fund’s administration and to ensure that grievances are heard and acted upon. In Indonesia and Malaysia, the main Hajj fund bodies Badan Pengelola Keuangan Haji (BPKH) and Lembaga Tabung Haji were established through legislation. Their leadership appointments involve both the executive and legislative branches, offering a framework for democratic oversight (Ismail, 2020; Muneeza et al., 2018). For example, in Indonesia, BPKH board members are appointed by the President but require parliamentary approval, reinforcing the principle of checks and balances (Nurmadiyah & Hafidhuddin, 2021). Such structural mechanisms are intended to align governance with pilgrim’s best interests. However, in practice, when these safeguards are weak or circumvented, pilgrim’s experience frustration and mistrust, which can compromise not

only the credibility of the Hajj fund institution but also the broader legitimacy of government efforts in religious affairs (Ismail, 2020).

Moral legitimacy means that the way an organization acts is "approved by norms". Pragmatic and moral legitimacy depends on "discursive" judgments, which can be made through action or debate (Suchman, 1995, p. 585). In contrast, cognitive legitimacy goes beyond discursive evaluations to reach a "taken for grantedness" that makes the organization unquestionable and hides it in plain sight (Suchman, 1995, p. 571). Meanwhile, understanding "legitimacy as process" enables an organization to become an "active" participant in a stakeholder network and provides a more detailed look at how various aspects of legitimacy (such as pragmatic, moral, and cognitive) can be established and strengthened through action or external reporting (Bitektine, 2011; Bitektine & Haack, 2015; Suddaby et al., 2017). This information enables a group to become an "active" participant in a stakeholder relationship. It is feasible to represent a more nuanced dynamic where a company's legitimacy fluctuates over time depending on how effectively it meets key stakeholder's standards, values, and expectations.

3.6.1. As a Direct and Indirect Effect

Although credibility is an empirical reality in sociology, it is socially constructed (W. R. Scott, 2005). Legitimacy implies social acceptability: 'an accepted set of values, beliefs, and norms' (W. R. Scott, 2001). In the governance or regulatory sense, the term "legitimate" refers to a regulator considered to have the authority to rule both by those it seeks to govern and those on whose behalf it purports to govern (Barker, 1990; Beetham, 1991). Legitimacy is dependent on acceptance and legitimacy with the governing body. Institutions (regulators) can assert authority and engage in acts and relationships to achieve it. However, credibility is embedded in recognizing that organizations mainly the reasons for its acceptance by others.

In particular, structural analyses of corporate legitimacy suggest that three sets of social recognition reasons exist. Firstly, legitimacy may be pragmatic: the person or social group understands that the entity directly or implicitly pursues its interests. Second, it may be morally based: the individual or social group believes the organization's objectives and procedures are ethically acceptable. Last but not least, legitimacy may be cognitive: the organization is recognized as essential or unavoidable (Zucker, 1987; Suchman, 1995).

The organization's management determines the quality of its legitimacy, which is responsible for ensuring the interaction between the internal and external surroundings and preventing the erosion of its image and, implicitly, its pragmatic legitimacy through time. As a result, in order to attain economic, social, and environmental goals, organizational management and legitimacy management are inextricably linked and have a significant impact on one another. Aldrich and Fiol (1994) define social political legitimacy as a process in which all stakeholders, including the government, acknowledge and support an organization's actions only if they comply with established norms, regulations, and national and international laws (Aldrich & Fiol, 1994). In other words, establishing quality legitimacy requires social political legitimacy.

3.7. CONCLUSION

This chapter has examined the evolving concept of accountability, highlighting its contested nature and the multiple perspectives through which it can be understood. Rather than a fixed definition, accountability is reconceptualized here as a subjectively constructed phenomenon shaped by contextual and institutional factors. Focusing on Indonesia's Hajj Fund Management Agency (BPKH), the chapter explored how accountability is practiced within a state affiliated religious financial institution. It analysed how BPKH navigates multiple stakeholder's demands, adopts diverse accountability mechanisms, and incorporates normative expectations into its reporting practices.

Delivering meaningful accountability to pilgrims, however, requires more than procedural compliance. As contributors, stakeholders, and believers, pilgrims seek financial transparency, ethical governance, and participatory engagement. Accountability systems that rely solely on formal reporting risk undermining trust if they fail to address these lived expectations. To bridge this accountability gap, Hajj fund governance must move toward clear transparency, strategic responsiveness, and multi layered mechanisms, spanning from audits and public disclosures to stakeholder dialogue and ethical restitution. This transformation calls for a shift from opaque to clear transparency, from soft to hard accountability, and from one way reporting to reciprocal communication. Only by embedding these principles into the institutional

framework can Hajj fund managers fulfil their fiduciary, constitutional, and spiritual responsibilities, honoring the sacred trust placed in them by the pilgrims they serve.



CHAPTER FOUR

A CONCEPTUAL FRAMEWORK FOR ACCOUNTABILITY IN HAJJ FUND MANAGEMENT

4.1. INTRODUCTION

This section develops a conceptual framework for accountability within the Badan Pengelola Keuangan Haji (BPKH), grounded in the theoretical literature discussed in previous chapters. From a sociological perspective, accountability is fundamentally characterized by account giving practices, a mechanism predominantly employed within public institutions (Bovens, 2007). The interaction between BPKH and its diverse environment engenders multiple forms of accountability, each shaped by the varying expectations of stakeholders. The multiplicity of stakeholders contributes to the complexity of accountability, as each group imposes distinct demands on BPKH. Consequently, it is imperative for BPKH, including its organizational structures and individual actors, to establish accountability mechanisms that fulfill multiple criteria, encompassing obligations and responsibilities. Such mechanisms are essential for legitimizing their professional activities, particularly in fulfilling the mission of providing affordable Hajj services with excellence.

To conceptualize the accountability mechanisms, this framework utilizes Bovens's (2007) model, which delineates three primary types of accountability: political, legal, and hierarchical. Subsequently, the proposed accountability scheme for Hajj fund management (Figure 4.2) illustrates the positions and relationships of various BPKH stakeholders. Furthermore, Fox's (2007) transparency and accountability framework is employed to assess the nature of information shared by BPKH, distinguishing between 'clear' and 'opaque' transparency and their respective impacts on accountability. Finally, Stewart's (1984) Ladder of Accountability is applied to synthesize the accountability processes into a coherent hierarchical model, facilitating the delivery of accountability actions aimed at achieving organizational legitimacy.

4.2. BPKH ACCOUNTABILITY STORY: A BIG PICTURE

In exploring the accountability process that occurs in BPKH as a public entity, this study focuses on explaining the accountability mechanism from (Bovens, 2007). Specifically, the stages of accountability mechanisms in public entities. BPKH accountability mechanism is theoretically well described (Bovens, 2007). This conceptual framework is in accordance with the BPKH organizational description obtained and described in the previous chapter. As shown in Figure 4.1 and its explanation, the accountability mechanism narrates the theory of the account-giving scheme, which is the core basis of the accountability process based on normative values. These two basic concepts will serve as the important foundation that animates the conceptual framework in the accountability process. The three stages of the accountability process link external parties to the process of being responsible and prepare themselves to explain every action taken (Bovens, 2007). BPKH, which accepts responsibility, will carry out a mechanism in preparing forms of accountability to other parties outside the organization that are expected to be accepted and considered credible, and finally will provide organizational legitimacy. Accountability process mechanism until the release of formal accountability forms represented by the narrative flow of the accountability concept from Bovens (Bovens, 2007).

Meanwhile, to narrate BPKH's interactions with various interested parties, this study proposes the scheme presented in Figure 4.2. An explanation of the context of BPKH is described next after Figure 4.2. The BPKH accountability scheme explains the various parties and their positions in the existing accountability environment. It is considered important in receiving the mandate and overseeing the process of managing Hajj fund. Parties within the scope of BPKH accountability have their interests that fit their standards and objectives. Therefore, BPKH, as a professional and accountable organization will carry out an accurate and quality accountability process by presenting accountability report information to the public.

This form of transparency of information to the public is expected to fulfil the curiosity of the interested parties. How the representation of each party is stated in the form of accountability presented will be explored by looking at the accountability process for presenting the report. The interaction process in the relationship between parties interested in BPKH will certainly contribute to the accountability presentation. The conflict of interest mechanism for sharing interests in responsible management requires a culture of checks and balances in both formal and informal forms in a

political and social context. This matter will be explored further from the side of BPKH as a public organization that acts as the holder of Hajj fund and has the mandate to manage these funds according to their designation.

In exploring the public information released by BPKH as a form of accountability, this study uses Fox's transparency and accountability (Fox, 2007). This standard will be used as a criterion in providing an overview of the representativeness of the information presented. It is crucial to explore how the accountability process and its interactions are presented in producing the accountability reports. The exploration process will be carried out using a qualitative method with the interpretive approach by conducting a series of interviews and understanding the documents and supporting information in the accountability process at BPKH. To make it easier to understand the public accountability process at BPKH. The information gathered in the accountability process will be described in the concept of the Stewart ladder of accountability theory (Stewart, 1984).

4.3. THE CONCEPTUAL FRAMEWORK OF ACCOUNTABILITY

"... continuously involved in making and giving accounts to others and ourselves, about who we are, what we are doing..." (Willmott, 1996, p. 23)

The account giving context is reflected in our daily lives. The essential thing of human life, where it lays a beautiful relation in society, needs each other as humans. Humans are always giving and receiving. That simple action reflects deep and high values within, as pointed out by Robert (1991):

In practice, accountability is a form of a social relation that reflects symbolically upon the practical interdependence of action: an interdependence that always has both a moral and strategic dimension (Roberts, 1991, p. 367).

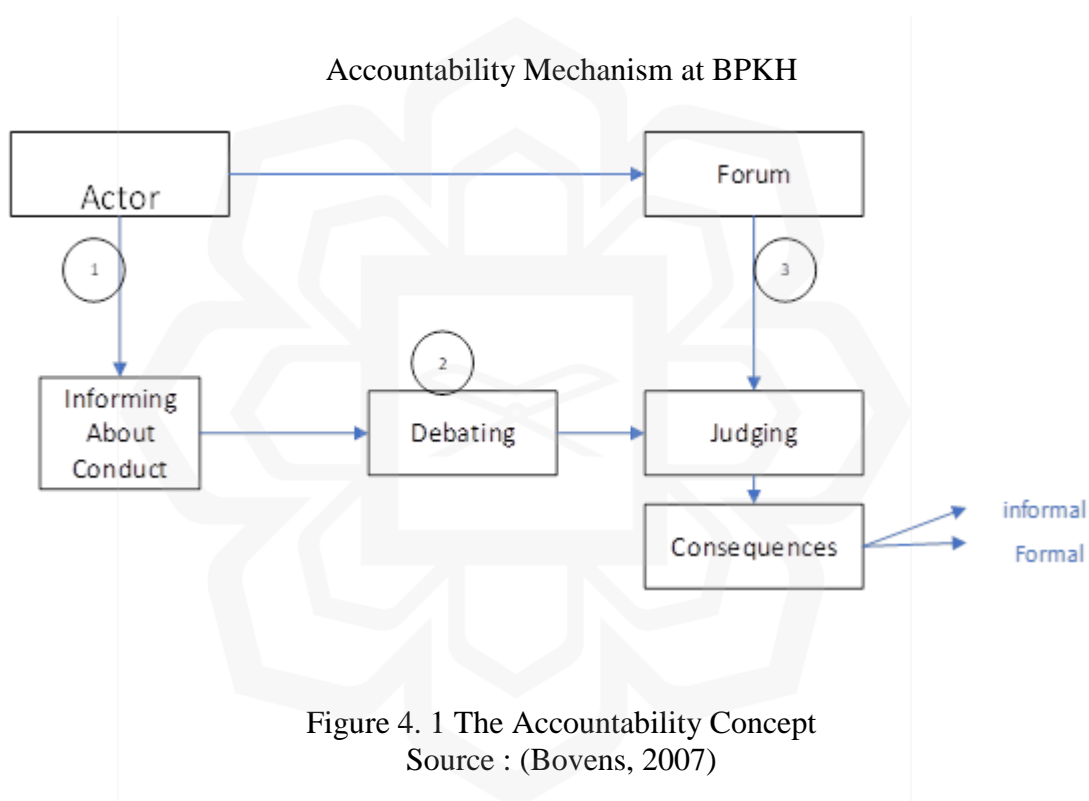
The action had many implications and contributed to the fundamental theory in economics that is widely known. The social relation in the giving and receiving situation explains the phenomenal agency theory or principal agent relation. It explores the agents' self serving behaviour and the problems of adverse selection together with adverse action (or moral hazard).

The situation starts when there is a transfer of financial capital from one individual as a "principal" to an "agent" that creates the power to the giver and makes the receiver of resources account for their action (Gray, 1983). The consequences of delegating the power of "giving" give the principal the right to "demand reasons for conduct" from the agent (Roberts & Scapens, 1985). The account giving situation from the agent is the answer to the principal's demand. In addition, a subjective element to accountability is always attached in explaining the feeling obliged to render an account from the accountor to the accountee (Lerner & Tetlock, 1999; McCandless, 2001). The accountor acknowledges that the accountee is the person who holds him accountable. In order to trace the subjective aspect of accountability, people in public administration need to specify to whom they believe they have a moral obligation to report (Day & Klein, 1987; Sinclair, 1995; Romzek & Dubnick, 1998; D. D. Dunn, 1999; Verschuere et al., 2006).

Accountability is a crucial link in this approach, underlining the process of two actions ". . . the capacity and willingness to give explanations for the conduct, stating how one has discharged one's responsibility" (Boland & Schultze, 1996). These actions reflect the primary mechanism of accountability between parties from both internal and external organizations. According to their strategic demands criteria, multiple agents/parties/stakeholders with varying positions will contribute differently towards BPKH accountability. This complex relation inherits information asymmetry where each agent naturally has their perspectives and interest toward BPKH. Consequently, the different information between agents potentially accelerates adverse selection and moral hazard. It will happen when there is a mismatch between expected actions from stakeholders and achieved performance in the organization.

On a broader scale, as in an organization, asymmetric information and conflicts of interest between the principal and the agent can lead to mismanagement and corruption. The agent or actor is often a government official in a public sector situation, with parliament serving as the principal. The principal is typically the party whose goal is to ensure that the government executives or agents implement their policies under their rules. The outputs of a government agency may be insufficient for various reasons, including the state of nature or management misconduct. Dubnick (2005) pointed out that accountability becomes associated with institutional control and ethical behaviour becomes entangled in debates of codes and legalisms (Dubnick, 2005). When people talk about accountability, they often think about bureaucracy and law enforcement.

A typical accountability relationship in public sector enterprises is a combination of hierarchical/managerial/political accountability, sometimes referred to as public accountability (Laughlin, 1990; Ryan & Walsh, 2004). Political and public forms of accountability are the critical tools used by governments to hold themselves accountable. Thus, it offers a standard mechanism for confronting public managers with knowledge about their functioning and forcing them to focus on the successes and shortcomings of previous policies. Accountability processes typically have three steps from an analytical standpoint (Mulgan, 2003; A. J. Meijer & Bovens, 2005). Therefore, the phases in the accountability concept flowchart:



The Illustration Figure 4.1 describes the account giving scheme as a political/legal/hierarchical accountability mechanism is given in processes 1 to 3. First, the accountor gives an account of his actions and results to the accountee. One possibility is to call this stage "information" or "informative". The second process involves discussing this transaction between the accountor and the accountee. The accountee has the right to inquire about the conduct of the accountor and form an opinion. When confronted with questions, the accountant will respond and, if required, justify and defend his decisions. This third process is when the arguments are being made. A final decision with available sanctions is used, if any, by the accountee.

Depending on the severity, sanctions might range from formal disapproval to stricter restrictions, fines, the discharge of management, or even the company's liquidation. Another point of view is that government's role in society to exert authority and "steer" social institutions and organizations can be exacerbated by various pressures that call their decisions into question. When there is a connection between public and political accountability and 'leaders' feel that providing the data is insufficient, numerous accounts may be necessary. In principle, it is possible to provide analyses of government policies similar to those found in the Corporate Responsibility and Management Performance statements. These can be seen to have a "quasi management" accountability arrangement between politics and government. A quasi management can lead to a desire for greater specificity in political/public forms of accountability, which intensifies power over social institutions rather than directly over the government.

4.3.1. Mainstream Views

According to Roberts and Scapens (1985), each accountability relation has a specific structure of signification (meaning), legitimation (morality), and dominance (power) (Roberts & Scapens, 1985). Multifaceted accountability linkages and aspects appear to be an inescapable feature of public sector organizations. It has multiple objectives and represents many stakeholder groups (Sinclair, 1995; Parker & Gould, 1999; Ryan & Walsh, 2004). A senior management faces at least five accountability relationships: political, public, managerial (or financial), professional, and personal, and they often experience contradictory senses of accountability (Sinclair, 1995). This senior management level in government organizations understands their work by examining their accountability relationships.

On the other hand, the public service profession is subject to unprecedented pressure to redefine its activities in response to new management reforms and government guidelines, partially demonstrated by increased managerial accountability. Cases in the Church and professions where financial "principals" (such as congregations) have only minimal power and control, where "higher principals" have arguably filled the vacuum to guide the actions of clergy "agents" (Laughlin, 1990; Laughlin, 1996; Broadbent & Laughlin, 1998). In response, they devised clever "absorption" strategies to preserve the values they believe should guide their actions (Broadbent & Laughlin, 1998).

The point is that when they are under significant public pressure, they will attempt to make accounts in ways that are similar to those usually associated with types of managerial accountability (in process, performance, and program forms using Stewart's ladder language). Rendering account is maybe a way for them to legitimize their behaviour. The public may have demanded more detail about what governments are doing, even though they have little managerial power over governments. Essentially, suppose the government is being questioned about the legitimacy of its policies to the extent there is the possibility that systemic coupling between the government and society is threatened. In that case, actions using the strength of debate will avoid this (Broadbent & Laughlin, 2003). Consequently, the need to legitimize government policy is greater, and recourse to political systems of accountability, validated by an external and neutral body, apparently is critical. More direct accountability to government from the societal systems, imposing managerial forms of accountability on those systems, provides the government with the first line of defence in this regard.

The general term of accountability concept reflects a responsive mechanism for good governance like transparency, equity, democracy, efficiency, responsiveness, responsibility, and integrity in which they are inseparable. It is used interchangeably as good governance or virtuous behaviour. Accountability is a broad concept that refers to any system that makes influential entities accountable to their respective public (Mulgan, 2003). The crucial thing about this normative concept is that the different elements cannot be calculated on the same scale. Comprehensive operationalization is required. Koppel (2005) distinguishes five aspects of accountability transparency, liability, controllability, responsibility, and responsiveness each of which is in terms of itself (Koppell, 2005).

As for transparency, it is instrumental for accountability but not constitutive of accountability. Therefore, Fox (2007) describes its meaning to classify transparency and accountability in defining this term (Fox, 2007). He divided it into opaque, soft, and hard accountability. While other dimensions, such as responsiveness, are more evaluative concepts. It is used to positively qualify a state of affairs or an actor's performance. The term is close to 'responsiveness' and a sense of responsibility willingness to act transparently and equitably. Eventually, there is no universal agreement on the criteria for accountable conduct, and they vary on their situation and location (Fisher, 2004).

Transparency has taken on a whole new meaning thanks to the internet and the technology generation (R. L. Lee et al., 2012). Web disclosure is a growing method in the nonprofit sector for achieving greater transparency (R. L. Lee et al., 2012; Saxton & Guo, 2011; Saxton et al., 2014). An increasing amount of information is available on the internet about inspection findings, reports, and comparisons to other organizations. Whether these committees and panels serve as monitoring mechanisms is still up for debate, given that the opportunity to judge and punish the misconduct is rarely accessible. Furthermore, not all of these accountability relationships are characterized by well defined, logical, and authoritative forums to which the actor reports and can engage in disputes with government agencies or individual public managers.

A new theoretical viewpoint on the rationale for and assessment of accountability relations is required to support the legitimacy of governance. This impact results from the other effects (democratic control, power equilibrium, and responsiveness). Accountability is viewed as a tool for governments, agencies, and individual authorities to make and keep them effective in delivering their commitments.

4.3.2. Islamic Views

“That Day, the people will depart separated [into categories] to be shown [the result of] their deeds. So whoever does an atom's weight of good will see it, And whoever does an atom's weight of evil will see it “. Al Qur'anul Karim Surah Az Zalzallah [99: 6,7 and 8].

The accountability context that every action and inaction will be rewarded and punished in Roberts (1991) has a similar approach to perceiving the role of personal responsibility in Islamic values (Roberts, 1991). Definitions that intersect with Islamic concepts can also be found in Sinclair's concept of individual accountability (1995), which defined accountability as enacted because of an accountant's fear, fidelity, and loyalty (Sinclair, 1995). This intersection in the personal accountability perception should be taken carefully since personal responsibility in Islamic values is far beyond the notion of non Islamic values. Maali et al. (2007) showed clearly the notion of the relationship as Muslims in their life:

"The relationships of Muslims with each other and with the *Umma* (Islamic society), in general, is emphasized in the *Qur'an* and *Sunnah*. Submission to the will of God thus includes recognizing the rights of

others and dealing with society justly. Thus, accountability to God includes accountability to society" (Maali & Napier, 1970).

Thus, it is explicitly said that accountability to God entails accountability to society and implies that a person driven by Islamic values believes that fulfilling societal accountability is also fulfilling societal accountability to God.

A Muslim's outlook on life is governed by Tawhid, the foundation of the Islamic faith. As Muslims believe, only one God is responsible for all humans' actions on this planet. Muslims believe in an accountability based system, where the general public and specific subgroups are the intended users of information. On the other hand, individual liberty is confined by its ethical boundaries. To be effective, a person's freedom of action must be linked with a sense of social duty toward others. Islam places a strong emphasis on the necessity for Muslims to be answerable to God, and this accountability extends to a person's responsibility for their fellow human beings (Anuar et al., 2009).

Consequently, understanding accountability concepts can be easily related to the religious concept of accountability in Islam. Muslims believe that only one God Allah Who created everything in the universe. As a result, humans owe God their lives, deeds, and everything. The Qur'an illustrates the accountable notion vividly stated in Al-Qur'an (Surah 17:13-14):

"and every human's deeds have We fastened around his neck, and on the day of resurrection, We shall bring forth for Him a record which he will find wide open. (and he will be told) 'Read your record. Today, there need be none but yourself to make out an account against you.'"

Al Qur'anul Karim Surah 17 (13-14).

The Qur'an highlights that human beings will account for their actions in this world in the sense of belief in the Hereafter. Therefore, Muslims should reflect this belief in daily life as a practical guide.

Since Hajj is a religious parade, accountability concepts are crucial for BPKH as the only authorized fund holder of the Hajj fund in Indonesia and all the stakeholders within and outside the organization. The dynamic mechanism of accountability between BPKH and its multiple stakeholders is attached to religious and social values embedded in the environment. This critical point is another perspective in reaching for an explanation on developing accountable action in public agencies like BPKH. Naturally,

belief creates norms and values in society, framing the activities that happening and regarding them as culture or habits of the environment. The likely behaviour of parties in this accountability setting echoes in more sociological approaches. The social psychology of public accountability is based on a relational core where BPKH or individual public managers should feel obligated to account for their performance to the general public, or at the very least to civil interest groups, charities, and client associations. Using the interpretive approach in the qualitative research paradigm, the study will examine and explore the company's notes and documentary data to be evaluated regularly (Bernard & Ryan, 2009). The interpretive analysis explores observations and records, with a focus on recording internal processes, decision making behaviours, and stakeholder communication. The interpretive approach is performed in a way that empowers participants (Frey, 1994). To get a thorough picture of specific events and their meaning, investigators must be willing to listen to other people's voices (Arnett, 2007).

4.4. THE SCHEMA OF ACCOUNTABILITY IN MANAGING THE HAJJ FUND AT BPKH

Based on formal legal literature on BPKH, accountability references, and all the information gathered in developing BPKH accountability, a set of schema representing the parties surrounding BPKH is proposed. The schema is designed to describe the accountability relation with various stakeholders of BPKH as an organizational actor and the people inside. The stakeholders are identified and classified by the authoritative power and the close relation in their line of work. Following Bovens's flow, the proposed schema positions BPKH in the centre of the various stakeholders (Bovens, 2007).

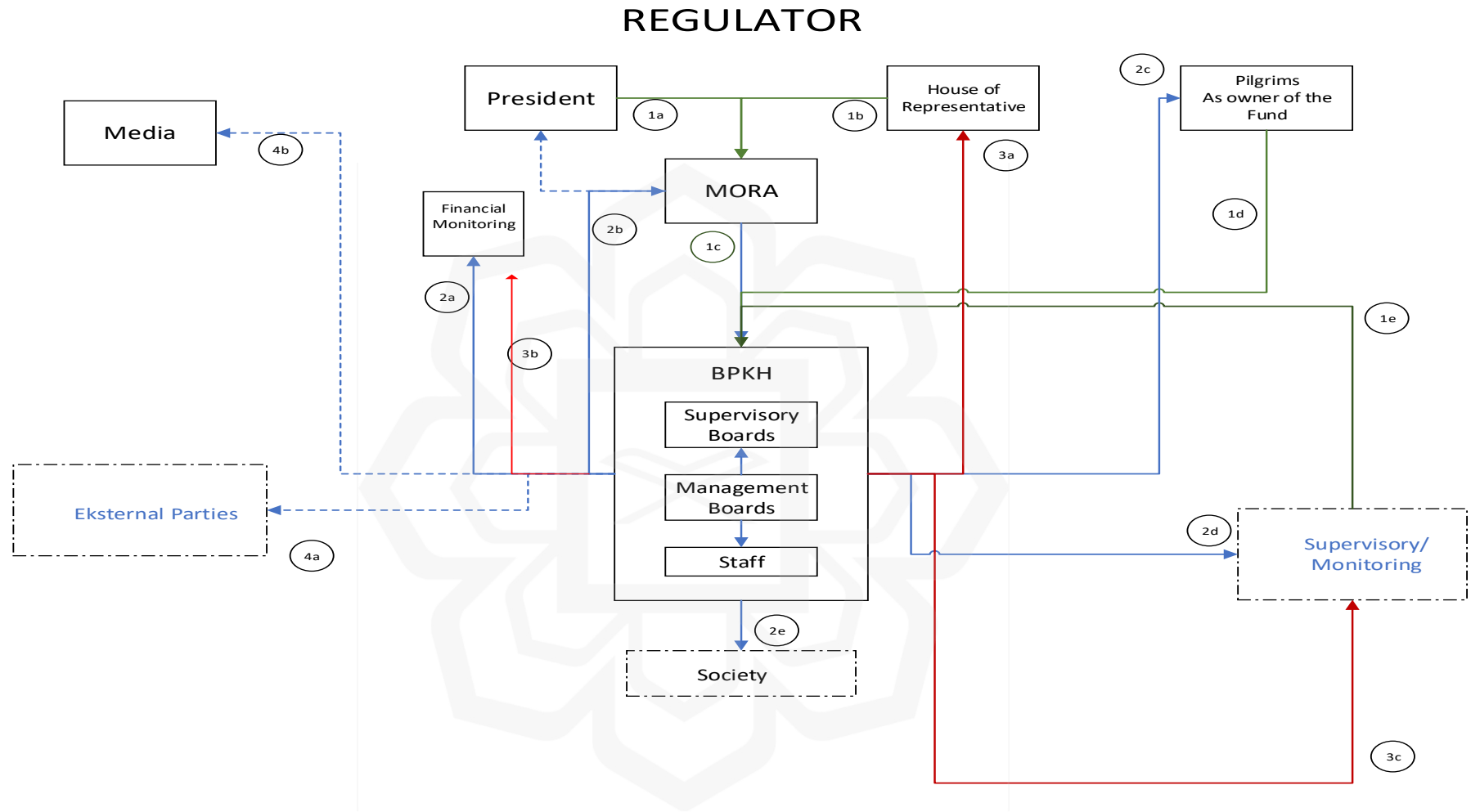


Figure 4. 2 Accountability in Hajj Management Schema
 Sources: processed based on basic legal and regulatory information about BPKH, scientific literature, official web info, etc

The schema of accountability starts with phase 1, principal agent theory, which is the delegation of power and authority from the principal/accountee/government to the agent/accountor/actor. The hierarchical government represented by the President, House of Representatives, and MORA play the role of political and administrative accountability. The position within the three parties is set according to their line of power, where the President and House of Representatives are in the highest place as the accountee and the Indonesian citizen representatives (1a and 1b). The main task of BPKH is to be a public legal entity that is independent and accountable to the President based on Law 34/2014 (1a). MORA is responsible for organizing the Hajj, while the BPKH manages the Hajj finances to get the value of the benefits. MORA and BPKH have a cross section of tasks and functions that are always important to be coordinated (1c). The pilgrims, as the fund owner, represented by the line in 1d, become the first primary stakeholders beyond the authoritative aspect. Therefore, following the administrative control as a public entity, line 1e contributes to the monitoring aspect from various and relevant parties as BPKH is the only organization with a specific transaction.

The power delegation will take us to step phase 2, informing the conduct of the agent/accountor/actor to the various stakeholders in this setting, the actor in the form of an organization and actors within and outside BPKH. Parties identify multiple stakeholders within and outside BPKH with various interests (2a to 2e). First line is financial monitoring. Since it is a public entity, then the flow of the fund should meet the financial administrative and authoritative mechanism (2a). Then, the Hajj organizer, MORA, becomes the second in the line as a 2b representation. Next is the obligation to report the conduct to the fund's owner (2c). Some controlling also comes as the forum for BPKH (2d), such as the Financial Services Authority (OJK/Otoritas Jasa Keuangan), Ulema Council (Majelis Ulama Indonesia), Sharia National Board (Dewan Syariah Nasional), and related ministries in the line of the Hajj organization (Ministry of Finance, Ministry of Law, etc.). Last is the obligation to respond to the citizen of the Republic of Indonesia as a whole means call to the society (2e).

The third phase is accountability in action; the informative stage will lead to accountability processes and result in judgment from the accountee/government, whether it comes with rewards or punishments to BPKH as the accountor. The phase is rendering the account, where there is a discussion and communication about the conduct of the accountor. The answerability also takes place to argue and debate to

justify and defend BPKH or the agent's decisions. Parties that directly power BPKH in the rendering process are the House of Representatives (3a), financial monitoring (3b), and the controlling forums (3c).

Finally, the judging phase from the accountee whether the accountability process already meets their criteria and will consequence the accountant. It may come as a reward when the accountee accepts the information given. On the other hand, when the accountee needs further responsible explanation, they do not accept it. The accountant will have to take consequences formally or informally. The sanction is an outcome of the legal consequences. It is still doubted whether the accountability forum has sufficient investigative authority to uncover corruption or mismanagement. Whether the applicable sanctions effective enough to deter such behavior (Bovens, 2007).

The fourth phase is learning and social perspectives; as public institutions, the political forum is hierarchical or political to the upward governmental position as common consequences. The other part, as a private organization then horizontal accountability plays its role where the stakeholders are in equal position. It will contribute to the learning process. Accountability processes in which the accountant can clarify and justify their intentions and citizens and interest groups will foster recognition of government authority and citizens trust in the government's administration (Aucoin & Heintzman, 2000). Justifying represents learning perspectives that emphasize offering feedback based inducements to public office holders and organizations (4a) to improve effectiveness and efficiency. The accessible access to reaching the audience at large is through the media. It has become a mandatory aspect of delivering proper accountability from a legal aspect (4b). The accountability requirements will stimulate public executives and bodies to focus consistently on achieving desirable societal outcomes.

4.4.1. The Table of Conceptual Framework of Accountability in Managing the Hajj Fund at BPKH

Hierarchical positions in public institutions like BPKH suit the classifying accountability process of Stewart Ladder of Accountability (1984) which distinguishes different levels of accountability in delivering accountable action (Stewart, 1984). The hierarchical level shows the progress of accountability wherein a model of constructive

accountability is identified at each level. It starts with the level of legal accountability obligation as the fundamental requirement in creating a reputable public agency. The processes gradually improve accordingly as the transparency and accountability action develops over time and will take the highest form as the ultimate goal at the policy level where the ideal state accountability satisfies all the stakeholders.

Integrating the gradual improvements of accountability according to the actual process at BPKH is relatively unknown since the evident data are not ready yet. Meanwhile, the juncture of the accountability framework for BPKH (Table 4.1.) is proposed by adopting the modified Stewart Ladder of Accountability from (Friedman & Miles, 2006; Stewart, 1984; Friedman & Miles, 2006; Stewart, 1984).

Table 4. 1 Accountability Framework in Context of Hajj Management

Actor /Agent	Stewart Ladder of Accountability	Primarily to whom FORUM	The common form of accountability FORM	Accountability mechanism HOW	Why should render the account WHY
BPKH	Legal Accountability obligation ⁽¹⁾	Upwards stakeholders (Government, principal, owner)	Audited financial statements; compliance with applicable legislation	To be clarified during data collection	To be clarified during data collection
	Process Accountability	Financial forum (financial government authorities)	Activity Plans; Accountability for Standard operational procedures and technical procedures activities (Compliance with no maladministration)	To be clarified during data collection	To be clarified during data collection
	Accountability for Performance	All stakeholders	Business Plans; Accountability through action	To be clarified during data collection	To be clarified during data collection
	Program accountability social impact recognition and measurement	All stakeholders	Accountability for financial performances and social performances (Strategic plan and balanced scorecard; annual performance reports and budgets)	To be clarified during data collection	To be clarified during data collection

	Policy Accountability	All stakeholders	Abstract	Abstract	The ideal situation of accountability that meets the need of all stakeholders
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Source: adapted from (Stewart, 1984) & (Friedman & Miles, 2006)

At this initial stage, the how and why are relatively unknown, especially the why. The data from the research provides how such a mechanism is used and whether it's effective not currently active.

The first level is modest and associated with due diligence in procedural requirements by hierarchical position. Mainly it occupies the appropriate use of the funds. The next level consists of process accountability related to arranging the procedural system to achieve efficiency and time management. Technology is a prominent tool since a technology based system can be efficient, effective, and economical in managing the organization. Technology based in discharging accountability and assessments is performed by the performance and program levels. Performance accountability focuses more on meeting specific standards by developing business activity plans. The next level in the program is concerning achieving a particular goal like financial performance and social achievements beyond the traditional performances. The highest level is categorized as highly accountable and can meet all stakeholders' needs where the form is still undefined.

The daily control details are discussed in the process, performance, and program accountability, usually linked to managerial accountability. The term underlines comprehensive details, similar to procedure, results, or program accountability. The comprehensive details are the product of efforts to explain or legitimize acts. In comparison, "policy" accountability (the last rung of Stewart on the ladder) is similar to political or public accountability. However, there can also be heavy administrative overtones depending on the situation. In particular, it shows that a range of basic thresholds can be used for both types of accountability.

4.5. ACCOUNTABILITY, A PILLAR FOR LEGITIMACY AND SUSTAINABILITY

The significance of accountability in this context becomes more apparent when considering Indonesia's history of fund mismanagement. Prior to the establishment of BPKH in 2017, the Ministry of Religious Affairs held authority over the Hajj fund. The arrest of a former Minister for alleged corruption in the Hajj fund intensified public demands for reform. Proposals to use pilgrim deposits to fund national infrastructure projects, while financially attractive, it were seen as ethically problematic and contrary to the fund's religious purpose (Kurniawan, 2021). These controversies demonstrate that institutional legitimacy is vulnerable in the absence of transparent and ethically grounded governance.

To address this, the Indonesian government enacted Law No. 34/2014, establishing BPKH as an independent entity with strict oversight and a mandate to uphold Sharia principles. This legal shift repositioned Hajj fund governance within a clearer accountability framework. Scholars have emphasized that this transition was crucial not only to mitigate misuse but also to rebuild institutional trust following years of scepticism (Nair, Arshad & Muda, 2021). BPKH's governance practices since its formation show encouraging progress. A recent compliance audit revealed that BPKH meets approximately 89% of the expected governance benchmarks, particularly in alignment with Islamic financial principles (Pratiwi & Febriani, 2025). Nonetheless, accountability should not be limited to regulatory compliance alone. It must extend to robust transparency, especially in the face of evolving public expectations. Nuridah (2023) stresses the need for greater disclosure of financial data and recommends community oversight mechanisms to elevate accountability further. These include real time reporting, independent auditing, and participatory forums involving civil society actors and religious scholars.

Accountability also requires ensuring that BPKH's strategic decisions align with the public mandate and religious objectives it serves. Therefore, accountability in Hajj fund management is not merely a bureaucratic requirement, it is a dynamic, multidimensional process that upholds legitimacy, secures trust, and ensures the sustainability of one of Indonesia's most sacred public financial responsibilities. BPKH has faced pressure to expand its investment portfolio or contribute to national development goals. Therefore, accountability is necessary for navigating sensitive policy shifts. While potentially beneficial, these shifts must be guided by stakeholder

input and ethical scrutiny. Kurniawan (2021) warns that without clear boundaries and participatory governance, such shifts may revive old perceptions of misuse and politicization.

Equally important is the role of accountability in ensuring sustainability. With the Hajj queue extending over 30 years for many Indonesians, financial sustainability is paramount. BPKH's investment of pilgrims' deposits into Sharia compliant assets generates returns (*nilai manfaat*) that subsidize Hajj costs. However, this practice carries risk. Poor investment decisions, like those made by Malaysia's Tabung Haji. Which paid illegal dividends and engaged in speculative ventures, can devastate both fund value and public trust (Abdul Wahab, 2019). Accountability mechanisms, such as oversight from a Sharia Supervisory Board and the Supreme Audit Agency (BPK), are essential in safeguarding against such risks. Accountability in Hajj fund management is not merely a bureaucratic requirement, it is a dynamic, multidimensional process that upholds legitimacy, secures trust, and ensures the sustainability of one of Indonesia's most sacred public financial responsibilities.

4.5.1. Research Aim and Objectives

The study aims to look into how BPKH handles the Hajj fund. This study demonstrates the relationship between methodological principles (reasoning, tenets, and so on) and social constructionist science. It is useful to understand how accountability is created and withdrawn. According to Bovens (2010) taxonomy of public accountability (Bovens, 2010), accountability is associated with authority transfer from principal to managers/agents and creating a good accountability relationship between agents and principals (Broadbent et al., 1996; Jenkins & Gray, 1993; Sinclair, 1995). As a result, highlighting correct and effective responsibility is more than merely carrying out actions related to responsible activities and duties. It is critical for BPKH to legitimate its professionalism by accountable action that is validated and recognized by its many stakeholders.

Accountability in the management of Indonesia's Hajj fund is central to securing public trust and ensuring sustainable financial stewardship. The responsibility lies heavily on the Badan Pengelola Keuangan Haji (BPKH), the sole state affiliated institution mandated with managing pilgrims' savings. This fund is not merely a financial tool but a sacred trust rooted in Islamic values of *amanah* (trustworthiness)

and *maslahah* (public benefit). Therefore, accountability must be both procedural and ethical. In line with Bovens (2010) framework, public accountability is an essential mechanism to legitimize the transfer of authority from stakeholders to agents, ensuring that those in control of public resources remain answerable for their decisions and outcomes. In BPKH's case, legitimacy is gained when it actively practices "account giving," such as disclosing financial decisions and reporting fund usage.

Visually, a stakeholder map is made with the environmental problems at each site, the stakeholders involved, and how important each problem is to each stakeholder, based on what interviewees have said (Grbich, 2006). This study employs a case study technique with interpretive analysis, which is well established in anthropology and sociology but well suited to developmental research since it allows for integrating developmental processes in historical and socio cultural contexts. Case studies help us formalize what we have learned from experience and improve results (Benner, 1983). In case studies, data can be gathered in many different ways, such as through questionnaires, interviews, observations, or written accounts.

Furthermore, the phenomenon indicated the existence of the structural reform in the hajj fund, where public legitimacy remains a challenge. The study is emphasizing three issues in Indonesian hajj fund. The first is trust toward BPKH where the scandals of mismanagement hard to forget and the experience of low quality service in Hajj is still felt. Therefore the first research objectives is concern of the BPKH struggles to achieve organizational legitimacy. Therefore the exploration focus on how trust build in hajj fund mangement in Indonesia. Second, the fact that the avaiability of information is neglected by society . Then, the disseminated information does not meet the need of transparency. The problem lead to highlight how BPKH communicates accountability. The third fact is the unfair distribution of hajj fund profit between departing pilgrims and hajj aspirants. This situation lead to our third objectives on how the Hajj fund can be managed more equitably (future sustainability).

This thesis provides an insight into how the accountability process is used to induce reflection and learning as input mechanisms in the platform of sharia principles with optimum benefit, safe strategy, and keeping it liquid and efficient. The analysis is an ongoing process that take place throughout the time that the field study is being conducted (O'Dwyer, 2002). The accountability mechanism is preparing to be held accountable and holding BPKH to deliver its promise as mandated in Law 34/2014.

4.5.2. The Connection between Accountability, Legitimacy and Sustainability

Accountability in public fund management is fundamental to establishing trust and legitimacy, especially for a religious fund as significant as Indonesia's Hajj fund. Effective accountability promotes ethical use of funds, enhances public confidence, and strengthens the credibility of institutions (Abdullah, 2019). In essence, visible accountability measures, such as clear financial reporting and regular stakeholder engagement are crucial for BPKH to build institutional trust and fulfill its mandate (Maulana & Rafdi, 2018). This aligns with broader public sector accountability theory that transparent stewardship of funds yields greater legitimacy in the eyes of citizens (Dowling & Pfeffer, 1975; Suchman, 1995). For a religious fund built on pilgrims' savings and trust, demonstrating accountability is not just a procedural duty but a moral imperative rooted in the Islamic principle of amanah (trustworthiness). Indonesia's experience with Hajj fund management has been marred by past instances of misuse and politicization, which underscored the critical need for stronger accountability mechanisms. A high profile example was the 2014 corruption case involving a former Minister of Religious Affairs, who was accused of misappropriating the Hajj funds under his ministry's control (Nuridah, et. al., 2023). This scandal eroded public confidence, as corruption in such a sacred fund "seriously undermines people's trust" in public institutions (Zuhdi & Sukrisno, 2019).

In the wake of these issues, Indonesia enacted Law No. 34/2014 to reform Hajj fund governance. This law removed direct control of the funds from the ministry and established BPKH as an independent agency tasked with managing the pilgrimage funds with greater transparency, oversight, and Islamic financial compliance. Indeed, Kurniawan (2021) notes that persistent public concerns over politicization and misuse of Hajj funds prompted calls for stricter legal frameworks and governance practices. By tightening regulations and enforcing ethical standards, the government aimed to prevent fund misappropriation and reassure the public that pilgrims' money would be managed responsibly. Since its inception, BPKH has become the centerpiece of accountability in Hajj fund management. It operates under a mandate of good governance, Islamic finance principles, and public accountability. Studies indicate that BPKH has made significant strides in implementing governance best practices.

Strong accountability is manifested through concrete mechanisms of transparency and oversight, which in turn sustain public confidence. Nuridah (2023) emphasize that Indonesia's existing regulations including the 2014 Act have provided

a solid foundation for Hajj fund transparency and oversight. Ensuring that funds are used for their intended purpose, for instance, BPKH is required by law to publish annual financial statements and reports on how the benefit value from Hajj fund investments is generated and allocated. Such public disclosures allow external stakeholders (including scholars, media, and the pilgrims themselves) to scrutinize performance and hold BPKH accountable. Nuridah study (2023) also identifies areas for improvement to further bolster accountability and sustain public trust. These include enhancing the frequency and detail of public financial disclosures (for example, more regular updates on fund investment outcomes on official platforms) and strengthening supervision through independent audits and community involvement (Yaakob & Mahyideen, 2024). Involving community representatives or Islamic civil society organizations in oversight roles could provide an extra layer of check and balance, amplifying public voice in how the funds are managed.

Overall, transparent communication and credible oversight create a feedback loop: the more BPKH demonstrates that it is open and answerable for every Rupiah in the Hajj fund, the more the public will view the institution as trustworthy and legitimate, which is crucial for the continuity of the Hajj savings program. Accountability is crucial for managing the policy shifts and strategic decisions that inevitably arise in Hajj fund management. With such a large fund under its control (over IDR 160 trillion as of 2024), BPKH faces pressure and proposals from various stakeholders including government actors regarding how the funds should be utilized. One controversial proposal in recent years was to use the accumulating Hajj deposits to finance domestic infrastructure projects. While potentially yielding higher returns, this idea sparked public outcry due to fears that pilgrims' money would be diverted from its religious purpose and exposed to political interests (Abdul Rahman, et al., 2020). As Kurniawan (2021) documents, such debates fueled perceptions of misappropriation and threatened to undermine the legitimacy of the fund's management.

In response, accountability mechanisms serve as a counterbalance to ensure any policy shifts are pursued responsibly and with stakeholder consent. A strong legal framework and governance standards act as guardrails: BPKH is bound by law to invest funds only in Sharia compliant, prudential instruments that prioritize the benefit of the pilgrims. Any change in investment policy requires transparency and often coordination with the People's Representative Council (DPR) and the Ministry of Finance, providing

layers of accountability. Indonesia can mitigate controversies and reassure the public that the Hajj funds will not be misused (Abdul Rahman, et al., 2020).

In summary, it shows that accountability is the linchpin of both public trust and long term sustainability in Hajj fund management. Robust accountability mechanisms, from stringent laws and audits to transparent communication and stakeholder engagement have enhanced BPKH's legitimacy as the guardian of pilgrims' funds. They have allowed the institution to recover from past crises of confidence, and they equip it to face future challenges such as economic instability or policy changes. When the public sees that organization or BPKH in this case, manages the Hajj funds with integrity, prudence, and openness, it bolsters the legitimacy and ensures the continuity of this important public service (Dowling & Pfeffer, 1975; Suchman,1995). Conversely, any lapse in accountability could quickly erode trust and jeopardize the sustainability of the fund, as past incidents have warned. Therefore, continuous improvement of accountability through updated regulations, better risk management, and inclusive oversight is critically important. By holding BPKH to high standards of accountability, Indonesia not only protects the financial rights of millions of prospective pilgrims but also upholds the sanctity and social trust invested in the Hajj fund.

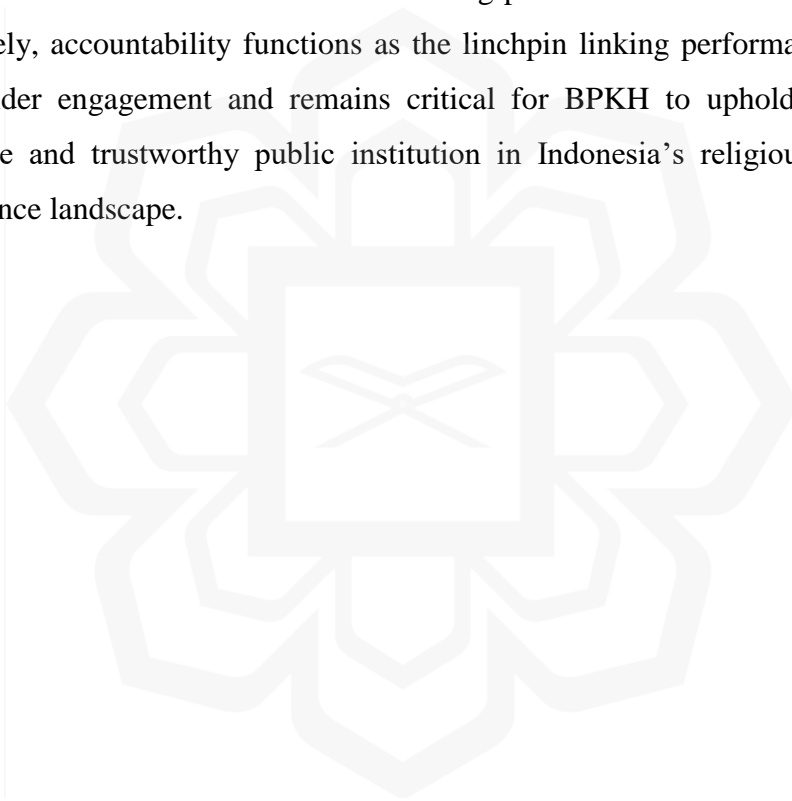
4.6. CONCLUSION

This chapter has examined the phenomenon of accountability within Indonesia's Hajj Fund Management Agency (BPKH), highlighting its role as a reform driven public institution tasked with managing pilgrims' savings with transparency, integrity, and responsibility. By employing an accountability mechanism framework and relevant theoretical perspectives, this study has analyzed how BPKH operationalizes accountability in response to its complex institutional environment.

BPKH's accountability practices are situated within a multi layered framework, encompassing political, managerial, and moral dimensions. The agency is structurally accountable to the government through formal mechanisms such as parliamentary oversight, yet it must also meet managerial standards in delivering efficient services and fulfilling its legal and ethical duties. Given the religious significance of Hajj in Islam, the accountability process is further shaped by normative and moral imperatives, particularly the principle of *amanah* (trust), which underlines the sacred nature of

managing pilgrims' funds. Theoretically, accountability is not solely a matter of procedural compliance; it also involves the internalization of normative values and the active engagement with diverse stakeholder expectations. BPKH's experience illustrates that accountability must be understood as both a relational and reflexive process where actions are taken not only to meet obligations but also to generate trust, ensure transparency, and foster institutional legitimacy.

In doing so, BPKH does not merely respond to accountability demands; it also uses these mechanisms as a platform for organizational learning and adaptation. The agency's efforts to align its operations with both sharia principles and governance standards serve as a foundation for enhancing public trust and sustaining legitimacy. Ultimately, accountability functions as the linchpin linking performance, ethics, and stakeholder engagement and remains critical for BPKH to uphold its status as a reputable and trustworthy public institution in Indonesia's religious and financial governance landscape.



CHAPTER FIVE

RESEARCH METHODOLOGY

5.1. INTRODUCTION

Organizations are real world entities in the eyes of some individuals. While from different perspectives, organizations are made up of people who work together but have very different jobs, roles, and social groups. It is all about personnel and, how they interact with each other and how those outside the organization perceive a company's image. When individuals behave and interact, they form interpretations based on what they say and do. Taking the interpretive approach within a case study in BPKH, this approach focuses on how social events are turned into texts, narratives, and discourses to get a complete picture of specific conditions and their impacts from listening to what different people say (Arnett, 2007). The study examines how diverse inter subjective meanings collaborate and interact with one another. The term "interpretive" refers to the view that reality is socially produced or given meaning by team member perceptions and interpretations of its underlying circumstances (Berger & Luckmann, 1996).

Interpretive qualitative research prioritizes richness of data, context, and meaning over sheer sample size. Rather than aiming for statistical generalizability, qualitative inquiry seeks an in depth understanding of phenomena in their real world context . Denzin and Lincoln (2018) explain that qualitative researchers ;

“seek answers to questions that stress how social experience is created and given meaning,”

In practice, this means qualitative studies often use small, purposefully chosen samples that yield information rich data, enabling “deep, case oriented analysis” fundamental to this approach. As Sandelowski (1995) famously noted, a sample that is too large can sacrifice depth for breadth, undermining the very purpose of qualitative inquiry. Instead of a fixed minimum number of respondents, what matters is reaching the point where additional data no longer reveal new insights, a concept known as saturation or informational redundancy. The flexibility in sample size is a hallmark of qualitative research, with the goal being to gather sufficient depth of information rather than to meet a numeric quota.

5.2. METHODS AND METHODOLOGY

In general, quantitative methods are less effective in capturing context and process. Their ability to describe the process or sequence of events triggered by an intervention is limited. It is not easy for the quantitative method to portray the series of events triggered by a specific intervention (Dudwick et al., 2006). Quantitative analysis cannot describe detailed deliberation, for example, in understanding why or how they arrived at the conclusions. This type of problem, classified as a process issue, might be critical to comprehending the impact rather than simply measuring it. Then, it fits well with this study topic that focuses on the accountability process's fundamental principles and its relationship with social construct in BPKH.

The research nature of the problem in this study still arises in the exploratory phase in explaining the accountability process and its relationship with the Hajj Fund Management Agency in Indonesia (BPKH). The topic of concern is visualizing the interrelation between the basic principles underlying human behaviour (i.e., reasoning, tenets, etc.) and the social constructionist philosophy (Marshall, 2015) the accountability process. The interaction between individuals, networks, and other resources in any social world benefitting them from actively contributing is known as social capital (Porter, 1998; Coleman, 1988). When focussing on it, qualitative instruments and strategies are used to assess the type and breadth of people's contacts with one another and significant private, public, and civic institutions. Qualitative approaches look at how people connect in their community and with informal networks and formal civic groups (Aspers & Corte, 2019). This approach is well suited to qualitative research since it develops concepts that aid in understanding social phenomena in natural (rather than experimental) contexts, especially when the members of the relevant population have certain values in common (Gilbert, 2006). Qualitative analysis is inductive, and the researcher generally explores meanings and insights in a given situation (Strauss & Corbin, 2008; Levitt et al., 2017).

The data collection method in this study adopts with generic descriptive, interpretive, qualitative research (GDI-QR) (Elliott & Timulak, 2021). The form of actions are as follows:

- i. To ask open ended interviews (developing particular research questions).
- ii. Developing detailed exploratory research questions helps to define the areas of study (identified key persons, informative accounting information in financial reports, and other relevant information as a source).

- iii. To answer questions, collect verbal reports and other nonnumerical experiences or observations.
- iv. Ensure that all relevant reports and observations are carefully and methodically analyzed.
 - a. Written texts: Field notes and Supporting documents.
 - b. Audio and Visual Data: Recordings of interviews, focus groups, consultations, photos, and videos.

Across classic textbooks and highly cited articles in qualitative methodology, the consensus is clear: interpretive qualitative research does not impose a fixed minimum number of respondents. Instead, the rigor and credibility of a qualitative study rest on obtaining rich, contextual, and meaningful data. Foundational scholars like (Lincoln and Guba, 1985; Denzin and Lincoln, 2018; Patton, 2002; Creswell & Poth, 2018) have all championed the idea that what makes qualitative research valuable is its depth of insight, the nuanced understanding of participants' perspectives, processes, and context, which does not correlate with having a large sample.

5.3. QUALITATIVE RESEARCH (INTERPRETIVE INQUIRY)

This study is the first to draw on particular forms of data analysis that define the BPKH goals and their ontology assumptions. Ontology explores and constructs various realities via human interactions and meaningful activities (Linder & Cantrell, 2006). Learn how people make sense of their social realities in natural settings through everyday routines, discussions, and writings while engaging with others. The research is designed to understand how to make the text as reasonable and logical as possible for a specific organization. The qualitative paradigm naturally explains 'how' and 'why' a particular social phenomenon or program operates as it does in a specific context (Polkinghorne, 2005).

Organizational communication and activity are texts, not just collections of actor's subjective meanings. The ability of an organization to think and act should be demonstrated by selecting appropriate language and actions. The hermeneutic circle should be used to understand facts (Grondin, 2016). Specifically, it analysis iteration between the portion and the whole text, revealing insights from the tensions between these part whole interactions. Interpretive research should be based on recurrent

comparisons and contrasts, not summative or cumulative analysis of meanings (L. Putnam & Banghart, 2017).

Interpretive methods include social theories and viewpoints incorporating a view of reality as socially created or rendered meaningful by understanding events by the actors participating in the circumstances (L. Putnam & Banghart, 2017). The way interpretive research is done gives participants more power (Frey, 1994). The concepts of dependability and generalizability, widely utilized in post positivist studies, are irrelevant to the interpretive approach. Instead, interpretive work is assessed using criteria like plausibility, coherence, comprehensiveness, and rigor (Bantz, 1983; Deetz, 1982). As in the case of rigor, other criteria are needed, such as rules for treating participants ethically, adapting ethical norms to the situation, and supporting organizational members in discovering the possibility of making responsible judgments (Bantz, 1983; Deetz, 1982). The inclusion of *rich rigor* as a criterion signals that what counts is the quality and appropriateness of the sample and data relative to the study's goals, reinforcing that there is *no one size fits all number* of interviews or observations for all qualitative research (Tracy, 2010).

Transparency is practised by interpretive academics when they make their values known and participate freely and publicly in a process that gradually unfolds a story as part of their work, which is done as part of their job (Ricoeur, 1991). In addition, the aims and assumptions of this perspective serve as the foundation for the standards used to evaluate high quality interpretative research. Notes and other written evidence from the company are looked at often (Bernard & Ryan, 2009).

5.4. RESEARCH DESIGN

The case study method is especially beneficial when the contextual conditions of the event being researched are essential, and the researcher has little influence over how the events unfold. According to McMillan and Schumacher (2001), a case study is a detailed examination of a bounded system or a case through time that employs numerous data sources found in the environment (MacMillan & Schumacher, 2001). All of the materials gathered are compiled to arrive at the best potential answers to the study question (s). As a result, the researcher may better understand why the incident occurred and what may be crucial to dig into more thoroughly in future research.

Step 1. This first step focuses on understanding the organization and its objectives as a critical factor in identifying accountability performed by BPKH. Concentrate on thorough descriptions of organizational events from participants perspectives (Geertz, 1973). Research is being incorporated into the daily behaviours and relationships of organizational participants. Interpretive research is being conducted with a focus on daily administrative processes. The induced transparency environment within BPKH scenes from the thinker and preparers with in depth knowledge to understand the implementation of the accountability process.

Step 2. The researcher becomes involved in the lives of those who work in the organization's object. Receptive to the people's ideas as the research object, it becomes acquainted with the groups being studied and finally becomes a part of the research. They are regarded as employees as equals or individuals with their views and viewpoints on how things work (Cheney, 2000). Mapping the information gathered according to the process happened and how management shared and created accountability to meet the public's external reporting requirements. This decision making mechanism documented a process of profiling information pertinent to the people that would accommodate the scoring and responses from the management of BPKH (FGD & interviews). The data are collected using a series of methods adopted by Contrafatto et al. 2015 (Contrafatto et al., 2015). (Table 5.1. Research Method Table).

Step 3. Developing generalizations, but not ones based on laws or probabilities. Instead, these generalizations were tempered statements based on first order data. So, they were not solid and explain how knowledge was generated from ideas or meaning structures that applied to many circumstances and organizations (Deetz, 1982). Constructing the information from the gathered data from the field explaining the decision making mechanism from the observed process. It develops an intensive observation from the interview sessions and group discussion methods.

1. Tentatively propose five intended interviewees from five departments relevant to the accountability process as the key persons from the operational level. The departments were finance, operation, legal and compliance, risk management, and planning. The first key person was the deputy department, and the other are identified later based on the specific information needed by the person in charge of the issue.
2. The propose of eleven intended interviews with management and four supervisory board members (tentative). The command position is the head of

BPKH, as an interviewee representing the highest management. The internal control mechanism perspectives would take at least three supervisory board members related to compliance and reporting.

3. The interview would be prepared with a questionnaire and a semi structured interview based on relevant information (data collection and observation activities from the field before the interview).

The output of this step would be the documentation of preparer's views within BPKH in answering the need for transparency and accountability in Indonesia's environment of Hajj fund. Plus, a report on the documentation accountability processed in BPKH based on researcher observation and methodically analysed.

Table 5. 1 Research Method Table

Methods	Details	Focus
Intensive Observation in the BPKH and external parties (MORA, Hajj & Umrah travel agency, financial institutions)	Context of the transparency and accountability reporting from all released information of BPKH (web-based, financial reports, virtual account, headlines news). Developing Research Questions in open-ended questions of transparency and accountability context as preliminary data gathering.	Collecting data and information from relevant divisions in officials BPKH authorities. Collecting data and information from BPKH's internal documents that support accountability reporting (memos, notes, or oral information). Identify key persons for the interview. Observations to BPKH Preparing for an interview and informal talks with BPKH external parties (MORA, Hajj & Umrah travel agency, financial institutions).
Interviews and informal talks	Interviews with the head of finance (Management board member) Interviews with officials in the accounting and reporting division (Manager). Interviews with team management (3 interviewees) Interviews with the supervisory board members (2 interviewees).	To confirm and explore the preliminary data gathered from previous research. The context of the accountability and fairness to the public through external reporting of BPKH. The context of disclosure in external reporting. The context of social responsibility. The context of effective authorization for the released information of accountability.

Methods	Details	Focus
	Informal talks of BPKH's officials. Online discussions. Academic and Webinar Forum.	External reporting (web based, financial reports, headlines news). Documentation during the process of interview and informal talks (voice recording, photos, or video) More profound interviews on any relevant topics.
Analysis of the available documents and final data	Documents (e.g., reports, tape recorder, notes, photos, and video) describing the accounting and reporting process: scope, focus, and resources from within BPKH corporate or industry. Documents describing the process of accountability and fairness in BPKH external reporting. Documents describing authorization of accountability of BPKH through external reporting.	Understanding and analyzing the features of accountability and fairness in BPKH's external reporting. Understanding and analyzing the rules of BPKH in maximizing the pilgrim's benefit value and proposed documentation of the fair process of accountable allocation for all pilgrims. Finalization

Source: Adapted from (Contrafatto et al., 2015)

5.5. DATA COLLECTION

Semi structured interviews comprise a series of open ended questions based on the themes the researcher expects to cover during the interview session. However, because the inquiries are open ended, it identified the topic under consideration. It provides opportunities for the interviewer and interviewee to discuss specific issues during the interview further. This technique allowed the researcher to be more flexible in investigating accountability issues in depth, underscoring interviewees ability to link themes and events together (Moll et al., 2006).

The study conducted a series of semi structured interviews to derive further understanding and enhance the knowledge of the Hajj fund management practices. It also contributed to diagnosing potential challenges in the accountability and sustainability of BPKH as the manager of the Indonesian Hajj fund. A semi structured

interview, characterized by the use of open ended questions, enables the emergence of new inquiries throughout the course of the interview. This was due to the provision of ample opportunity for interviewees to provide detailed responses, hence facilitating a more comprehensive process of information gathering during the session. Patton (2002) directly addresses the question of sample size, famously stating that “there are no rules for sample size in qualitative inquiry”. He explains that appropriate sample size depends on the study’s purpose, the research questions, and what will be useful, not on meeting a predetermined number. Patton advocates purposeful sampling, selecting “information rich cases” most pertinent to the phenomenon under study. In Patton’s view, credibility in qualitative findings comes from the depth and detail of data (allowing readers to understand the context and meaning), rather than the sample’s size. The extraction of information could be conducted with greater depth. Therefore, interviews with top management and middle management of BPKH, the pioneer team of BPKH, receiving bank managers from Panin Dubai Shariah and Bank Syariah Indonesia, Hajj and Umrah division of Ministry of Religious Affairs (MORA), the Hajj and Umrah travel agent, and Hajj aspirants were expected to clarify issues in accountability in managing Hajj fund in Indonesia. The interviews were conducted to provide a more rounded and credible picture of the accountability of BPKH as the sole institution managing the Hajj fund in Indonesia.

Table 5. 2 Personal Interviewees for the Semi Structured Interview

Organization	Position	Division	No of Interviewee	Code of Interviewee	Months (2022-2023)	Duration of Interviews
BPKH	Management	Top Management	2	BM1, BPKH BM2, BPKH	February 2023	20-30 minutes
	Manager	Middle Management	3	M1, BPKH M2, BPKH M3, BPKH	June, September, December 2022	60 minutes
Expert (Pioneer team BPKH)	Supervisory board member	Supervisory board	1	BM3, BPKH_P	December 2022	60 minutes
	Management	Top Management	1	BM4, BPKH_P	December 2022	60 minutes

Organization	Position	Division	No of Interviewee	Code of Interviewee	Months (2022-2023)	Duration of Interviews
	Manager	Middle Management	3	M4, BPKH_P M5, BPKH_P M6, BPKH_P	June, September 2022	60 minutes
MORA	Expert staff of the Ministry of Religious Affairs	Top Management	1	BM1, MORA	April 2023	60 minutes
	PIC on Hajj	Middle Management	1	M1, MORA	March 2023	60 minutes
Hajj & Umrah travel agency	PIC on Hajj	Owner of the Travel agent	1	O1, AGENT	January 2023	60 minutes
Financial Institutions (Receiving Banks)	PIC on Hajj	Middle Management	2	M1, BANK M2, BANK	January 2023	60 minutes
Hajj aspirants	Pilgrims		4	PILGRIM, PF1 PILGRIM, PN2 PILGRIM, PL3 PILGRIM, PS4	February 2023	60 minutes
	TOTAL		19			

The proposed participants were chosen based on their strategic positions in the accountability process at BPKH. The mechanism would rely on the organizational structures of BPKH. During the field observation, the list of persons to be interviewed would be gathered by an inquiry from the relevant division unit or person in charge. Creswell echoes that validity in qualitative research comes from the richness of the information and the achievement of a holistic understanding, rather than the number of cases (Creswell and Poth, 2018). It was also potential to have the participants apply the snowball techniques whereby one subject gave the name of another subject who would provide the third, fourth, and so on as the next source of information (Vogt, 1999). At the end of the interview on the snowball technique, the participants would be asked if they knew anyone else who was appropriate for the next interview session. The method would be considered more efficient since it would have immediate feedback (Wenzel & Babbie, 2001).

During interview sessions, adhering to ethical principles is paramount to ensure the rights, dignity, and well being of participants. Before conducting the interview, the researcher contacted the possible interviewee by email and phone to schedule an appointment. A starting point for a scheduled appointment was through the key person referred by a previous interviewee or other informants who knew well enough the targeted interviewee. Next, a session interview with the high position interviewee needs the key person to open a personal approach. Subsequently, obtaining informed consent from the interviewee to participate in the research commenced through direct communication. The interview schedule would be arranged for the interviewee at a mutually agreeable time. A two week time frame has been designated as the period required to implement the essential preparations. Several interviewees were ultimately excluded once the data collection period concluded. Obtaining their availability time proved to be challenging, and it consistently resulted in delays. According to **ATLAS.ti (n.d.)**, ethical interview practices require researchers to obtain informed consent, respect participant privacy, and uphold transparency in the research process.

Participants should be fully informed about the study's purpose, procedures, potential risks, and their rights, including the right to withdraw at any time. The informed consent were sent after the arrangement ready. This process ensures that participation is voluntary and based on a clear understanding of the research (ATLAS.ti, n.d.). The interview session would be digitally recorded and should be conducted to protect the interviewee's confidentiality (Kaiser, 2009; Halasa & Al-Fraihat, 2023). Researchers must protect participants' identities and personal information. This involves anonymizing data and securely storing sensitive information to prevent unauthorized access. However, since some interviewees wished to remain anonymous due to the sensitivity of the issues being investigated, they were referred to according to their official designations in the organizations or simply as senior/operational managers or officials in the analyses. Tape recording provided for a thorough documentation of all materials while also allowing the interviewer to observe the responses and interaction components of the interview (Moll et al., 2006). It also improved the credibility of the inference drawn from the situation.

The interviews were conducted in the local Indonesian language and subsequently translated into English for quotations that reflected the themes identified by the researcher. It is essential to approach participants with respect, acknowledging their autonomy and cultural backgrounds. Researchers should be sensitive to power

dynamics and strive to create an environment where participants feel comfortable and valued. Furthermore, the emotional and psychological well being of participants, especially when discussing sensitive topics, should be monitored attentively to prevent any non conducive situations. This includes being prepared to provide support or resources if participants experience distress during or after the interview. By adhering to these ethical principles, researchers can conduct qualitative interviews that are respectful, responsible, and uphold the integrity of the research process.

The process of translating into English necessitated slight modifications due to the inherent limitations of contextual translation, which often resulted in a less precise rendering of the original meaning found in the local Indonesian language. The interview recording, such as video and photos, captured nonverbal communication as informal evidence to create a clear interpretation. The interviewee's facial expression, voice intonation, gestures, or silent act would help define the meaning effectively when explaining the in depth information during the interview. Furthermore, field notes were taken for each interview to record the detailed information, such as the interviewee's identity and other individuals who attended the session during the interview, the times and places, and the social interactions that occurred before and after the interview session (Patton, 1992). Then, there was a summary of the interview that provided additional guidance, the topic explored, and the discussion (Miles & Huberman, 1994).

Table 5. 3 Data Sources and Justification

No	Interviewee	Division	Method	Justification
1	The Supervisory Board Member	Supervisory board	1.Field notes 2.Summary reports 3.Audio and visual data; recording interviews and photos.	1. To examine accountability communication arrangements between the supervisory board and the management. 2. To understand the control mechanism of the accountability disclosure to the external parties.
2	Management Team of BPKH	Top Management	1.Field notes 2.Summary reports 3.Audio and visual data; recording interviews and photos.	1. To examine the accountability strategy for disclosing information for the needs of BPKH stakeholders.

No	Interviewee	Division	Method	Justification
				2. To understand why the management disclosure activities are released to the public.
3	Supervisory board from Expert staff of the Ministry of Religious Affairs member.	Supervisory board	1. Field notes 2. Summary reports 3. Audio and visual data; recording interviews and photos.	1. To examine the complexity of governmental coordination underlining the accountability activities regarding the disclosure of information to the public. 2. To understand how to reinforce the reform action on accountability activities within a hierarchical mechanism.
4	Head of the department	Finance and Accounting Operation	1. Verbal reports 2. Field notes 3. Summary reports 4. Audio and visual data; recording interviews and photos.	1. To examine the decision of accommodating the primary accountability parties in the preparation of accountability that will be released. 2. To understand the process of accountability communication within BPKH in capturing the dynamic need for information from external parties.
5	Department Manager	Planning and Development	1. Verbal reports 2. Observation (memo, meeting topic, any relevant documentation) 3. Field notes 4. Summary reports 5. Audio and visual data; recording interviews and photos.	1. To examine the decision of accommodating the primary accountability parties in the preparation of accountability that will be released. 2. To recognize the reason and the nature of accountability presentation of BPKH and their personal capacity.

No	Interviewee	Division	Method	Justification
6	External parties of BPKH	PIC in Hajj	1. Field notes 2. Summary reports 3. Audio and visual data; recording interviews, photos, or video.	a. To assess community input in viewing/receiving shared information. b. To recognize the need and perception of their expectations towards BPKH accountability.

The data collection of this research happened from June 2022 to April 2023. During that time, the first time frame of the pandemic still made people work from home. Thus, the opening approach had slow progress in coordinating open communication. Unfortunately, there was also a change in Members of the Supervisory Board and Members of the Hajj Financial Management Board, or the Organ of BPKH, based on Presidential Decree Number 74 P year 2017 (BPKH, 2017). President Joko Widodo officially appointed the first BPKH organ on 26 July 2017 for the 2017-2022 period. Next, this first team was labelled the Pioneer in this research for their initial strategic action in establishing BPKH. Furthermore, the inauguration of the second BPKH organ for the 2022-2027 period was released on Monday, 17 October 2022. Therefore, there was a pause in the responses of the targetted interviewees due to this transition phase from July to September 2022. The data collection started to get the responses for scheduled interviews in late September 2022, after The President appointed the second BPKH organ.

Based on the available information, it was evident that the data collection period for this project spanned from September 2022 to April 2023. This time frame grasped significant importance for the BPKH, as it was aligned with the government publication of the statement regarding the Hajj cost 2023, which occurred on February 16th, 2023. The substantial rise in pilgrimage expenses had emerged as a prominent concern, with the BPKH drawing attention as the overseer of the Hajj fund. The situation was getting intense, as evidenced by the palpable tension observed in the behaviour of their workers throughout multiple visits research to BPKH's office. The individuals in question exhibited a lack of availability for casual conversation and displayed hesitancy toward engaging in dialogue. Only a limited number of individuals demonstrated openness and the contentious issue of Hajj costs in 2023. It had generated significant tension inside

the BPKH organization. The Public Relations Department remained consistently occupied. During this observation, they were instructed to limit communication, particularly with non essential parties.

The situation was documented through on site notes to accurately depict the circumstances (19 on site notes from personal interview session). Informal conversations occurred while waiting or interacting with participants during visits to BPKH; these small talks were included in the notes to provide additional context. Typically, these discussions took place in informal settings, addressing current situations or participants' opinions related to my research topics in a friendly manner. Such interactions usually happened before or after the interview sessions.

These informal conversations enriched the data collected, as participants were more relaxed and open when sharing their daily activities or feelings. This aided the researcher in interpreting interview results more accurately. Insights from these small talks offered a clearer picture of the on site situations and the participants' regular or irregular activities. Consequently, they assisted the researcher in gaining a comprehensive understanding of the interviewees' responses.

The significant increase in the 2023 Hajj cost generated a heated atmosphere, prompting numerous stakeholders to discuss the matter. The topic was brought to attention and extensively deliberated upon by several stakeholders, including the government, community observers, religious leaders, academics, and national media. The mass media covered the hajj issues massively and it contribute to the documentary references in this study. The concept of public vigilance in actively engaging in the monitoring of public funds emerged. This circumstance also contributed positively to the research, as the community's learning mechanisms could validate the scientific process undertaken. Including diverse scientific discussion forums and webinars in the references, would bolster the accountability of BPKH exploration.

The Individual interview is considered a highly effective method for comprehending human behavior and delving into subjects thoroughly (Fontana & Frey, 2000). This type of interview enables the expression of spontaneity, adaptability, and responsiveness towards individuals. In depth interviews (IDI) encompass a spectrum of formats, ranging from highly structured and regulated to more open ended and unstructured approaches. It can reveal much information about personal thoughts and events (Russell et al., 2005). On the other hand, Forum Group Discussions facilitate the

collection of data from a collective of participants who can audibly perceive each other's responses and offer further comments that they may not have expressed separately.

Focus groups (FGs) acknowledge that participant interaction is crucial to their effectiveness, as it encourages the identification and exchange of diverse perspectives on a given issue (Morgan, 1996). In their study, Kaplowitz and Hoehn (2001) discovered that the utilization of focus groups (FGs) and in depth interviews (IDIs) yielded distinct viewpoints about resources, values, and issues (Kaplowitz & Hoehn, 2001). It is determined that one approach was not superior to the other but rather that the two techniques exhibited a complimentary nature. The subsequent scientific discussion forums listed below (within 23 experts/academics/regulator as the key information) are highly pertinent to the research issue under investigation. These forums would be utilized as part of the data triangulation procedure within this study.

Table 5. 4 Forum Group Discussion on Hajj Fund Issues

Months (2022-2023)	Theme	Speakers
Online via Zoom and YouTube. Friday, 27th January 2023	Examining Proposals to Increase Hajj Travel Expenses (BIPIH) 2023: Is it Reasonable and Fair?	Dean/Academics
		Head of Syariah program/Head of Syariah Organization
		Head of BPKH (Current)
		Director General of Hajj and Umrah Organizers (MORA)
		Deputy Commission VIII DPR RI
		Head of Integrated Syariah Business Corporate
		Researcher and Lecturer
	Researcher and Lecturer/ HOST	
Online via Zoom and YouTube BPPK Ministry of Finance RI on 25 May 2022	Hajj Financial Management Policy for the Benefit of the Ummah	Head of BPKH (Pioneer)
		Director of Sharia Financing DJPPR Ministry of Finance
Hotel Artotel Suites Mangkuluhur, Online via Zoom and Youtube on 10 November 2022.	Strengthening Indonesia's Hajj and Umrah Economic Ecosystem in 2022	Director General of Hajj and Umrah Organizers (MORA)
		Deputy Chairman of Civil Organisation, Expert Council & Head of Islamic Banking Doctoral Study Program
Theater Room Lt. II Faculty of Economics and	The Concept of Istitha'ah, Hajj Costs, and Quality	Chairman of Civil Organization or Deputy Chairperson of Commission VIII DPR RI

Months (2022-2023)	Theme	Speakers
Business UIN Syarif Hidayatullah Jakarta & Online via Zoom and Live Youtube. Thursday, 23 February 2023	of Hajj Services For Sustainable Ecosystems	Chairman of the Association of Indonesian Sharia Scientists and Scholars
		Management BPKH
		Civil Organisations from higher education alumni
		Bank Muamalat Indonesia
		Director General of Hajj and Umrah Organizers (MORA)
		Head of Integrated Syariah Business Corporate
		Chairman of the Association of Indonesian Hajj and Umrah Guides
Muhamadiyah TV, 18 February 2023.	Examining Proposals to Increase Hajj Travel Expenses (BIPIH) 2023: Is it Reasonable and Fair?	Chairman of a significant Islamic non-governmental organization in Indonesia
		Directorate of Hajj and Umrah (MORA)
		Management BPKH
		Academics/Shariah Expert

Source: Developed by Researcher

5.5.1. The Interview Questions

Making decisions about the people to interview and the places, events, and social processes that will be part of the study is part of sampling. Research questions are crucial in determining the focus and scope of sampling decisions. A significant portion of qualitative research focuses on analyzing a singular "case", which refers to a specific phenomenon in a solitary social context. The varying positions and extents of influence each interviewee possesses would show distinct perspectives, reflecting their own viewpoints. Therefore, the scope of questions would be asked differently at each position level. Even though the questionnaires were well described, during the interview, the preliminary conversation was delivered briefly to the interviewees so that the session would flow naturally as the interviewees shared their thoughts and experiences. They did not have to worry about the questionnaire list and focus only on their narration. A detailed set of questionnaires for each interviewee was presented in the appendix.

The questionnaire was designed as a series of open ended questions tailored to investigate the study theme and the interviewee's perspective. To facilitate inquiry, specific fundamental issues would be identified as themes to elucidate the managerial accountability of Hajj fund at BPKH. These topics would serve as the underlying concept for all interviews. Nevertheless, during its execution, the implementation would be customized for each respondent, accommodating varying levels of depth on specific investigation points tailored to the particular individual. According to Kvale and Brinkmann (2009), a significant amount of interpretation occurs throughout an open ended interview. During the interview, the individual discussing their "life world" undergoes a process of discovering novel connections and patterns. Meanwhile, this flow interprets the meaning stream through occasional summarization and reflection.

Table 5. 5 Questionnaires Breakdown Concept of Accountability in Hajj Fund Management

Aim/Purpose	References	The Theme of Discussion
Introduction Information and backgrounds of Interviewee		Interviewee Demography
Organizational Legitimacy of BPKH	The communication of organizational adjustments and adaptations to the legitimacy nature might contribute to organizational legitimacy (Dowling & Pfeffer, 1975; Suchman, 1995).	The goal of becoming a trusted organization
The action of being accountable	The theory from Cutlip (2000) should be taken carefully since BPKH is in the infant stage (one periodic/5 years), whereas the structure and system are just being set up (Cutlip et al., 2000). So, this theory should be taken into perspective that BPKH as an organization is the new reform structure and system from MORA management.	Communication and interaction with Stakeholders
The Comprehension of the conveyed information	The perceptions of stakeholders determine legitimacy (Dowling & Pfeffer, 1975; Suchman, 1995).	Stakeholders Feel About Organization

Aim/Purpose	References	The Theme of Discussion
The public trust in BPKH	The significant improvement in delivering information to the public is well demonstrated and accessible on BPKH's official website (Dowling & Pfeffer, 1975; Suchman, 1995).	Stakeholders Trust about Organization
The criteria of a professional organization in managing Indonesian Hajj fund	They perceive it as a desirable quality for officials, government agencies, or firms (Bovens, 2007; Dubnick, 2007b). Helping illustrate the inside process in managing Hajj fund as the professional and independent organization goal.	The Mechanism Process
The flow of hierarchical process in preparing the released information.	Exploring the hierarchical process and classifying it with the Stewart Ladder of accountability (1984) (Stewart, 1984)	The inside Mechanism (Political/hierarchical)
The media communication in socializing the released information to external stakeholders.	Identify the information of the accountability output with transparency and accountability criteria fr (Fox, 2007).	The dissemination of Accountability by BPKH
The process of being accountable within the organization.	Accountability can be approached as a particular social relationship or mechanism with a commitment to clarify and justify the behaviour (Day & Klein, 1987; Goodin, 2003; Lerner & Tetlock, 1999; Mulgan, 2003; Pollitt, 2003; Romzek & Dubnick, 1998; C. Scott, 2000). The relation means that the actor, the account or, and a forum, the account holder (accountee), are connected (Pollitt, 2003).	The answerability

Aim/Purpose	References	The Theme of Discussion
The social learning process of organization in building organizational legitimacy.	All stakeholders contribute to assessing legitimacy by "judging one or more aspects of the organization with varying degrees of knowledge and influence on the overall level of legitimacy" (Ruef & Scott, 1998). There is widespread consensus that stakeholders are organizations' primary drivers of environmental change pressures (Cutlip et al., 2000).	Stakeholders Involvement

Source: Developed by Researcher

5.5.2. Data Analysis

Data analysis was conducted subsequent to the completion of the data collection phase. The process of converting recorded interviews into written papers posed significant challenges. The task necessitated focused attention and might include repeated listening to the audio to accurately distil the key points of the discourse. The subsequent phase entailed coding the transcribed interviews, encompassing individual interviews and group forums. According to Sweeney (2013), the input coding step represents the final phase of data analysis. The coding procedure during the data analysis stage is of utmost importance as it effectively structures the data and enhances its logical comprehensibility (Basit, 2003).

The subsequent procedure involved transferring the transcription data into the Atlas. Ti software interface. The present study utilized the Atlas. Ti version 8 software package as a tool for enhancing the application of learning programs. This program represented a significant methodology, particularly in the realm of qualitative research. Qualitative research often implies gathering subjective data through interviews, which might include various forms of media such as voice recordings, memos, photos, documents, and video recordings. To effectively analyze this data, researchers employed computer based systems like Atlas. Ti, which is a specific software designed for Computer Aided Qualitative Data Analysis (CAQDAS).

The program demonstrates significant utility in organizing textual data, resulting in time savings and enhanced flexibility throughout the analysis phase

(Hackney et al., 2007). Another benefit is that this program offers a notable degree of precision and openness in the study procedure (Welsh, 2002). Using this tool, which creates and evaluates textual data, it is possible to conduct a more detailed inspection or an in-depth analysis of various social, political, and economic issues (Krishna & Schrader, 2000; Hentschel, 1999). The themes and motifs that came up during the research were used to divide the interviews into groups (Creswell, 2009; Bernard & Ryan, 2009). The focus was on writing down internal processes, how people made decisions, and how they talked to stakeholders. The information from different hard copy documents and online sources was read in depth to confirm and expand on the interview themes. The transcripts were examined to ensure the interview's tone, emotions, and accents were correctly represented. Under each topic, several quotes from different people and other pieces of evidence were gathered (Miles & Huberman, 1994). The coding procedure spanned a duration of around two months, as it was executed sequentially, progressing through several stages. This veiled that the coded data were organized into relevant, appropriate themes to address the study objectives and questions accurately. Over time, a series of study samples that had undergone coding would be systematically examined to identify common trends or explore discoveries derived from the conducted interviews. This process persisted until all coding data had been fully collected and finalized for the subsequent analysis phase.

The ultimate phase was categorizing the coding data based on thematic concepts that addressed all the identified issues outlined in this study. The execution of this task required adherence to the most effective means to ensure a consistent and superior outcome. Using a framework to structure the entire research process determine the scope of review, help identify key concepts and find suitable themes. This concept eased a comprehensive understanding of the research findings and abode the problem identified in this study. Chapter Six will examine the process of categorizing case findings into themes pertinent to the research questions within a consecutive order outline. Subsequently, the examination outcomes will be scrutinized by integrating diverse information sources employed in the study. This highlights the understanding of the accountability problem manifested within BPKH, Indonesia's exclusive overseer of Hajj fund. The analysis and discussion will be presented in Chapter 7. Before conducting the aforementioned steps, it is imperative to establish the validity and reliability of the data in the qualitative study.

5.5.3. Validity and Reliability in Qualitative Research

The issues surrounding validity and reliability in qualitative research remain a significant concern. Merriam (2009) outlines multiple factors essential for ensuring qualitative research's validation and reliability (Merriam, 2009). One of the ways to enhance reliability and validity in research is by conducting a pilot study (Gudmundsdottir & Brock Utne, 2010). Pilot studies should be considered an essential component of any research design (Kim, 2011). The primary objective of a pilot study should not be merely to confirm that the research has been carried out or to provide an implicit justification for the methods used; instead, it should identify areas where modifications to questions or other procedures fail to elicit suitable responses or hinder the researchers from acquiring comprehensive data should be considered (Gudmundsdottir & Brock Utne, 2010; Kim, 2011).

This research conducted a pilot study, which explored 2 (two) stakeholders with good knowledge about BPKH. Their background confirmed their expertise related to BPKH. The first interviewee was active in helping BPKH since Hajj fund were handled by MORA. He was one of the expert staff in risk management, where he helped the Hajj management agency prepare various internal regulatory instruments for running BPKH activities. The second interviewee was the planning and development expert at BPKH from 2017 until 2018. The interview was designated to provide good insight into exploring BPKH's openness to sharing information about responsible action (Roulston, 2010). The pilot study set the account giving situation from the meaning of accountability between BPKH and its stakeholders as the reason for gaining legitimacy (Gray, 1983; Roberts & Scapens, 1985, p. 447). Therefore, the scope of questions targetted on stakeholders' perceptions in determining legitimacy (Dowling & Pfeffer, 1975; Suchman, 1995).

In qualitative research, it is essential to acknowledge that a single set of study data might be subject to multiple interpretations. The disparity between the reliability of qualitative data and qualitative research is evident (Merriam, 2009). In order to assess narrative studies such as phenomenology, case studies, or ethnography, which involve the use of storytelling or detailed explanations to explore phenomena or cultures, one might employ several methods (Creswell, 2009). There might be doubts about how the data was analyzed. Therefore, the question was whether the six person forum group had the same weight as an in depth interview. According to Morse (2012), random mixing of methods could make things less reliable (Morse, 2012). On the contrary, people

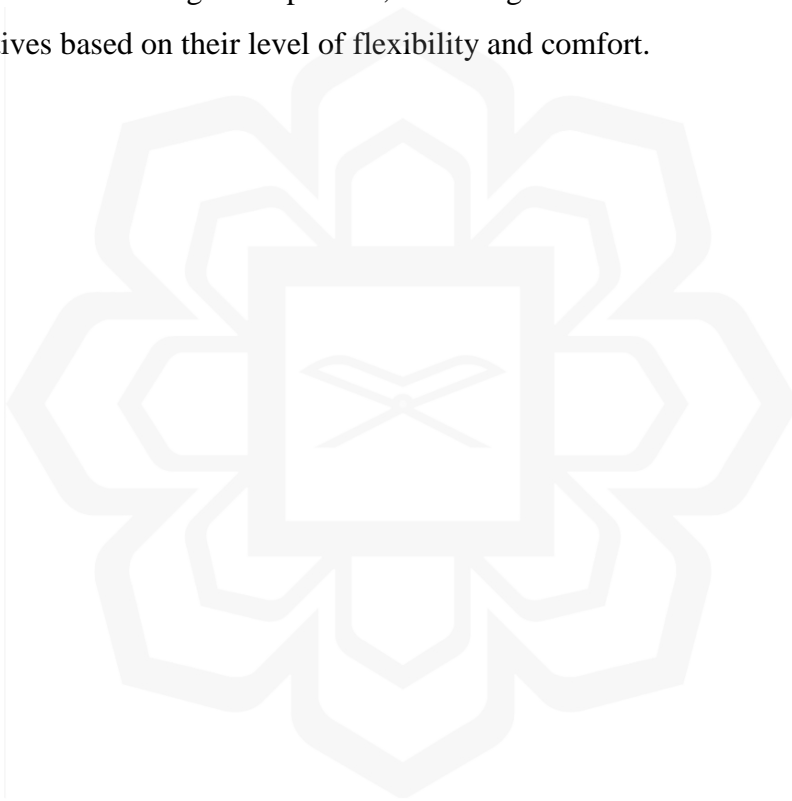
perceived having more data are always better, making them less concerned with what to do with both data types (Barbour, 1998).

Triangulation is a qualitative research technique to enhance the validity of findings through the utilization of diverse approaches, sources, or viewpoints to substantiate the outcomes. This practice can contribute to the assurance of the findings' accuracy and reliability, enhancing the research's overall credibility and a thorough comprehension of phenomena (Patton, 1992). Data source triangulation is gathering information from several types of people, such as individuals, organizations, families, and communities, in order to get numerous views and validate data. The data triangulation needs to be treated separately. The next step is to combine them, find similarities and differences, and conclude how the different methods affect the results (Carter et al., 2014). The methods of data collecting are based on which ones are the most appropriate for answering the study issue. Data triangulation was accomplished by purposefully selecting both forum groups (FG) and individual interviews (ID) to gather information. Since they were able to able to elicit rich information distinctly. The use of interviews were considered among the most effective methods for getting knowledge of human beings and doing in depth research on various themes (Fontana & Frey, 2000). On the other hand, FGs acknowledged as the interaction between respondents, which encouraged the identification and exchange of different points of view regarding the same subject matter (Morgan, 1996).

The researcher's ethical and behavioral perspectives impacted the validity and reliability of qualitative research (Merriam, 2009). An effective researcher would demonstrate attentiveness to all relevant criteria to establish credibility in their qualitative study. The support for developing sufficient qualitative research positively correlated with the researcher's credibility. Hence, researchers' credibility could be augmented by implementing a set of suitable exercises during the process of data collecting and analysis (Patton, 1992). As demonstrated in this study, in addition to receiving extensive training in qualitative data analysis, acquiring knowledge of social methods and effective interview techniques had enhanced the richness and depth of information obtained during the interview process.

The present study employed an interview protocol as a means to enhance the validity and reliability of the research findings. The interview protocol was a comprehensive document that equipped a detailed account of the various stages of conducting an interview. It was encompassed the pre interview phase and the actual

interview process, underscoring the importance of the interviewee's active participation throughout the interview (Jacob & Furgerson, 2012). The set of interview protocols are always attached to questionnaires and shared in the pre interview session by Whats App or email. At the onset of the interview, the researcher would reiterate the consent to the interviewee for their voluntary engagement. Therefore, it was demonstrated a profound appreciation for the interviewee's autonomy and agency. Once the participants were attained comprehension, the subsequent phase would involve conducting interviews whereby a series of questions should be posed, exhibiting adaptability to accommodate the interviewee's unique viewpoint. The utilization of semi structured interviews facilitated the investigation process, allowing the interviewees to express their perspectives based on their level of flexibility and comfort.



CHAPTER SIX

CASE FINDINGS

6.1. INTRODUCTION

Utilizing an interpretive, analytical approach, the present study aimed to elucidate the intricacies surrounding the administration of Hajj fund within the public domain, specifically focusing on the case of BPKH. The primary objective was to comprehensively understand the challenges and opportunities associated with information openness in this context. Qualitative research endeavours to explicate the mechanisms and rationales underlying a particular social phenomenon or program within a distinct contextual framework (Polkinghorne, 2005). This study scrutinized research findings across the history of Hajj management, exposing the evolution from when it was under MORA to now with BPKH involvement. It specifically examined the managers responsible for overseeing the implementation of the Hajj pilgrimage in Indonesia up to the three phases of hajj fund managerial. The MORA and BPKH are the two official supervisors responsible for overseeing the Hajj pilgrimage.

As accountability is the prominent issue in Hajj fund management (Muneeza et al., 2018), the shift in management in the two Hajj fund managers focuses on openness and accessibility. There is a difference in the accountability mechanism, as BPKH, the new manager, offered a new accountability process that supports transparency. A typical accountability relationship in public entities is a combination of hierarchical/managerial and political accountability, referred to as public accountability (Laughlin, 1980; Ryan and Walsh, 2004). The Boven accountability framework helped me analyze how the accountability process in public agencies flows through three phases informing, debating, and judging in the narration of the account giving schema between the accountor (government agent) and the accountee (hierarchical stakeholders in a government agency). Through this schema, the study examines whether BPKH's accountability mechanism aligns with the expectations of its key stakeholders, including government regulators: (1) pilgrims, society, and government authorities; (2) monitoring and control mechanisms; and (3) the social media environment, education, and society's forum.

In the context of Indonesia's Hajj fund management, significant reforms have been implemented to enhance transparency, efficiency, and accountability. The

establishment of the Hajj Financial Management Agency (Badan Pengelola Keuangan Haji or BPKH) under Law No. 34 of 2014 marked a pivotal shift from traditional practices to a more structured and accountable system. These reforms reflect a progression up Stewart's Ladder (Stewart, 1984), indicating a shift towards higher levels of accountability in Hajj fund management. By integrating comprehensive oversight mechanisms and aligning operations with national policies, BPKH exemplifies a commitment to responsible and transparent governance in managing public funds. Stewart's (1984) Ladder of Accountability delineates five ascending levels of accountability within public sector organizations: probity and legality (compliance with legal frameworks and ethical standards), process (following standardized procedures), performance (evaluation of predefined and striving strategies), program (effectiveness in specific initiative programs), and policy accountability (aligning with and contributing to broader socioeconomic goals). This framework underscores the progression from basic compliance with laws and ethical standards to the alignment of organizational actions with overarching policy goals and public expectations.

6.2. DESCRIPTION OF CASE STUDY BPKH (HAJJ FUND MANAGEMENT AGENCY)

This analysis examined the degree of participation of the Hajj managers in coordinating the Hajj pilgrimage for Indonesian pilgrims throughout the years. Subsequently, the participation of these public fund managers is concentrated on three primary topics of discourse: firstly, MORA's complete ownership of Hajj management from 1950 to 2013. Furthermore, BPKH has ultimately established itself as a means of reforming Hajj management, ensuring higher professionalism and accountability. It serves as a reliable partner to the MORA, particularly in terms of managing the financial aspects of Hajj funding. The third phase commenced in 2018, during which BPKH and the MORA collaborated to efficiently oversee the execution of the Hajj for Indonesian pilgrims. This study utilized the interpretive technique of the qualitative research model to provide a detailed analysis of the three phases of Hajj managers' involvement in managing public monies for Indonesian Hajj pilgrims. It made use of the ATLAS.ti 8 software to thoroughly examine and analyze pertinent themes related to the legitimacy and accountability of the Hajj money administration. This study aimed to provide a comprehensive analysis of the accountability of Hajj money management in Indonesia,

which has not been thoroughly examined previously. It would serve as a pioneering academic research endeavour that delves into the intricate aspects of the Hajj fund management accountability process and the obstacles it faces in Indonesia.

The three stages of the accountability process that took place during the management of the MORA and BPKH offer a comprehensive assessment of the organization of the Hajj pilgrimage at each stage. This study discusses the progress of the initial arrangement of Hajj management, the implementation of the public accountability mechanism, the level of public trust in the management of Hajj fund, and the obstacles and challenges faced in managing these funds, which are primarily intended to provide welfare for the owners of Hajj fund. During the initial phase, the MORA assumed exclusive responsibility for managing the Hajj pilgrimage. The text depicts MORA's organization of the Hajj and its implementation of several modifications to segregate administrative and operational tasks. During the initial period of reform, which was governed by Law No.17/1999, there was a remarkable incident of misappropriation of Hajj fund. This incident occurred while the MORA managed all aspects of the Hajj pilgrimage.

The second phase marked the commencement of substantial alterations in the administration of the Hajj fund. The government's endorsement of proficient and responsible management of the Hajj fund is shown via the establishment of an autonomous agency that aids the MORA in enhancing the Hajj experience for Indonesian pilgrims. BPKH as the investment manager for Indonesian pilgrims, marked a significant development in the division of responsibilities between Hajj finance and Hajj operations. The final step involves the implementation of the modifications in the division of authorities for Hajj management, which commenced in 2018 and is now ongoing. The transformation process aims to establish public trust, hence generating legitimacy for professional Hajj management in Indonesia. The accountability process will ensure continuity and foster effective governance by implementing corrective measures. This will inherently yield a beneficial influence on the entirety of the Hajj pilgrims. One of the key aspects is recognizing the importance of ensuring that handling Hajj monies provides fair and equal benefits to all pilgrims.

6.3. PHASE 1: MORA HEAVY INVOLVEMENT (1950-2014)

This initial phase marked the commencement of structured Hajj operations in Indonesia. Indonesian people have been doing pilgrimages since 1893, even before the mentioned event. Further enhancements were made, and the period of reform underscored the importance of ensuring a high standard of Hajj execution for Indonesian pilgrims. Indonesia witnessed a significant transformation in the organization of Hajj throughout the reformation period. The amendment, culminating in the enactment of Law No. 13/2008, reasserted the government's responsibility, specifically MORA, as the entity in charge of managing the Indonesian Hajj pilgrimage. Subsequently, the organization of the Hajj has experienced some improvements, but the occurrence of corruption and theft of Hajj monies has become a significant national issue, leading to the arrest of two former ministers of religion for their involvement in the misuse of these funds (Fadillah , 2014). Thus, the purpose and intention are to transform Hajj fund management into a professional and accountable process. The aforementioned management period demonstrates that during the New Order era (commencing in 1966), the government (MORA) assumed complete responsibility for the organization of Hajj and effectively implemented it at both the national and regional levels across Indonesia.

“... I personally see that the Ministry of Religious Affairs is not wholeheartedly, sincerely, or willing to take the financial management of Hajj out of the Ministry of Religious Affairs. In the past, the Ministry of Religious Affairs could determine any components...”
(M1, BPKH)

“I see that this is a very appropriate step for the government, that it is being carried out (BPKH) so that the real hope is that these funds can be managed more accurately and more professionally.” (M5, BPKH_P)

6.3.1. Prominent Issues

MORA played a pivotal role in this endeavour's administrative and operational parts. This was because, despite numerous changes in management during this phase, most of them still took place in conjunction with MORA. Furthermore, numerous occurrences occurred that caused injury to pilgrims due to the negligence of private Hajj organizers and the mismanagement of Hajj funding by the authorities. The management of Hajj in

Phase 1 had significant challenges that needed to be acknowledged for professional and responsible Hajj management.

The *ta'awun* management pattern forms the foundation of religiosity, wherein the general public refrains from scrutinizing the administration of Hajj money, as long as their Hajj objectives are achieved. However, the management of the Hajj might also lead to abuse of authority, taking advantage of the community's high level of tolerance resulting from their religious values. The following evidence during Phase 1 was supported a suboptimal situation for establishing competent and responsible governance of Hajj management. Four significant challenges that arose during Phase 1 of Hajj management in Indonesia have been discovered.

6.3.1.1. Low Information Regarding Hajj Fund Management

There is little information on what and how Hajj funds were managed to finance the Hajj departure of Indonesian pilgrims during the period of Hajj fund management while MORA was the primary manager. The only information available to the public is the amount of BIPIH (Hajj Travel Expenses) that the congregation must pay for individuals who have decided to conduct the pilgrimage in the relevant year. This condition is mentioned and published on the official MORA website (MORA, 2023). According to Rahmadi, Spd. I, MM, who is the organizer for Hajj and Umrah in the Balangan district, MORA:

“Currently, individuals possess knowledge of the overall cost of the Hajj but lack specific facts. The cost of the Hajj comprises two primary components, namely BIPIH and the monetary worth of the benefits. The amalgamation of the two results in BPIH.”

“Until now, the only information that has been made available to the public about the expense of the Hajj in past years was the amount of BIPIH...”

It has recently come to light that the public was rather surprised by the revelation of the fees associated with the 2023 Hajj pilgrimage, as there had been a scarcity of information surrounding these expenses. The Pioneer team supervisor provided the following description of the situation.

“This was initially not revealed to the public because it occurred before 2005. We planned to go to Hajj that year and paid the necessary

amount of IDR 25 million, but the cost of the Hajj, hotel charges, and lodging prices all went up. Then, in Indonesia,.....” (BM3, BPKH_P)

The annual cost of the Hajj pilgrimage is determined by the government and referred to as BIPIH (Hajj Travel Costs). The BIPIH amount represents the authorized travel expenses for Indonesian pilgrims embarking on the Hajj journey. The BIPIH value varies annually following government requirements. The BIPIH sum will be publicly disclosed annually, specifically a few months before the departure of the Hajj pilgrims to the sacred land. This system mandates Hajj pilgrims who have made an initial deposit to pay for the Hajj pilgrimage based on the calculated BIPIH value. The crucial matter at hand is that the government determined BIPIH does not accurately reflect the actual expenses incurred by pilgrims for doing the Hajj. The public is unaware that the true cost of the Hajj is significantly higher than the BIPIH, which is determined by the government and paid by Hajj pilgrims. They understand that the government also protects and provides guarantees to the public through subsidizing costs for Hajj departures. However, the value and calculation figures for the cost of the Hajj trip were never made public information during Phase 1 of Hajj management.

“We have never received any information about the finances....”
(PN, 2)

“.....The issues regarding the management of Hajj funds are still negative (for example) when we meet with friends, I try to clarify, not only from the outside community but from internal banks who do not know BPKH directly....” (M1, BANK)

The implementation of the Hajj management system commenced with the legal regulations outlined in 1999, which established an integrated information and computerization system known as SISKOHAT. Following this proclamation, a system for first Hajj payments was established for Indonesian nationals desiring to partake in the Hajj journey. The initial deposit provided is IDR 5,000,000, held in a savings account under the name of the Hajj pilgrim. The initial deposit for normal Hajj pilgrims was raised to IDR 20,000,000 in 2001. The value remained constant until 2008. The initial deposit for the expense of organizing the Hajj rose to 25 million rupiahs in 2009 (Kompas, 2017). The starting investment amount has remained constant at 25 million rupiahs for 14 years, specifically until 2023. Prof. Hilman Latief, the Director General

of Umrah (Dirjen PHU), has officially verified this condition (Jawapos, 2023) as follows:

“There has been no increase in the initial deposit for Hajj registration in recent years. Still, IDR 25 million. Meanwhile, the actual expense of the Hajj journey rises each year. In reality, the 2022 Hajj season saw a huge increase from the 2019 season's IDR 69.16 million to IDR 97.79 million....”

The actual cost of the Hajj or Hajj Organizing Costs (BPIH) in Indonesia was never made public until 2023; to be more specific, it began on February 14, 2023, when the government disclosed the 2023 Hajj travel costs. The cost of organizing the Hajj (BPIH) is made up of two major components: BPIH (Hajj Travel Costs), which has remained constant at 25 million rupiah for the past 14 years (2009-2023), and the benefit value, which is a government subsidy component classified as indirect costs.

“ ... For example, the cost of going to Hajj, the government set the BPIH at around IDR 35 million ... Many people do not know that the actual cost of Hajj travel is not IDR 35 million, but the average is around IDR 71-72 million....” (M1, BPKH)

“Second, I hope that the government will be more upfront about the costs of the Hajj. This number is new, yet it did not exist a year ago. Even two or three years ago, we did not receive precise cost information...” (Irfan Syauqi Baik, Sharia Economist in FGD)

Since 2018, when BPKH accepted responsibility for managing Hajj money, the lack of transparency regarding the costs of Hajj has emerged as a significant issue. This is concerning since it is considered crucial for ensuring the long term viability of Hajj fund management. The accessibility of public information is of utmost importance.

“We consider (providing the information) as much as possible to stakeholders, especially pilgrims. From our analysis, these pilgrims need information on how much additional funds they have because, in the law, there is a term virtual account...” (M1, BPKH)

“We really want BPKH to make its financial statements easy for the public to understand and to be prioritized under the regulations. After that, we just made accounting policies that were explicitly made for BPKH following accounting standards....” (M3, BPKH)

The government establishes the BIPIH amount without a precise estimate of the actual components of the Hajj costs. In other words, it is a subjective figure resulting from political discussions between the DPR and MORA. Therefore, this would serve as the fundamental cause of the issue in establishing effective and sustainable Hajj management.

“the cost of the Hajj has a rather political history, ma'am. The problem is that the Ministry of Religious Affairs has a budgetary policy that the cost of Hajj should not increase. That is how it is packaged...” (M1, BPKH_P)

“... the political budget of the Hajj pilgrims (supposed to be)can pay at a high price. However, currently, the political budget is the same as last year. It cannot increase. So, once there is prices rise, services rise, and quality is improved, so it did not rise because the political budget cannot increase the amount paid by the Hajj pilgrims.” (BM1, BPKH_P)

Historically, the Ministry of Religious Affairs (MORA) in Indonesia managed Hajj funds. However, this approach faced criticism due to perceived deficiencies in transparency and accountability. The accumulation of substantial funds from prospective pilgrims, coupled with a lack of clear information on fund utilization, led to public concerns and skepticism regarding MORA's financial governance. These issues were further exacerbated by instances of mismanagement and corruption, notably the case involving former Minister Suryadharma Ali, who was convicted for misusing Hajj funds (Mahfudz, Dena, & Ahmad, 2023). Additionally, cultural perceptions influenced the acceptance of limited transparency. Empirical evidence suggests that the lack of information was sometimes viewed positively, as an act of helping others, reflecting a communal mindset that tolerated the absence of transparency (Nasution et al., 2019). This acceptance contributed to a normalization of non-transparent practices in Hajj fund management.

6.3.1.2. *Bad Governance in Hajj Organizing*

The lack of transparency or openness in handling Hajj finances during Phase 1 has become an inherent condition, indicating inadequate governance. The matter of revealing information regarding the precise expenses associated with the Hajj pilgrimage has emerged as a subject of public discourse following the establishment of

the 2023 Hajj Costs (BIPIH). According to Dr. Irfan Syauqi Beik, a scholar and Sharia economist, during the national discussion on the sustainability of Hajj finances, that's:

“..... the costs of the Hajj. This number is new, yet it did not exist a year ago. However, if we look at the public, they will be stunned. So, in my opinion, there is an area of public communication that requires improvement. ...Yes, it will be reasonable if these expense components are well explained and presented to the public.”

The management of the Hajj reveals that the Hajj Organizing Cost (BPIH) is the total amount paid by the Hajj pilgrims (BIPIH) plus the government subsidy from the Hajj fund. The subsidy is derived from the benefit value of the Hajj fund, which is classified as indirect costs. The dissemination of this term has been limited to policy officials, thereby preventing it from becoming widely known among the general population.

“.... how much value can be maximized from the IDR 25 million? If it is in the bank, it means that there is interest that we can get. However, from the IDR 25 million, how much benefit value do we get if it is deposited in Hajj? That is the most essential thing that should be informed to the pilgrims....”

(PF 1)

“there needs to be an explanation to the public so that they understand and further explain what the deposit funds are like, if the use is where then the benefit funds are used, there is more or less then how to solve it, then where the endowment fund leads. I hope this will be intensified because sometimes we still do not understand....“ (O1, Agent)

Furthermore, research on the management of Hajj money during the MORA era provides a detailed account of how governance is carried out in administering the implementation of the Hajj with a non-transparent definition of Hajj costs. The informant from MORA stated that the annual profit sharing fund (BV), which is the benefit value on investment of the initial deposits of all registered Hajj pilgrims, is used to cover the shortfall in Hajj costs for departing pilgrims.

“....before 2005. In that year, we wanted to go to Hajj and paid according to the cost of IDR25 million, but later, the cost of Hajj, hotel prices, and accommodation prices increased. Then, in Indonesia, the Hajj cost (BIPIH) was set so that it could be filled with savings of wait list pilgrims“ (BM 3, BPKH_P)

“... the actual cost of Hajj travel is not IDR 35 million, but the average is around IDR 71-72 million. Now the question is, where does the difference come from? Well, the difference is subsidized by the benefit value of the wait-list pilgrims” (M1, BPKH)

Because the government set Hajj costs (BIPIH) are lower than the actual costs incurred during the Hajj, departing pilgrims require a subsidy. The subsidy allocation is determined by utilizing indirect expenses or the benefit value of the entire congregation to address the real deficit in the actual cost of organizing the Hajj (BPIH).

“... pilgrims pay for the Hajj should be much greater than the actual value,Imagine if the ticket was only IDR 30 million, the pilgrims only paid IDR 35 million and then returned IDR 5 million for living costs, so what would the money be like for accommodation costs, paying for meals, and so on? ...” (BM 3, BPKH_P)

The disbursement of this money is contingent upon the endorsement of the People's Representative Council of the Republic of Indonesia (DPR). As the Hajj manager, MORA employs a management framework rooted in the notion of *ta'awun*, which denotes collaborative support and aid among fellow Hajj pilgrims. It is important to remember that the amassing of possessions, particularly money, might be considered a type of squandering. Regrettably, the concept of mutual aid has led to a concerning lack of reliable and responsible information for Hajj pilgrims who are still awaiting for departure.

Another essential aspect is the method for arranging the Hajj in accordance with the rules of *Syar'i* in *fiqh*. Implementing *ta'awun* in managing pilgrims Hajj fund is seen as a violation of the *fiqh* notion in the definition of Hajj (Abbas, 2023). The obligation of performing Hajj for those who have the financial means is explicitly mentioned in Surah Ali Imran. (Al Qur'an, 2018, Surah 3; 97):

“Performing Hajj is a human obligation to Allah SWT, namely (for) those who can travel to *Baitullah*.”

The term "capable" in this verse stipulates that the obligation of Hajj is strictly limited to individuals who possess the financial means to undertake the pilgrimage to Mecca and are also in good physical condition to complete the journey.

“.... it must be understood that the public must pay according to the cost. If this is not communicated well, it will continue to be a problem” (BM1, BPKH_P)

“..... If in *fiqh* it says that the Hajj pilgrim must be able to afford it, then it is subsidized, which means that he cannot do it“ (M1, BPKH)

The Arabic phrase for 'able' is *isti'toah*. The introduction of the *ta'awun* idea has caused the definition of the pilgrimage notion, namely *isti'toah*, to become unclear. Applying the *ta'awun* idea leads to the granting of subsidies to cover the cost of Hajj travel for pilgrims leaving for Hajj. Naturally, the meaning of "capable" does not align with "subsidies," which, coincidentally, denotes "less able." "This condition emphasizes the importance of the Hajj organization's ability to oversee the worship process within its corridors.

Indonesian pilgrims have traditionally perceived Hajj registration as a comprehensive mechanism, wherein the initial deposit is not merely a financial requirement but also embodies a collective spirit of mutual assistance, known as *ta'awun*. This perspective is rooted in the understanding that their contributions aid fellow Muslims in fulfilling the Hajj obligation, reflecting a communal ethos endorsed by religious and governmental narratives (Nasution et al., 2019). The subsidy mechanism, introduced in 2004, further reinforced this perception. Pilgrims began to view the financial support received during their pilgrimage as a rightful return on their earlier contributions, fostering an expectation of entitlement to such subsidies upon departure to Mecca. Over the years, this mindset became deeply ingrained, with limited public discourse on the actual costs involved in organizing the Hajj. The detailed breakdown of these expenses remained confined to policy officials, creating an information asymmetry between administrators and pilgrims (Sarka et al., 2023).

This lack of transparency persisted until 2023, when comprehensive disclosures regarding the actual costs of Hajj operations were made public. The revelation highlighted the complexities of the subsidy system and the financial management practices of the Hajj Fund Management Agency (BPKH). The previously opaque allocation of funds, often referred to as a "black box," became a focal point for stakeholders, prompting discussions on the need for greater transparency and accountability in Hajj fund management (Mahfudz et al., 2023).

6.3.1.3. *Political Process*

The current lack of transparency and accountability in the administration of Hajj management in Phase 1 is closely linked to the existing mechanism for determining Hajj travel costs in Indonesia. The determination process is conducted mechanistically, taking into account many factors considered by the government, particularly MORA, which serves as the organizer and administrative manager of funding for Indonesian Hajj pilgrims. Additionally, the People's Representative Council serves as the representatives of the individuals or collective bodies who possess ownership of the Hajj fund. Throughout history, it was discovered that determining Hajj costs before 2004 is based on the number of expenses incurred during the Hajj pilgrimage. It can be stated that the congregation is responsible for covering all expenses associated with the Hajj. The government's responsibility is limited to organizing the travel needs of the pilgrims for Hajj and ensuring their proper and safe performance of the pilgrimage. The system was altered in early 2000 following the implementation of *Law No. 17/1999* (Republic of Indonesia, 1999), Indonesian residents who intend to undertake the Hajj are required to open a savings account in the name of the congregation and make an initial contribution. The initial deposit will serve as the foundation for the congregation to secure a place in the departure queue for Hajj, following the annual quota set by the government. To put it succinctly, this year marked the inception of the Hajj fund, which is essentially a compilation of initial contributions made by all Indonesian pilgrims. By exploring the document containing the stipulation in determining the Hajj cost for Indonesian pilgrims, the process of determining Hajj costs in Indonesia has been discovered thus far. A key point highlighted two methods for calculating Hajj costs. The first is the phase in which the Hajj travel costs correspond to the total expenses incurred throughout the Hajj. The second phase occurs when the costs paid by pilgrims differ from those spent during the Hajj.

The stipulation refers to a decree or regulation issued by the President that pertains to setting the expenses associated with organizing the annual Hajj pilgrimage. The definition is contingent upon a decision or rule, as the government's determination can manifest as either a Presidential Decree (Republic of Indonesia, 2016, 2017, 2018) or a Presidential Regulation (Republic of Indonesia, 2013, 2014, 2015). The Hajj expenses from 1950 to 2002 reflect the principle of *istitho'ah*, which pertains to financially and physically capable Muslims. During this era, the determination of the Hajj cost specifically refers to the actual expenses that are incurred while carrying out

the Hajj pilgrimage. This conclusion is derived from the findings that the decree contains keywords that elucidate the underlying reasoning behind the decision making process. A consistent trend in the reasons for estimating the expense of Hajj has been identified from the inception of the Hajj organization till 2002. The explanation contains paragraphs with keywords as stated in the *Decree on the Determination of Hajj Costs, 1950 - 2002* (Republic of Indonesia, 2002) that explicitly indicate the government's involvement in ensuring the efficiency and organization of the Hajj pilgrimage.

The process of organizing the Hajj pilgrimage in Indonesia will be outlined concisely in the initial phase of milestones. The Hajj expedition orchestrated by the government took place in 1950, accommodating a total of 10,000 individuals. It is worth noting that this does not encompass the additional 1843 individuals who voluntarily embarked on the Hajj pilgrimage (Syafuruddin, 2016). The government, through Circular Letter SE No. A.III/I/648 dated 6 February 1950, designated PHI (Indonesian Hajj Organizer) as a collaborator to assist the government in planning, executing, and overseeing the Hajj pilgrimage, under the authority of MORA. Presidential Regulation No.3/1960 on the Organisation of Hajj Affairs is the most readily available official document regarding the expenses associated with Hajj cost. The explanation of PP No.3/1960 clarifies that the government oversees the execution of Hajj to guarantee the safety and well being of the pilgrims, as well as to provide them with necessary services and guidance throughout their pilgrimage. To ensure that the interests of Muslim citizens of the Republic of Indonesia are given priority and that the Hajj pilgrimage can be performed at a minimal cost, it is necessary to establish provisions for enhancing the administration of Hajj travel affairs by the Government.

The rationale used as the basis for the stipulation that is consistently found is the clause that the states oversee pilgrims to perform the Hajj smoothly and orderly. The situation persisted until the issuance of *Presidential Decree No. 96/1999 on Hajj Travel Costs* (Republic of Indonesia, 1999). The Hajj administration system began to evolve with the introduction of Law No.17/1999, which established a method for calculating Hajj costs through zoning. Hajj costs Regulations for the year 2002 (*Presidential Decree No. 97/2000*; Republic of Indonesia, 2000), establishing Hajj costs during the aforementioned period (*Presidential Decree No. 99/2001*; Republic of Indonesia, 2001; *Presidential Decree No. 94/2002*; Republic of Indonesia, 2002). The one additional clause:

"that in order to achieve a more equitable implementation of the Hajj pilgrimage, it is deemed necessary to compile costs for implementing the Hajj pilgrimage which vary according to the differences in the amount of transportation rates per zone and rental of accommodation in Mecca."

It is used as a basic consideration for setting the Hajj cost. The provision utilized as the primary consideration for establishing Hajj costs during the aforementioned period confirms that the government's determination of Hajj costs at the time was based on costs incurred during the Hajj. In this situation, the government organizes the Hajj as a sort of duty to ensure that the Hajj pilgrimage runs well for Indonesian pilgrims. Since the reform of the Hajj administration, as characterized by Law No. 17/1999, the government's involvement not only in maintaining the smoothness and orderliness of the Hajj pilgrimage but also in the management of Hajj money.

Upon reviewing the archives, it was discovered that the House of Representatives has been involved since 2003 in determining the costs of Hajj. There is an additional clause in point c, concerning the Organization of the Hajj Pilgrimage the People's Representative Council has also been involved, they given its approval in accordance with *Law No. 17/1999* (Republic of Indonesia, 1999). This reform became effective in 2004 and was in effect for the following years. It is believed that the process of setting Hajj costs after 2003 was influenced by political factors, as evidenced by a decree outlining the involvement of the House of Representatives in this process. The political process is fundamentally intrinsic, as it involves in setting the consideration of the Hajj cost as a political endeavor. Ultimately, the determination of the Hajj expenses is mostly determined by the consensus reached between the People's Representative Council and the Ministry of MORA. The event that transpired was replete with political concerns. The lawmakers in the DPR believe that increasing the financial burden on the public for the Hajj could lead to widespread resentment towards the government.

"... Commission 8 said that the hajj costs given to hajj pilgrims were too politically risky for Commission 8. Commission 8 felt that it was too risky to say that the hajj costs were high when in fact the hajj costs were expensive..."(BM1, MORA)

"... the shock will make noise if the subsidy is lost immediately, the government will definitely get a negative response from prospective pilgrims, and it will become a political issue." (BM 3, BPKH_P)

The Hajj cost 2003 reflects a preference for the principle of *istito'ah* in the organization of Hajj, as per *fiqh* jurisprudence. From an interpretational standpoint, one can assert that the calculation of Hajj expenses started in the year 2003 (*Presidential Decree No. 55/2002 on Hajj Costs*; Republic of Indonesia, 2002). It is considered a political product. The Hajj costs for Indonesian pilgrims no longer rely on the actual value of conducting the Hajj journey. Nevertheless, the government has established Hajj costs with the government covering the discrepancy between the real expenses incurred during the Hajj and the expenditures that the pilgrims must bear.

“.....The problem is that the Ministry of Religious Affairs has a budgetary policy that prevents the cost of Hajj from increasing. That is how it is packaged. In the past, government proposals have had to go up and down. It was said to go up first, and then the DPR would lower it, so it got the star.....”(M4, BPKH_P)

This political procedure dates back to 2003 when the Hajj cost was set by Presidential Decree No. 55/2022. The section states that the cost of the Hajj is set jointly by the DPR. It continues up to now, as an authorization mechanism for allocating cash to determine annual Hajj costs between management and fund owners. The process of calculating Hajj fees is carried out through transparent discussions with MORA and the DPR RI, who operate on behalf of stakeholders, with a primary focus on Hajj pilgrims and the notion of *ta'awun*. Until 2023, the public was never told how much the Hajj cost or the process of establishing it. The same situation was discovered in the accountability of public entities in Ukraine (Knir et al., 2019). The true problem is centered at a high level government, particularly policymakers. When there is no openness, policymakers purposefully limit information access.

6.3.1.4. Ponzi Scheme Resemblance.

The *ta'awun* principle, which has been in effect since 2003 emphasizes the concept of cooperation and support in Hajj related matters. As previously stated, the policy of employing the ROI/BV of the Hajj fund can be viewed as a political instrument. The formation of Ponzi schemes can be attributed to political procedures that are linked to the formulation of rules regulating the setting of Hajj costs (Peng & Boyle, 2024). The detection of a Ponzi scheme in the management of the Hajj fund occurred when subsidies were granted by utilizing the accrued value of the deposit funds from wait list

pilgrims who were waiting in line, to cover the shortfall in the expenses of arranging the Hajj for the departing pilgrims.

The Hajj costs in 2023 have marked the initiation of transparency in the administration of Hajj funds, leading to increased public awareness regarding the management of Hajj thus far. According to KH Asrorun Niam Sholeh, the Chairman of the Indonesian Ulema Council (MUI) for Fatwa (Republika, 2023), it has been disclosed that the administration of the Ponzi scheme has been employed by the Hajj manager until now.

“This technique is similar to Ponzi in that the benefit value of Hajj aspirants' money is used to pay for this year's pilgrimage. In principle, congregational funds can be invested, with the benefit value returned to the congregation. However, if it is to cover the costs of Hajj for other pilgrims, this falls under the heading of malpractice in conducting the Hajj and requires reform.”

Mustolih Siradj, the Chairman of the National Commission for Hajj and Umrah and a Lecturer at the Faculty of Sharia and Law, UIN Jakarta, conveyed the same sentiment (Ministry of Religious Affairs [MORA], 2023). The academician and Hajj scholar stated that providing subsidies and implementing a patchwork system such as this is essentially embracing a Ponzi scheme. He asserted that the current management of Hajj, including the setting of Hajj cost 2023 and prior years, remains influenced by political factors. Therefore, it is crucial to address and end the Ponzi scheme's lingering impact.

“The Hajj fund Ponzi scheme must be stopped promptly and kept away from politicization!”

Interviewees in this study discovered that Hajj fund managers during the Hajj fund management reform period (since the functioning of BPKH in 2017) were already aware of the term Ponzi scheme. This situation is demonstrated in the consistent depiction of management indicating the occurrence of a Ponzi scheme.

“Yes (Ponzi scheme that occurs) try now that the subsidy is carried by those who have not departed, the 4.5 million that was waiting for the benefit list to carry those who have departed now is 200 thousand ”(M4, BPKH_P)

”..... Well, the difference is subsidized by the benefit value of the pilgrims who have not left or the wait-list pilgrims. there will come a time when the BPKH funds will be reduced the principal

value of the Hajj fund, (the subsidized part will) no longer from the development of the fund....” (M1, BPKH)

“..... I have read of IDR 172 trillion (the amount of the Hajj fund), for management (management strategic) IDR142 trillion and the remaining IDR30 trillion is the value of benefits that will be used for subsidies. If the subsidy is oversized, it will run out in a short time.” (M1, BANK)

6.4. PHASE 2: MORA BPKH (law 34/2014 -2017/the early stage)

During this second phase, Hajj management's role begins to shift significantly in terms of legal restrictions and field implementation. The years 2014 to 2017 can be considered the early stages of laying the groundwork for revamping Hajj management in terms of legality. In 2014, the Hajj organization's management was divided into two groups: those in charge of Hajj management concerns related to operational operations (MORA) and those in charge of managing Hajj finances (BPKH).

“BPKH is the Hajj financial management agency. The law was issued in 2014, but related to the implementation of management, it was only in 2017, and then the Hajj funds, which were initially managed by the Ministry of Religion, were transferred to BPKH in early 2018”. (M3, BPKH)

“We play the role of investment manager and treasurer when the organizing of the pilgrimage is no longer in our domain, and indeed, this needs to be a concern as well. We are in control of the money but are not involved in organizing the Hajj. In quotation marks, how much funds does the operator need? We have transferred the funds to the Ministry of Religion“ (M2, BPKH)

Important to highlight that President Joko Widodo released Government Regulation No.110/2017 and Presidential Decree Number 74 P/2017 to officially activate the Hajj Financial Management Agency (BPKH). According to Presidential Decree Number 74 P of 2017, President Joko Widodo and Vice President Jusuf Kalla appointed seven Supervisory Board members and seven Executive Board members. Furthermore, pursuant to Regulation No. 110 of 2017, Article 2 established the BPKH, a public legal entity that is autonomous and accountable to the President through the MORA. Hajj Financial Management Agency (BPKH) officially launched on July 26, 2017.

BPKH team management, also known as BPKH organs consists of an Executive Body and a Supervisory Board. They are professionals from a variety of areas, including finance practitioners, Sharia scholars, Ulama, professors, and members of society. Scientific background and professionalism in these domains emerged as prominent among the chosen BPKH organ members in 2017 (BPKH, 2017). Yuslam Fauzi, the first community member, was appointed chairman of the BPKH Supervisory Board, while Anggito Abimanyu served as chairman of the BPKH Executive Board. The President's direct appointment of the BPKH Organ demonstrates the government's commitment to establishing a public legal entity that is independent of and directly accountable to the President of the Republic of Indonesia.

6.4.1. Public Trust

The objective of the reform is to enhance professionalism and foster public confidence in the administration of the Hajj pilgrimage in Indonesia. Indonesia's history regarding managing Hajj funds is not directly related to pleasant memories (Solehudin, 2019). This study discovered that BPKH performed significantly better in delivering information to the public than the previous fund holder (MORA) (Indriani et al., 2023).

“I can see from the website that all Indonesian people can access an information menu related to financial statements. Yes, the data can be seen there. There are financial reports that can be seen there. Specifically, for services to the general public and Hajj aspirants....”
(M2, BPKH_P)

Acceptance is typically based on the faith placed in the substance and structure of the information. The participants' perceptions elucidate their observations, auditory experiences, and emotional responses towards BPKH as an institution, as well as clarifications regarding the information disseminated to the public. Furthermore, in light of the unfavourable conditions surrounding previous Hajj fund managers' terrible experiences, the public has become sceptical about BPKH as the new Hajj fund manager.

“I am often asked by people close to me. My relatives ask about the use of Hajj fund, so I feel that there is an uproar, or I feel that there is asymmetric information, so this (in my opinion) can cause significant problems for BPKH.” (BM 3, BPKH_P)

“The stigma of mismanagement will always be there, and the amount managed is not tiny. It is a substantial amount. So, I think that is something that ultimately exists in the Indonesian public.” (M2, BPKH)

The level of public trust in Phase 2 remains low due to its post traumatic status. The general public is currently uninformed about the recent development, which involves the BPKH assuming the job of managing the Hajj money while MORA serves as the organizer of the Hajj pilgrimage.

“we have never received any information about the finances. I only found out about BPKH recently because, after the controversy about the money that was supposed to be used for infrastructure, it turns out that there is already a separate financial manager for Hajj ... “(PN 2)

“... Many pilgrims question the financial management of Hajj and how their funds are managed. This means that BPKH's information and reporting on financial management has not been absorbed by its stakeholders, namely the Hajj pilgrims.” (BM 1, MORA)

The study revealed that a significant proportion of public, exhibited a lack of familiarity with the BPKH and possessed little knowledge of its nature and functions. The current situation exemplifies the diminished confidence in BPKH as a manager of Hajj funds, necessitating a transition towards improved governance.

“Like me, I have just found out that BPKH is the manager of the Hajj funds.” (PS 4)

“... I only found out about BPKH recently because, after the controversy about the money that was supposed to be used for infrastructure, it turns out that there is already a separate financial manager for Hajj” (PN 2)

“What needs to be informed and prioritized by the BPKH is the pilgrims, but if we see what is happening, the BPKH information has not been absorbed by the pilgrims ...” (BM 1, MORA)

The absence of transparent information regarding Hajj fund management has fostered negative perceptions among the public and pilgrims. This unawareness is deeply rooted in the longstanding acceptance of religious perspectives that emphasize mutual

assistance (*ta'awun*), leading to a lack of critical scrutiny over fund management practices (Nasution et al., 2019).

The establishment of BPKH was intended to enhance the professionalism and transparency of Hajj fund management. However, BPKH faced negative publicity, particularly concerning proposals to invest Hajj deposits in government infrastructure projects, which raised public concerns about the prudence and safety of such investments (Kurniawan, 2021). The significant increase in Hajj costs in 2023 brought BPKH into the national spotlight, revealing a general lack of public awareness about the agency's role and performance in managing Hajj funds. This situation highlighted the low level of public trust in BPKH, stemming from limited transparency and communication regarding fund utilization and investment outcomes (Lauda & Ruhaiya, 2024).

6.4.2. BPKH is a Special Entity in Managing the Hajj Fund

BPKH challenges in achieving professionalism and responsibility while maintaining the dual character of a hybrid institution. These issues are explained using three topics. The first is BPKH's responsibility and function in professionally and transparently managing the Hajj fund professionally, as stipulated in Article 3 of *Law No. 34/2014 on Hajj Financial Management* (Republic of Indonesia, 2014). A clear depiction of the obligations and roles required of BPKH, as advocated by Law No. 34/2014, whose implementation revealed that there was still no clearly defined understanding of written regulations with interpretation in the field.

“BPKH is the Hajj financial management agency. The law was issued in 2014, but related to the implementation of management, it was only in 2017, and then the Hajj fund, which was initially managed by the Ministry of Religion, were transferred to BPKH in early 2018.” (M3, BPKH)

“... we control the money but are not involved in organizing the Hajj. In quotation marks, how much funds does the operator need? We have transferred the funds to the Ministry of Religion, in this case, the Director General of the Hajj and Umrah, so they are the ones who arrange the details.” (M2, BPKH)

“In our language, BPKH is like the cashier of the Ministry of Religion, so for example, this year's Hajj pilgrimage requires funds of IDR 14 trillion. So, the term for the Ministry of Religion is to ask

the BPKH Later, BPK (Government Audit Agency) will audit it, and the rest will be returned to BPKH as haj cash. That is the term.” (M1, BPKH)

The second issue concerned personnel who play two functions in carrying out the concept of an organization with hybrid legal status. This was investigated in the context of BPKH's organizational affiliation, which manages public monies while also acting as a financial investment entity whose goal is to maximize profits.

“..... there are rules in the professional world that cannot be carried out in full because there are interests to prosper or to provide services to the community; indeed, that is the point or function of the government there will be a gap that occurs when talking as a public servant and as a financial industry professional.”(BM4, BPKH_P)

“..... BPKH is a Shariah state investment manager. We are investment managers managing ummah funds for us to raise, but the regulatory infrastructure is inadequate or problematic.”(BM4, BPKH_P)

“... we are in the position of an investment manager, we are talking as a total professional in the financial industry. I can talk there, and the point is clear: we can get maximum value, but if BPKH's position is as a treasurer for the receipt and payment of the Hajj pilgrimage, then we are in the position of the right hand of the government.” (BM4, BPKH_P)

“We play the role of investment manager and treasurer when organizing the pilgrimage is no longer in our domain, and indeed, this needs to be a concern as well. We control the money but are not involved in organizing the Hajj.”(M2, BPKH)

The hybrid aspect indicated that BPKH takes into account both the nature of public and private entities. The legal requirements for public and private organizations are extremely different. BPKH must focus on identifying the most effective investment plan, which reflects its preference for private or corporate investment management approaches. This job is required by Law No. 34/2014 on Hajj Financial Management, specifically stated in Article 24 (Republic of Indonesia, 2014). This investing activity

serves as a means to generate funding for the Muslim community, specifically for the subsidy part of the Haj costs provided to Indonesian pilgrims.

“May I say that the truth is that the investment activities in BPKH have become more limited or let us say that the risk has become more challenging to manage because the rules of the law or regulations for the Government Regulation (*Peraturan Pemerintah* or PP) are not yet supportive.” (BM4, BPKH_P)

“...we invest, the investment mechanism requires a reserve for losses, and where is it taken from part of the profit? (as simple as "just simply save from part of the profit for risky investments"). (but) This is not allowed under the provisions of the law and government regulations.” (BM3, BPKH_P)

In addition, there is an article about the joint liabilities that BPKH organs must have, as regulated in Article 53 of Law No. 34/2014 on Hajj Financial Management (Republic of Indonesia, 2014) relevant to the situations of losses that BPKH may face during its management. If BPKH's operational methods in its main activities are not backed by strong legal features, there is a possibility that the BPKH organ team in charge of managing Hajj monies will be held captive by Article 53 of Law 34/2014. This condition adds to the list of issues BPKH has while creating an investment strategy during Phase 2.

“... because there is no reserve, we cannot get in (with the risky investment). We also understand which are (more) profitable but who will cover the risk. There is an article 53 that (the investment) cannot be a loss. Right, (since) what is invested is the initial deposit.” (M2, BPKH)

“... in the law, there is a sentence of joint responsibility (*tanggung renteng*) between the management and the supervisory board. For example, there are promising signs, whether (the investment risk) comes from the value of the benefits of organizing Hajj or from the state budget. It needs an explanation.” (M1, BPKH_P)

“... which is quite a scourge, especially for managers both in the executive body and in the supervisory body because it says that if there is a loss, it is joint responsibility in Article 53 paragraph 2. Now that (the rules) finally make the flexibility in determining the size of the investment (made) so limited there” (M1, BPKH)

6.5. PHASE 3: MORA BPKH (2018 - present)

Phase 3 involves the delegation of authority between MORA and BPKH during the implementation of the Hajj in Indonesia. Next is the process of being accountable and the last is the process involves implementing necessary changes and adjustments to enhance the management of Hajj. The surrounding issues in this phase focus on enhancing its legal framework and ensuring a more efficient and effective direction for future operations. The allocation of responsibilities between MORA, the entity responsible for organizing the Hajj pilgrimage, and BPKH, the organization in charge of managing the Hajj fund, creates a fascinating mechanism supported by the evidence below.

“BPKH is an example (just as we can see); now we have a Whatsapp call center, and there is everything we can answer immediately. For example, if there is a problem, we can respond immediately. Then, we created PPID (Information Centre and Database Base) to fulfill the provisions of the Freedom of Information Act. “ (M1, BPKH)

“... on the website we have prepared, the community can access when at the bank, for example, how much the savings fund is. In contrast, the website application has the name virtual account. Just enter the community's share number, and it will show the distribution of the value of benefits and how many deposits are made, both on the website and mobile.” (M3, BPKH)

6.5.1. Be Accountable and Answerable

The management of Hajj fund in Indonesia has been characterized by a diminished level of public trust, mostly as a result of multiple instances of misuse of these funds (Solehudin, 2019). The legitimacy of an organization is contingent upon the establishment of a social contract that has been jointly consented to by both the organization and society. This contract serves as the foundation for the legitimacy of an organization (Tang, 2017). From the beginning, BPKH has made deliberate efforts to establish a solid basis of credibility. Legitimacy theory posits that achieving legitimacy involves sharing information about an organization's social responsibility efforts with society, thereby showcasing a responsible attitude towards society.

“Accountability is clear, that being accountable for what we do is definitely one of the stakes in management, so we do not play games.” (BM 4, BPKH_P)

”..... After the risk unit, the supervisory board, there is another investment committee to re correct and the risk committee again. So, it has three layers; in other words, we carry out well to prove accountability in the process mechanism. In principle, we can function in the process.” (BM3, BPKH_P)

“If BPKH, in the course of its journey, finally proves itself that we get a WTP (Unqualified Opinion), publishes an annual report every year while running, (then it considered) the goal is achieved, so in proving itself (in) everything (that considered relevant) there are also past traumas that cannot be easily eliminated.”

The imperative for accountability in Hajj fund management necessitates BPKH as administrators acknowledge their responsibility for financial decisions and actions. This recognition compels managers to exercise heightened diligence, ensuring that all operations align with established legal frameworks and ethical standards. Such prudence is essential, particularly given the potential for public scrutiny and the need for transparency in managing funds entrusted by pilgrims. The agency's commitment to these principles is further reinforced by governmental oversight and public expectations, emphasizing the importance of responsible fund management (Nuridah, 2023). Moreover, the Indonesian government has underscored the necessity for BPKH to maintain professionalism and prudence in its financial operations. This directive aims to safeguard public funds and ensure that the benefits derived from Hajj investments are equitably distributed among all stakeholders (Setkab, 2023).

6.5.1.1. Nurturing Values Embedded in Organization

Interview data underscore the imperative for organizational legitimacy within BPKH. Respondents emphasized the necessity for BPKH to be perceived as trustworthy by the public, aligning with McCandless's (2001) assertion that legitimacy is foundational for effective public administration. Public interest in BPKH often intensifies in response to sensational news related to Hajj affairs, prompting scrutiny of fund management practices. However, there remains a general unawareness of the evolving operational environment. This phenomenon mirrors findings in the literature, where stakeholders may overlook accessible information, leading to misconceptions about organizational transparency (Steccolini, 2003). To bridge this information gap, it is essential for BPKH

to enhance its communication strategies, ensuring that publicly available data is not only accessible but also comprehensible to the broader community. Such efforts would foster informed public discourse and reinforce the agency's legitimacy.

“The language is that past trauma does not go away easily. Managers may change, administrators may change, and past trauma from events in the past is not easy to get rid of” (M2, BPKH)

“I do not blame the community because the psychological aspect has been formed after decades of not receiving information, and after the information was opened, many questions were immediately raised” (BM3, BPKH_P)

Interviews with BPKH team revealed a strong sense of belonging and responsibility in managing Hajj funds. The discussions were characterized by a professional and pleasant atmosphere, with staff members candidly addressing the complexities of fund management and demonstrating a diligent approach to their duties. This commitment reflects the agency's adherence to principles of good governance, including transparency, accountability, and professionalism, which are essential for maintaining public trust in the management of religious funds (Broadbent et al., 1996; Jenkins & Gray, 1993). Since its establishment, BPKH has implemented structured governance frameworks to ensure effective oversight and management of Hajj finances. These frameworks are designed to align with both national regulations and Sharia principles, emphasizing the agency's dedication to ethical and responsible financial practices.

“So as a start, we prepare the administration, various regulations starting from the institutional structure, human resources, governance, to business processes, monitoring, accountability, communication-related to various institutional stakeholders, and starting with preparing BPKH planning for the first five years...” (BM3, BPKH_P)

“... it has been prepared from the beginning ... because regulations that bind other people for accountability are, of course, related to BPKH regulations and then must follow the process because it is related to stakeholders and partners,this binding rules to describe what governance, (hierarchical) government, to how accountability looks like.” (BM 4, BPKH_P)

During interviews, participants reflected on the psychological aspects influencing public perceptions of Hajj fund management in Indonesia. They articulated the accountability mechanisms currently implemented within the Hajj management system, conveying their insights with confidence and authority. This perspective was shaped by a sense of frustration over the public's limited awareness and apparent apathy toward available information regarding Hajj funds. Despite efforts to enhance transparency, many individuals continue to question the existence and management of Hajj funds, indicating a disconnect between information dissemination and public engagement.

“I am often asked by people close to me. My relatives ask about the use of Hajj funds, so I feel that there is an uproar, or I feel that there is asymmetric information, so this (in my opinion) can cause significant problems for BPKH.” (M4, BPKH)

“... the public is literate but the attacks in the media are so intense that the public has difficulty sorting out what is right and wrong. However, he (the public) follows the massive flow,... Even the campus accepted the information, and so did the big Kiai... the public will also continue to ask again, even though many intelligent people ask.” (BM 3, BPKH_4)

This disconnect may stem from historically low levels of financial literacy among pilgrims, which have hindered their ability to comprehend complex financial information related to Hajj fund management (Steccolini, 2003). The lack of accessible and comprehensible information has contributed to persistent skepticism and a lack of trust in the institutions responsible for managing these funds (Nursanita et al., 2019). Addressing this issue requires concerted efforts to improve financial literacy and foster greater public engagement with transparent financial practices.

6.5.1.2. BPKH'S Accountability

The field notes from the initial visit to BPKH offer valuable insights into the underlying concerns surrounding accountability, which is central to this research. To effectively address the topic of accountability, a detailed explanation was first provided to the relevant personnel and key sources within the organization. Only after this clarification and mutual understanding were established did the formal site visit proceed.

The next phase of the engagement involved the initiation of a structured accountability mechanism through a series of scheduled interview sessions. The data obtained from these interviews reflect the informants' extensive knowledge and institutional expertise, contributing to a deeper understanding of BPKH's governance practices. Furthermore, BPKH's annual reports and organizational activities are positioned to enhance the effectiveness of communication strategies by employing legitimacy building tactics. At the core of these efforts lies transparency, which serves as the foundational element for establishing and sustaining public legitimacy. Transparent disclosure of actions and decisions is essential for fostering trust and strengthening the relationship between the organization and its stakeholders.

“But from 2017 until now, the transparency is quite visible from the Information and Technology side, not to mention the performance side. Maybe you can read the BPKH accountability report for the 2018-2022 period. It already exists.” (M1, BPKH_P)

“The data can be seen that there are financial reports you can see there, specifically for the nature of services to the public in general and Hajj aspirants. A menu is provided regarding the services offered. There is also a submission menu and a virtual account menu.” (M6, BPKH_P)

BPKH as a public legal entity, is not mandated to adhere to the same financial reporting standards as publicly listed companies in Indonesia. Nevertheless, BPKH has proactively adopted transparency measures in its performance reporting, reflecting a deliberate commitment to accountability. This voluntary disclosure aligns with the principles outlined in Law No. 34 of 2014, which emphasizes the importance of transparency and accountability in Hajj fund management .

By exceeding statutory requirements, BPKH demonstrates a strategic approach to building public trust and enhancing its legitimacy. Such practices are consistent with findings that highlight the positive impact of transparent financial reporting on public sector accountability . BPKH's initiative serves as a model for other public institutions aiming to strengthen stakeholder confidence through voluntary transparency (Damayanti, et.al., 2024).

“..... however, it goes through the Minister of Religion and then directly to the DPR and the President, who appoints our leaders. In

that case, the report is audited and unaudited every semester through the Minister of Religion....” (M3, BPKH)

“in transparency, BPKH has a monthly, quarterly, semi annual, and annual reporting mechanism. Reports submitted to the President and the House of Representatives (DPR) are semi annual...” (M1, BPKH)

The presentation of financial performance information is a key aspect of the initial stage of the idea of responsibility (Bovens, 2007). The professionalization of Hajj fund management in Indonesia has fundamentally redefined institutional responsibilities and enhanced organizational credibility. The establishment of BPKH marked a significant shift towards structured governance, emphasizing transparency, accountability, and adherence to Sharia principles. This transformation not only delineated clearer duties among stakeholders but also bolstered public trust in the management of Hajj finances.

“.... The Ministry of Religion is intense with the BPKH. We need to report the agreement and then have a deep talk with the DPR.” (Inside 3)

“ When preparing the budget, the BPKH must be approved by the DPR before it can be carried out. We submitted it at the latest in July and discussed it no later than August to September.....” (BM3, BPKH_P)

In Bovens' (2007) framework, accountability unfolds in three phases: information provision, discussion, and consequences. The second phase, discussion, involves a forum such as a parliamentary committee or oversight body engaging with the actor to scrutinize and debate the information provided. This interactive process ensures that the actor justifies their actions and decisions, fostering transparency and mutual understanding within the political hierarchy. Such deliberative engagement is crucial for effective accountability, as it allows for critical examination and validation of conduct before any judgments or sanctions are applied.

“Yes, the parties who have the authority are the Ministry of Religion and the House of Representatives (DPR), but the President is rare, and for verification, it is the BPK. This is routinely mandatory. We feel that the BPK is monitoring it throughout the year...” (M3, BPKH)

“Then here there is the role of BPK (Government Audit Agency) as an external auditor to audit whether BPKH's financial reports comply with standards and meet the principles of accountability. So, before the BPK audit, we uploaded it to the semi annual, annual, and unaudited website.” (M3, BPKH)

“... we feel that the BPK is monitoring it throughout the year, just after completing the audit, If it is annual, that means 7 months, then after 3 months, they come again. This is not considered if there is a follow up, usually, follow up monitoring is carried out between the 3 months.... “(M3, BPKH)

In principal agent theory, the principal holds the legitimate authority to demand accountability, while the agent is obligated to provide justifications for their actions. Accountability, as defined by Dunn (1999), involves the processes through which individuals or entities explain and justify their behavior in light of potential positive or negative outcomes. This dynamic underscores the importance of transparent communication and responsibility within hierarchical relationships. BPKH demonstrates its accountability through regular publication of financial statements and reports. Notably, the agency has consistently received unqualified opinions from independent auditors, indicating transparent and accountable fund management in accordance with applicable regulations.

To enhance transparency and accountability, BPKH engages in collaborations with academic institutions and oversight bodies. For instance, a partnership with the National Development University "Veteran" Jakarta aims to conduct in depth research on Hajj fund management policies, providing policy recommendations to improve transparency and efficiency (UPNVJ, 2024). Through these measures, BPKH fulfills its role as an accountable agent, managing Hajj funds responsibly and transparently, thereby upholding the trust placed in it by the Indonesian government and the public.

Despite BPKH efforts to uphold transparency and accountability in managing Hajj funds, a significant information asymmetry persists between the agency and the public, particularly among prospective pilgrims. This gap has led to widespread skepticism and concern regarding the agency's financial governance. The dissemination of information through webinars, media coverage, and public discussions has not sufficiently bridged this gap. Many stakeholders remain unaware of BPKH's accountability measures, leading to public anxiety and distrust. This sentiment is

exacerbated by historical instances of mismanagement and perceived opacity in fund utilization, which continue to influence public opinion.

The complexity of Hajj fund management, encompassing sharia compliance, investment strategies, and subsidy allocations, further complicates public understanding. Even when information is made available, the technical nature of financial reports and investment details can be challenging for the general public to comprehend (Stecollini, 2003). Consequently, efforts to enhance transparency must also focus on improving the accessibility and clarity of information provided to stakeholders (Panjaitan & Adam, 2022). Addressing this information asymmetry is crucial for restoring public trust and ensuring the sustainability of Hajj fund management. Strategies may include simplifying financial disclosures, engaging in community outreach programs, and fostering collaborative research initiatives to evaluate and improve transparency practices.

6.5.1.3. Communicating Reform Action

BPKH exemplifies this third phase by actively enhancing its financial management practices to solidify its reputation as a competent and transparent institution. BPKH's commitment to transparency is evidenced by its consistent publication of audited financial statements, which have received unqualified opinions from the Audit Board of Indonesia (BPK) for consecutive years. These disclosures not only reflect adherence to legal mandates but also signify the agency's dedication to professional and accountable fund management. Such transparency initiatives are instrumental in fostering organizational legitimacy, as they align with stakeholders' expectations for ethical and efficient management of Hajj funds. By openly communicating financial information and demonstrating accountability, BPKH enhances public trust and reinforces its legitimacy in the eyes of external stakeholders. This communication establish the organization's legitimacy in the eyes of external stakeholders (Cutlip et al., 2000).

However, despite these efforts, external stakeholders, including prospective pilgrims and the general public, have expressed concerns regarding the accessibility and clarity of information provided by BPKH. A study highlights that the complexity of financial reports and the use of technical language can hinder public understanding, leading to skepticism about fund management practices.

”... So, when the management was appointed in 2017, it was published in the middle of the year, so we made the report starting from 2018, 2019, 2020, and 2021, so we have issued the annual report four times. You can also check on our website as part of our transparency to the public.....”(M2, BPKH)

”... If I look at the website, there is a menu of information related to financial management that can be accessed by all Indonesian people. Yes, the data can be seen. Financial reports can be seen there, specifically regarding services to the general public and prospective Hajj pilgrims.”(M5, BPKH_P)

The accountability framework of BPKH aligns with the normative conceptualization of public sector accountability, emphasizing the ethical conduct of public agents. Dubnick (2007a) posits that accountability serves as a normative ideal, reflecting the aspirational standards of behavior expected from public officials and institutions. In this context, BPKH's accountability practices are not merely procedural obligations but are imbued with ethical significance, aiming to foster trust and legitimacy among stakeholders.

BPKH's approach exemplifies what Fox (2007) describes as "soft accountability," characterized by a felt responsibility to explain and justify actions to stakeholders. This form of accountability emphasizes answerability and transparency, fostering a culture of ethical responsibility without necessarily involving formal sanctions. By voluntarily disclosing financial information and engaging with the public, BPKH demonstrates a commitment to transparency and ethical stewardship of Hajj funds. Such practices contribute to the organization's legitimacy, as they align with the public's expectations for responsible and transparent management of religious funds. By internalizing these normative standards, BPKH not only fulfills its legal obligations but also reinforces its role as a trustworthy steward of public resources.

“....how do you convince the public that external parties have audited and verified all this data? There are already websites, Instagram, and mobile on the facilities side.”(M3, BPKH)

“....there is a menu regarding the services provided, an application menu, and a virtual account menu. So next, there are services or other information related to managing the Hajj financial institutions from an investment perspective.”(M5, BPKH_P)

However, despite these efforts, external stakeholders, including both literate and less literate segments of the public, have expressed concerns leading to skepticism about fund management practices. This sentiment is exacerbated by historical instances of mismanagement and perceived opacity in fund utilization, which continue to influence public opinion.

6.5.2. Toward Fairness to All Pilgrims

Exploring the future sustainability of BPKH is a compelling subject that necessitates thorough examination, particularly regarding the policies derived from the administration of BV. The utilization of investment profits from the Hajj Fund can be perceived as a political tool, as previously noted. Nevertheless, public information has been accessible on the official BPKH website since its establishment in 2018. Information regarding the allocation of benefit values is made available to the general public. Since 2018, there has been a transition from the *ta'awun* pattern to a more transparent and publicly accessible approach, with the allocation procedure clearly defined in the performance of BPKH's financial reports.

6.5.2.1. Unfair Distribution

The *ta'awun* (mutual assistance) model, implemented by MORA in 2003, was designed to embody Islamic principles of solidarity by allocating the benefits generated from Hajj funds to subsidize the pilgrimage costs of departing pilgrims. Under this system, prospective pilgrims' deposits were utilized to support those departing pilgrim, with the understanding that hajj aspirants would, in turn, benefit from subsequent contributions. While rooted in commendable intentions, this approach has raised concerns regarding its financial sustainability and ethical implications. Critics argue that the model bears resemblance to characteristics of a Ponzi scheme, wherein returns to earlier participants are financed by the contributions of newer ones, rather than through legitimate investment profits. Such schemes are inherently unsustainable, as they rely on a continuous influx of new funds to meet existing obligations, ultimately risking collapse when inflows diminish.

The analogy to a Ponzi scheme is particularly pertinent given that, under the *ta'awun* model, the benefits accrued from the investment of Hajj funds were not directly

attributed to the individual contributors but were instead redistributed to subsidize others. This lack of direct benefit allocation, coupled with limited transparency in fund management, has led to public scepticism and calls for reform.

“.... which every year should use the value of the benefits for those who have departed, who enjoyed only 200 thousand, not all of them. If the coverage is not large, I think it is possible to use the value of the benefits of those who leave, while the fact those who do not leave also contribute a lot for subsidizing the shortage because the subsidy is large.” (M1, BPKH_P)

“This means that out of the total value of 100% benefits obtained by BPKH, 80-90% was used by the pilgrims who departed, and only 200 thousand people benefited. While there are 5 million people who have money, the results should be professionally shared with 5 million people.” (BM1, MORA)

Recognizing these challenges, the establishment of BPKH marked a significant shift towards more transparent and accountable management of Hajj funds. BPKH has implemented measures to ensure that fund management aligns with principles of financial sustainability and ethical responsibility, thereby addressing concerns associated with the previous *ta'awun* model. Since 2018, the distribution allocation of the value of benefits from the investment of the Hajj fund has been distributed to all Hajj pilgrims (BPKH, 2018-present). However, the allocation remains disproportionate: departing pilgrims receive 80% of the benefits, while waiting list registrants receive only 20%. This disparity raises concerns regarding equity and fairness. Departing pilgrims benefit significantly from the subsidies, whereas those who have contributed funds but are still awaiting departure receive a comparatively smaller share. Given the lengthy waiting periods often spanning over a decade this allocation model may be perceived as inequitable by those still in the queue. This means that the value of the benefit is enjoyed by both departing and hajj aspirants.

“So, 88-90% of the value of the benefit is used to fulfill the Hajj pilgrimage fund so that there is enough money, and the rest is kept in the account of the waiting pilgrims. In 2018, we can see how much is left in the virtual account.” (M2, BPKH)

“Now that BPKH has been established, the prospective waiting pilgrims have received a virtual account. Although the value is not significant yet, it is still small, but the hope is that in the future,

when he wants to leave, he does not have to make any repayments, thankfully even more.....” (M1, BPKH)

The current distribution approach, while aiming to support the immediate needs of departing pilgrims, inadvertently overlooks the contributions and expectations of those on the waiting list. As the number of prospective pilgrims continues to grow, it becomes imperative to reassess and adjust the benefit allocation model. This is to ensure a more balanced contributions of all stakeholders, which continues to be a challenge. The determination of Hajj travel costs in Indonesia, known as Biaya Perjalanan Ibadah Haji (BIPIH), is influenced by political processes involving negotiations between the Ministry of Religious Affairs (MORA) and the House of Representatives (DPR). This approach often lacks detailed disclosure of the specific cost components, leading to limited transparency in the actual estimation of expenses incurred by Indonesian pilgrims. Such opacity can hinder public understanding and trust, as stakeholders are not provided with comprehensive information regarding the allocation of funds. The absence of clear breakdowns of costs may also impede effective oversight and accountability in Hajj fund management. The information on exact estimations of the components of Hajj costs for Indonesian Hajj pilgrims is ignored (Adnan, 2019).

“... talking about BIPIH (the initial deposit to get a seat for Hajj) against BPIH (the costs of pilgrimage), the BPKH, the Ministry of Religious Affairs, and Commission 8. Commission 8 will always have a long way to go so that BIPIH will stay low..... Meanwhile, the BPKH, the Ministry of Religious Affairs, must make adjustments because the adjustment will reduce the distribution of the value of the benefits for Hajj operations....” (BM1, MORA)

“..... After all, this is also the right of the future pilgrims ahead. However, Commission 8 will always say that if we increase BIPIH, we will be considered as not fulfilling our duties to the public, and this is the dilemma of adjusting BIPIH to BPIH. Thirdly, we are talking about the efficiency of rationalizing the Hajj operations. This is the Ministry of Religious Affairs area.”(BM 1, MORA)

The implementation of the *ta'awun* (mutual assistance) model in Indonesia's Hajj fund management, has raised concerns regarding equity. This approach, while rooted in Islamic principles of solidarity, inadvertently marginalizes those on the waiting list who have also contributed financially but receive minimal direct benefits. Furthermore, the

concentration of information dissemination among policymakers and decision makers, with limited engagement of the broader pilgrim community, has led to perceptions of weak governance and transparency. This lack of inclusive communication may undermine public trust and the perceived legitimacy of fund management practices. From a jurisprudential perspective, Islamic law stipulates that Hajj is obligatory only for those who are financially and physically capable (*istita'ah*). By providing substantial subsidies to departing pilgrims, regardless of their personal financial capacity, the current model may conflict with this principle, potentially encouraging individuals to undertake the pilgrimage without meeting the requisite conditions of capability.

“....well, the difference is subsidized by the value benefit of the pilgrims who have not left or the wait list pilgrims. If in *fiqh* it says that the Hajj pilgrim must be able to afford it, then it is subsidized, which means that he cannot do it.” (M1, BPKH)

“....from the adjustment of BIPIH to BPIH, so the concept of *Isti'toah* is what we are applying. If the BPIH is IDR 100 million and he has deposited IDR 25 million, what category does he fall into?” (BM1, MORA)

Law No. 13/2008, implemented in 2008, highlights the requirement for publicizing information in national media concerning the administration of Hajj Organizing. The shared information by MORA was audited Ministry of Religion Financial Report (LKKA). The detailed information on Hajj management is only a part of the report from the Ministry of Religion.

6.5.2.2. Virtual Account Strategic

Since 2018, BPKH has introduced virtual accounts, as mandated in Article 26(6) of Law No. 34/2014 on Hajj Financial Management (Republic of Indonesia, 2014) for all registered Hajj pilgrims who have secured a seat number or paid the initial registration deposit. These virtual accounts serve as individualized financial records, providing pilgrims with real time access to their Hajj fund information through online platforms. The virtual account system facilitates the transparent distribution of investment returns referred to as the "value of benefit" to each pilgrim's account. These benefits are credited semi annually, reflecting the duration of the pilgrim's wait until departure to Mecca. This mechanism ensures that both departing pilgrims and those on the waiting

list receive proportional returns on their deposits, aligning with principles of fairness and accountability. The adoption of virtual accounts marks a significant advancement in the digitalization of Hajj fund management, promoting transparency and enhancing the financial literacy of pilgrims. By enabling pilgrims to monitor their funds and accrued benefits, BPKH fosters greater trust and engagement among stakeholders.

“So, from the moment BPKH is established, every pilgrim who has registered before BPKH existed will have a virtual account. They can see exactly how much their funds will increase each year. We only do the fund increase twice a year. So, we count per semester, Each person who has registered for Hajj has a quota number, and then they also have a virtual account number.” (M2, BPKH)

“So the virtual account was only available when BPKH was established. For example, if someone made a Hajj deposit in 2010, they practically got the value of the benefit in 2018, when BPKH was already there, then they got a virtual account.we are managing is only from 2017, but we hope that in the future we will be able to adjust it.” (M1, BPKH)

Political decisions prioritizing subsidies play a pivotal role in determining Indonesia's Hajj pilgrimage costs. The government, in collaboration with the House of Representatives (DPR), views subsidizing Hajj expenses as a means to fulfill its responsibility of safeguarding citizens' welfare by ensuring the pilgrimage remains financially accessible. This approach often results in setting more affordable Hajj costs, reflecting the government's commitment to supporting its Muslim population in fulfilling their religious obligations.

“But this is a moral issue; the government will not dare to increase the cost of the Hajj if it is an unpopular policy, so we are strongly encouraging the BIPIH to increase because there will be a time when the BPKH funds will start to decrease the principal amount, no longer from the development fund and ... that the BPKH will face the issue of financial sustainability of the Hajj” (M1, BPKH)

“It is possible (to be fair to all Hajj pilgrims in the distribution of profits from the management of Hajj funds) depending on the political will of the government and parliament. Is it possible? Yes, it is possible, but it needs a concept. Otherwise, the shock will make noise if the subsidy is lost immediately, the government will get a negative response from pilgrims, and it will become a political issue.” (BM3, BPKH_P)

While such subsidies alleviate the financial burden on pilgrims, they also raise concerns about the sustainability of Hajj fund management. Excessive reliance on subsidies can strain BPKH, potentially compromising the long term viability of the fund. Therefore, balancing the need for affordability with prudent financial management is essential to ensure the continued support of Indonesian Muslims in performing the Hajj.

In 2023, stakeholders involved in Indonesia's Hajj operations acknowledged that the government mandated Hajj Travel Fee (Biaya Perjalanan Ibadah Haji, BIPIH) was significantly lower than the actual Hajj Organizing Costs (Biaya Penyelenggaraan Ibadah Haji, BPIH). This discrepancy became more pronounced following the public disclosure of detailed Hajj expenses in 2023 (MORA, 2023). The COVID-19 pandemic contributed to a substantial increase in the costs associated with organizing the Hajj, necessitating a considerable subsidy to cover the shortfall for that year's pilgrimage. Consequently, the Benefit Value (BV) allocated to subsidize departing pilgrims in 2023 was significantly depleted (Yusuf, 2022).

Ensuring the practices in sustaining the fund is crucial and serves the mutual benefit of all stakeholders. The optimal subsidy model aims to slightly augment the deficient amount, ensuring that the share of the Hajj cost covered by the Hajj pilgrims (BIPIH) exceeds the subsidy granted by the government (the benefit value of Hajj money). Subsidies history revealed that it has continuously covered 50% - 60% of the cost of every Hajj trip for departing pilgrims. The proportion range for determining the 2024 Hajj cost remains mostly stable (MORA, 2024). The distribution of the Benefit Value remained inequitable. Departing pilgrims continued to receive the majority of the subsidies, while those on the waiting list, who had also contributed financially, received minimal benefits. This allocation raises concerns about fairness and the sustainability of the subsidy model, highlighting the need for a more balanced approach to Benefit Value distribution.

6.6. CONCLUSION

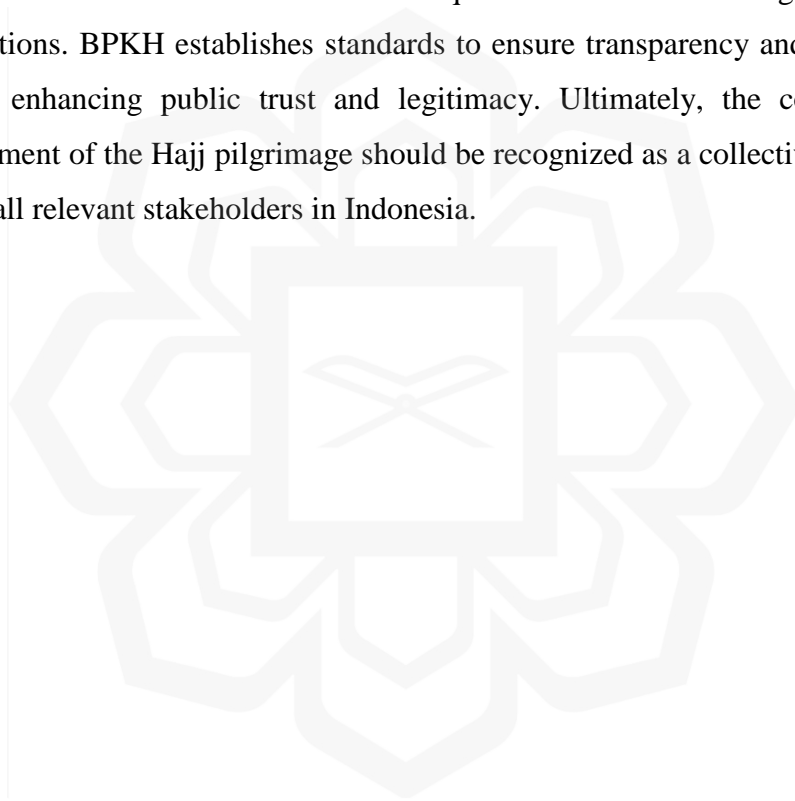
Chapter Six presents an analysis of the accountability in Hajj fund management in Indonesia, structured across three distinct phases. The historical development is reconstructed through data triangulation, incorporating document analysis, interview transcripts, media reports, focus group discussions, and personal interviews. The

management evolution is categorized into three phases: Phase I, characterized by exclusive management by the Ministry of Religious Affairs (MORA); Phase II, a transitional period marked by collaborative management between MORA and the Hajj Fund Management Agency (BPKH); and Phase III, wherein responsibilities are delineated, with MORA overseeing operational aspects of the Hajj pilgrimage and BPKH entrusted with the financial management of Hajj funds. This phased analysis elucidates the progressive reforms undertaken to enhance transparency and accountability in the stewardship of Hajj funds in Indonesia.

Phase I of Hajj fund management in Indonesia was marked by MORA holding full authority over both the organizational and financial aspects of the pilgrimage. This centralized control was formalized through Law No. 17 of 1999, which introduced a systematic framework for Hajj administration, including standardized registration procedures and the categorization of regular and special Hajj programs. However, persistent issues such as the absence of public information from MORA regarding the management of the Hajj fund, inadequate governance, the presence of a political influence in determining the Hajj cost, and the resemblance of a fraudulent Ponzi scheme underscored the need for reform. In response, Law No. 34 of 2014 was enacted to establish the Hajj Financial Management Agency (BPKH), an independent entity mandated to manage Hajj funds in accordance with sharia principles. Although the law was passed in 2014, BPKH only became operational in 2017. During this period, MORA continued to oversee operational aspects, maintaining its dominant role in Hajj management despite the legislative shift toward institutional autonomy and enhanced financial accountability.

Phase II of Hajj fund management in Indonesia, spanning from 2014 to 2017, represented a transitional period marked by significant institutional restructuring. This phase is characterized by the establishment of a new institutional framework, with a particular focus on the responsibilities assigned to BPKH. According to the regulatory framework, BPKH is conceived as a hybrid entity, integrating elements of both public and private sector organizations. Given that BPKH serves as the sole institution responsible for Hajj financial management, the existing policy definitions may require further clarification to ensure the effective functioning of operational processes. During this second phase, MORA continued to exercise full authority over Hajj management. However, from 2014 to 2017, the financial administration of Hajj remained largely conceptual and had yet to be formally implemented.

The third phase of Hajj management in Indonesia is marked by the delineation of responsibilities between MORA, which oversees strategic and operational aspects of the Hajj, and BPKH, which manages the Hajj fund. Government Regulation No. 110/2017 and Presidential Decree No. 74 P/2017 officially established BPKH as an autonomous public legal entity accountable to the President through MORA, effective July 26, 2017. Since then, BPKH has been legally mandated to manage the Hajj fund and act as an investment manager, fulfilling its duties with professionalism and accountability. A critical aspect of this phase is the equitable distribution of investment benefits from the Hajj fund to all registered pilgrims. Developing effective and sustainable distribution mechanisms requires innovative strategies and policy formulations. BPKH establishes standards to ensure transparency and accountability, thereby enhancing public trust and legitimacy. Ultimately, the coordination and management of the Hajj pilgrimage should be recognized as a collective responsibility among all relevant stakeholders in Indonesia.



CHAPTER SEVEN

THE ANALYSIS OF ACCOUNTABILITY IN HAJJ FUND MANAGEMENT IN INDONESIA

7.1. INTRODUCTION

“Accountability works on many different levels, with many kinds of people involved, with various mechanisms and standards of performance, and with dynamic levels of organizational response”,
(Ebrahim, 2003).

This chapter discusses the key findings that have emerged from the historical development of Hajj organization in Indonesia. The empirical evidence presented in the previous chapter offers a comprehensive overview of the Hajj management process to date. In this chapter, empirical findings are integrated with relevant literature to analyze the phenomenon of accountability in the management of the Hajj fund in Indonesia.

This study employs an interpretative approach to examine accountability in fund management within public legal entities or hybrid organizations, with a particular focus on BPKH as the new Hajj fund manager. The analysis considers whether BPKH's practices align with, enhance, or challenge existing literature in the field.

Research on the administration of the Hajj fund in Indonesia centers on organizational governance, specifically evaluating the accountability, operations, and policies of BPKH following its succession of MORA's long term management. Accountability, as defined by Bovens (2007), is a mechanism for establishing responsibility. In the public sector, accountability encompasses various forms of responsibility within hierarchical, managerial, and political frameworks. Responsibility, as Ebrahim (2003) notes, is a comprehensive concept that includes accountability, involving multiple actors, systems, performance standards, and collaboration with both internal and external stakeholders. This chapter's analysis is structured around the study's three research objectives, with a particular emphasis on the accountability mechanisms in BPKH, drawing on Bovens' (2007) theoretical framework.

As shown in Figure 5.1, the accountability mechanism narrates the theory of the account giving scheme, which is the core basis of the accountability process based on normative values.

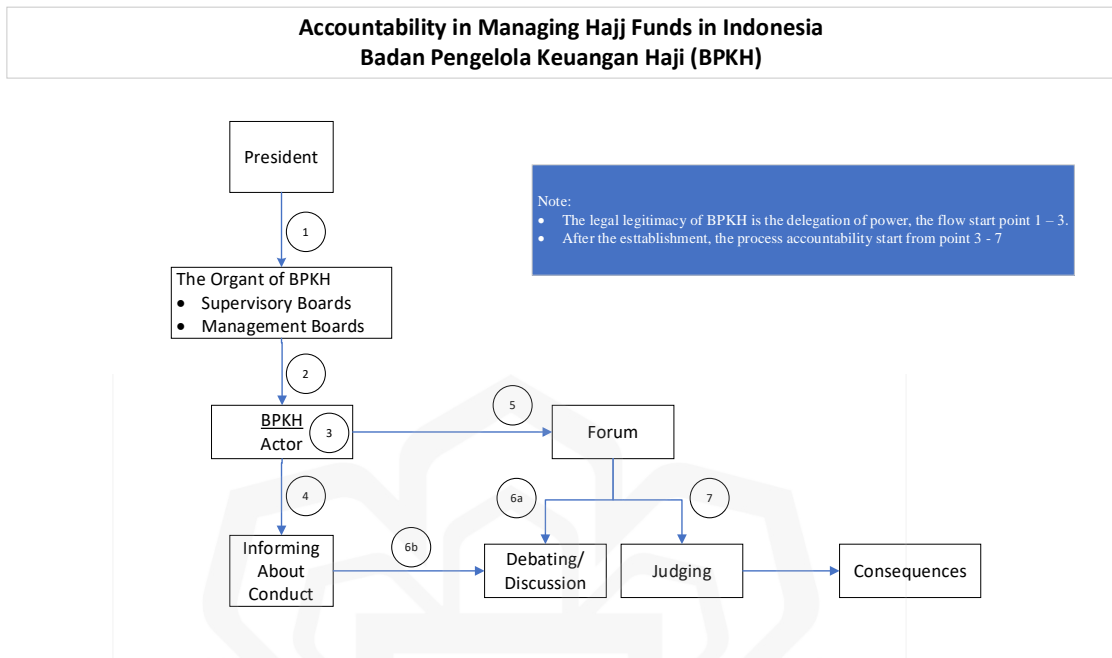


Figure 7. 1 The Accountability Concept in Managing the Hajj Fund in Indonesia
Source : Adapted from (Bovens, 2007)

The conceptual framework outlines the flow of the accountability process, beginning with the President’s reform commitment. According to Bovens (2007), the primary accountability process is reflected in processes 3 to 7, which detail the procedures for preparing and presenting accountability to relevant forums. This process commences when the actor or agent becomes answerable by providing access to information regarding their management of the Hajj fund. Processes 4 and 5 collectively represent the stage of informing conduct, where the actor prepares to be answerable before the forums. This preparation may be mandatory, typically involving governmental due diligence such as financial performance audits, or non mandatory, depending on the information requests of various stakeholders. During the informing phase, process 6 involves debate or discussion with the forum to seek approval or acceptance. In the governmental context, the Government Audit Agency (BPK) serves as the primary forum for this deliberation. The final stage, process 7, is the decision phase, where the forum delivers its judgment to the accountant. This judging phase determines whether the actor’s answerability and accountability satisfy the required standards and are accepted as responsible.

The interaction between BPKH and multiple stakeholders reflects the religious and social values embedded in the surrounding environment. These foundational concepts underpin the conceptual framework guiding the accountability process. According to (Bovens, 2007), the accountability process involves three stages that connect external parties to the responsibility of explaining and justifying every action taken. As the accountable entity, BPKH implements mechanisms to prepare accountability reports for external stakeholders. The actions reported are expected to be accepted as credible, thereby enhancing the organization's legitimacy.

Integrating the stakeholders and BPKH's reform actions within Boven's Accountability concept (Bovens, 2007) enhances the accountability schema presented in Figure 7.2, as introduced in Chapter Four of this study. Consequently, this chapter focuses on the Accountability Schema in Hajj Fund Management in Indonesia, demonstrating how the research objectives are addressed through empirical data collected across various stages of Hajj management. The empirical data, gathered at different phases, have been synthesized into an analytical framework comprising three dimensions: Accountability To Whom, Accountability How, and Accountability Why. These dimensions correspond directly to the study's three research objectives: first, the pursuit of organizational legitimacy; second, understanding the accountability and coordination processes; and third, examining practices for sustaining the fund, including the profit distribution policy in Hajj fund management. The relationship between the empirical findings and the analytical framework in addressing these objectives is illustrated in Figure 7.2. The chapter proceeds to explore the accountability phenomenon within BPKH as Indonesia's sole Hajj fund manager.

Personal interviews served as the primary source for investigating the accountability, operations, and policies of BPKH as the current manager of the Hajj fund. These interviews aimed to examine the nature of organizational governance and the mandate to improve the administration of the Hajj fund. The study involved six categories of interviewees, totaling 19 personal interviews, including representatives from BPKH and stakeholders involved in Hajj management in Indonesia. Each interview provided valuable insights, reflecting the unique perspectives of participants shaped by their direct experience and engagement in overseeing the Hajj. The interviews revealed a constructive and complementary relationship among respondents, which facilitated clarity in addressing the research objectives. Notably, concerns emerged regarding societal misunderstandings of BPKH, the political processes

influencing Hajj cost determination, and limited public awareness of available information on Hajj funds, varying according to the authority level of each source. Similarly, the communication of accountability was described differently across sources; some provided detailed procedural accounts, while others emphasized strategic considerations. Despite these differences, the discussions demonstrated a shared commitment and common values among the interviewees regarding BPKH's response to reforms in the management of Indonesia's Hajj fund.

7.2. BPKH'S ACCOUNTABILITY FRAMEWORK

Accountability, or "being accountable," is widely regarded as a virtue and a positive attribute of organizations and public officials, particularly within government settings. The imperative to act accountably toward stakeholders is essential, as it relates directly to the public interest and service delivery. However, there is no universal consensus on the standards that define accountable behavior, as these standards vary according to roles, institutional contexts, historical periods, and political perspectives. Moreover, such standards are dynamic and often shift in response to changing political affiliations and viewpoints. As Gallie (1962) argues, accountability as a virtue is an inherently contested and contestable concept par excellence.

This conceptualization is particularly relevant to BPKH's mission as the manager of investment funds for Indonesian Hajj pilgrims. The *Wakalah* principle underpins this mission, whereby the initial Hajj deposits from pilgrims are entrusted to the Hajj organizers to facilitate the pilgrimage. *Wakalah*, derived from Islamic jurisprudence, refers to the act of delegating or entrusting authority to another party (Antonio, 2008), and can also be understood as granting power or mandate (Muhammad, 1995). Prior to 2017, the Ministry of Religious Affairs (MORA) managed the Hajj funds through its sub directorate of Hajj finances and served as the sole organizer of the Hajj for Indonesian pilgrims. Since 2017, marking Phase 2 of Hajj management, responsibilities have been shared between MORA and BPKH, with MORA acting as the operational organizer and BPKH assuming the role of investment manager for the Hajj fund.

As a public entity, the government sector is responsible for delivering services to the community (Bovens, 2007). The achievement of objectives and the resolution of political issues within governmental affairs are influenced by both horizontal and

vertical coordination, especially in relation to the management of Hajj funding, as conceptualized in the Modified Stewart Ladder of Accountability (Friedman and Miles, 2006). Public institutions are characterized by a high degree of bureaucracy and teamwork, involving multiple stakeholders. This complexity is further marked by ambiguous and often conflicting objectives, rigorous oversight, and the influence of external political factors on decision-making processes (Rainey, 2014; Boyne, 2002; By & Macleod, 2009). In light of these characteristics, this study emphasizes the hierarchical nature of public agencies such as BPKH within Bovens' (2007) accountability framework. The Modified Stewart Ladder of Accountability (2006) is employed to illustrate how accountability is progressively achieved at each hierarchical level.

Accountability entails holding both technical and political actors responsible for their actions within the governance process. This assessment may occur within technical and political supervisory bodies, as well as other relevant forums. Crucially, the actor, agent, or accountor must provide explanations for their conduct to the public and the forums in which they participate (Bovens, 2007). The complexity of this environment is significantly influenced by numerous factors affecting the interdependence of public organizations and the relationships among these components (Duncan, 1972). In the case of BPKH, this complexity increases proportionally with the number of actors involved and the intricacy of their interactions. Accordingly, the Schema of Accountability in Hajj Fund Management in Indonesia (Figure 7.2) serves as the central framework for analyzing accountability within BPKH. This framework is divided into three dimensions: Accountability To Whom, emphasizing organizational legitimacy; Accountability How, focusing on internal accountability processes; and Accountability Why, addressing the rationale behind accountability aimed at achieving sustainability. The components of Figure 7.2 are coded numerically (1, 2, 3, and 4) to correspond with these dimensions. The first dimension, Accountability To Whom, addresses the study's first research objective by exploring BPKH's organizational legitimacy. The second, Accountability How, defines the internal processes of accountable actions within BPKH. The final dimension, Accountability Why, examines the motivations behind accountability reforms aimed at developing sustainable policies for managing the Hajj fund.

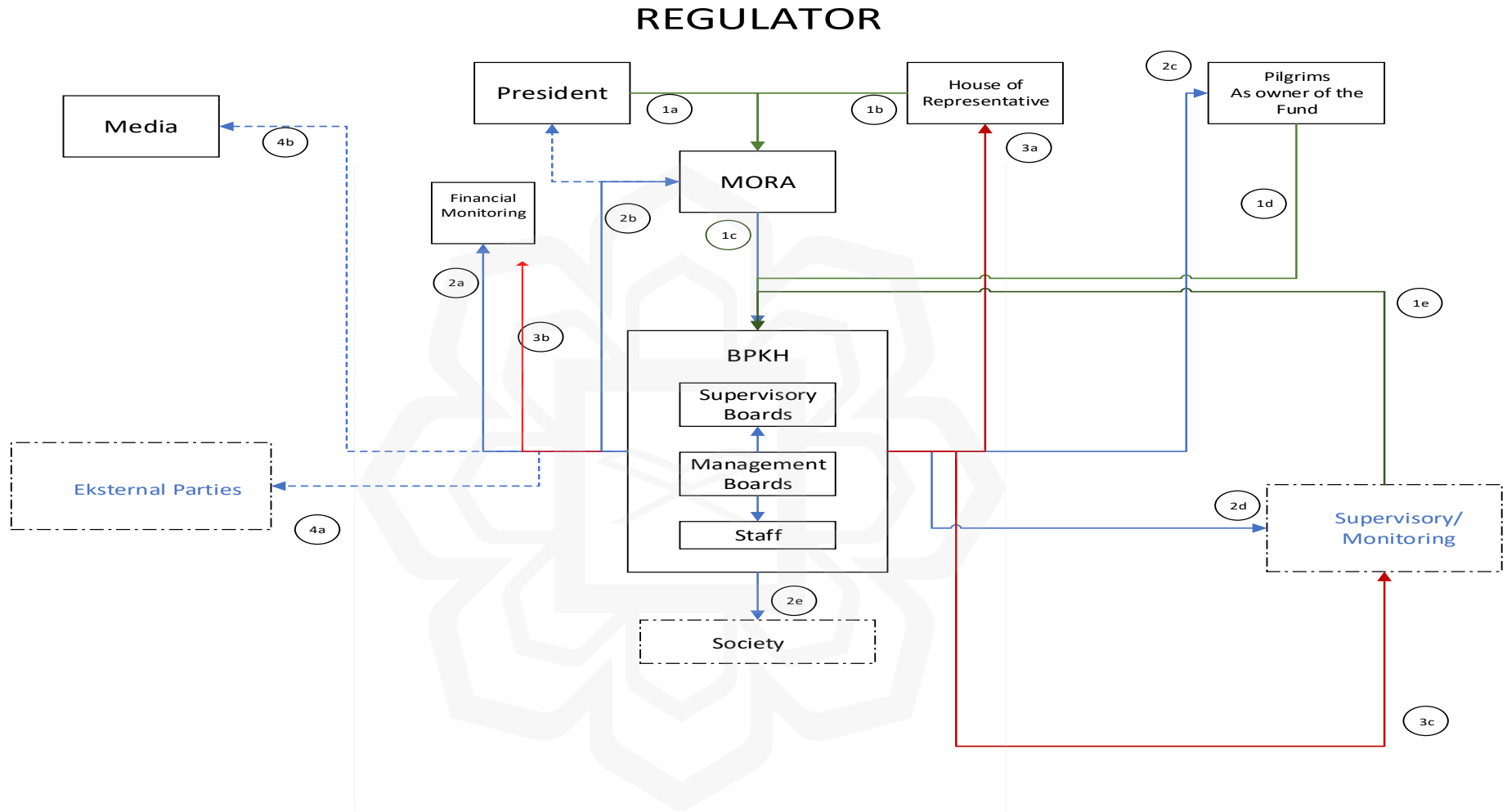


Figure 7. 2 Schema of Accountability in Hajj Fund Management in Indonesia
 Sources: processed based on basic legal and regulatory information about BPKH, scientific literature, official web info, etc

7.3. ACCOUNTABILITY TO WHO

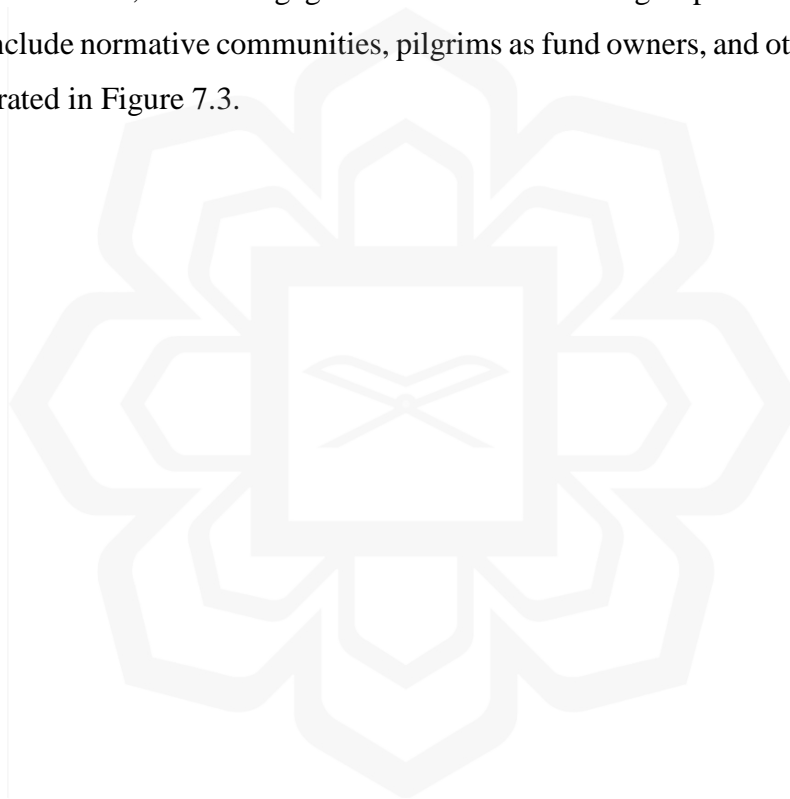
Transparency of information to the public is essential to satisfy the interests of various stakeholders. The representation of each party within the accountability framework is examined through the accountability process, where interactions among stakeholders involved with BPKH significantly shape how accountability is presented. As the public agent or accountant, BPKH must legitimize its professionalism through accountable actions that are recognized and validated by diverse stakeholders. This aligns with legitimacy theory, which emphasizes that legitimacy is constructed through the perspectives of multiple stakeholders (Dowling & Pfeffer, 1975; Suchman, 1995). Effective management of conflicting interests requires a culture of checks and balances, operating through both formal and informal mechanisms within political and social contexts.

According to Bovens' (2007) concept of accountability, the process begins with the transfer of authority or financial resources from a "principal" to an "agent." This delegation grants power to the agent, who is then obligated to account for their actions (Gray, 1983). Consequently, the principal acquires the right to demand explanations for conduct from the agent (Roberts & Scapens, 1985). The agent's account giving is a response to this demand. Moreover, accountability inherently involves a subjective dimension, reflecting the accountant's sense of obligation to provide an account to the accountee (Lerner & Tetlock, 1999; McCandless, 2001). The accountant recognizes the accountee as the entity holding them accountable. To understand this subjective aspect, public administration scholars emphasize the importance of identifying to whom individuals feel a moral obligation to report (Day & Klein, 1987; Sinclair, 1995; Romzek & Dubnick, 1998; Dunn, 1999; Verschuere et al., 2006).

The stakeholders involved in Hajj management encompass both governmental and societal environments, contributing to the complexity of BPKH as a public legal entity. The government emphasizes due diligence in political, managerial, and administrative accountability. In contrast, public sentiment is marked by skepticism and low trust in Hajj fund managers, underscoring the urgent need for enhanced accountability in Indonesia's Hajj management. Public trust is pivotal in securing acceptance of the fund managers' actions, a concept referred to as public legitimacy (Tang, 2017). The necessity for organizational legitimacy in managing the Hajj fund has been well documented (Indriani et al., 2023). Corporate legitimacy is achieved

when organizational outcomes align with public expectations, thereby minimizing public demands (Deegan et al., 2002).

The initial inquiry focuses on how relevant stakeholders prepare BPKH to be answerable in both governmental and societal forums. As a dual entity accountable to government and public domains, BPKH must navigate two distinct environments. First, as a public agency, BPKH operates under stringent supervision and political influence, with decision making embedded within a hierarchical administrative framework subject to oversight by higher authorities (Rainey, 2014; Boyne, 2002; By & Macleod, 2009). This phase pertains to accountability towards public agencies. Second, as a community serving institution, BPKH engages with diverse societal groups whose interests vary. These include normative communities, pilgrims as fund owners, and other stakeholders, as illustrated in Figure 7.3.



7.3.1. Accountability for Parties in Public Agency

Transparency involves disclosing information about government governance processes to both citizens and political representatives, ensuring public access to these processes and the resulting decisions (Héritier, 2003; Novak, 2013). Financial reports function as a key tool for public accountability by communicating financial performance (Vosselman, 2013). Historically, financial reporting has been the primary means of disseminating information to the public. BPKH's political and administrative accountability is demonstrated through its engagement with key stakeholders, including the President, the House of Representatives, and the Ministry of Religious Affairs (MORA). As the highest authority delegator, the President oversees commitments to the public by holding BPKH accountable (Romzek & Dubnick, 1987).

Figure 7.2 illustrates the account giving scheme as a political accountability mechanism across phases 1a, 1b, and 1c, depicting the flow of BPKH's hierarchical accountability system. Those who hold authority and influence are ultimately the entities to whom BPKH is answerable (Romzek & Dubnick, 1987). These entities include the President, the House of Representatives (DPR/Dewan Perwakilan Rakyat), and MORA. The complexity of this accountability landscape underscores the need to reassess legal responsibilities. The enactment of supported law and regulation from the President in 2017 formally established BPKH as a legally autonomous public entity accountable to the President through MORA, as regulated by *Government Regulation No. 110/2017* and *Presidential Decree No. 74/P/2017* (Republic of Indonesia, 2017). This narration is described with the blue lines 1a, 1b, and 1c, where the President delegated his power to BPKH and appointed MORA per Law 34/2014.

“BPKH is the Hajj financial management agency. The law was issued in 2014, but related to the implementation of management, it was only in 2017, and then the Hajj fund, which was initially managed by the Ministry of Religion, was transferred to BPKH in early 2018.” (M3, BPKH)

This delegation established the legal legitimacy for BPKH to operate and implement reforms in managing the Hajj fund, as mandated by Law No. 34/2014. The principal in this context is the party responsible for ensuring that government executives or agents execute policies in accordance with established rules. The green line 1e in Figure 7.2 illustrates the hierarchical supervisory structure over BPKH agencies under the Ministry of Religious Affairs (MORA), which acts as the agent directly appointed by

the President. This hierarchical monitoring reflects the typical public agency characteristic whereby higher authorities exercise control over subordinate organizational levels (Romzek & Dubnick, 1987). Outputs of government accountability are closely linked to institutional control and ethical conduct, often becoming entangled in debates over codes and legalism (Dubnick, 2005). Accountability in the public sector is commonly associated with bureaucracy and law enforcement. A typical accountability relationship in public enterprises combines hierarchical, managerial, and political accountability, collectively termed public accountability (Laughlin, 1990; Ryan & Walsh, 2004). Political and public accountability mechanisms are essential tools governments use to hold themselves responsible, with transparency serving as the foundational element for establishing legitimacy.

Following, Boven's (2007) accountability framework, BPKH's accountable actions occur in phases 3 to 7 as depicted in Figure 7.1, encompassing routine accountability procedures. These include the informing, debating/discussion, and judging phases, all regulated by BPKH's internal Regulation No.3/2018, which clearly defines the rules and mechanisms governing financial performance. This narrative highlights BPKH's initial phase of providing information on its actions and outcomes to authorities such as the President and the House of Representatives (Bovens, 2007). The phase of informing conduct where BPKH should be ready for parties in the governmental setting can be seen in the schema of accountability (Figure 7.2), which shows the mechanism in 2a and 2b.

“In transparency, BPKH has a monthly, quarterly, semi annual, and annual reporting mechanism. Reports submitted to the President and the House of Representatives (DPR) are semi annual...” (M1, BPKH)

The President and the House of Representatives (DPR) hold equivalent positions as principals concerning the Hajj fund. The President delegates the authority to manage the Hajj fund professionally, while the DPR serves as the public representative government body, representing the fund's owners. Both entities exert direct influence over how BPKH manages the Hajj fund.

As Ebrahim (2009), explains, accountability functions as a mechanism of surveillance and regulation that assists both agents and principals in achieving their objectives. The President exercises this authority through hierarchical government

agents tasked with monitoring BPKH, including MORA, the Government Audit Agency, and other relevant ministries involved in pilgrimage management. These supervisory relationships are depicted by the blue lines 2a, 2b, and 2d in Figure 7.2, representing mandatory accountability duties. MORA serves as the primary hierarchical agent and strategic partner for BPKH in managing the Hajj fund. It is the initial forum where BPKH reports its conduct. Subsequently, BPKH is accountable to both the DPR and the President within the executive forum. Beyond submitting reports, BPKH must be prepared to respond to any inquiries from these principals regarding fund management.

“So far, the stakeholders, in this case, the government and the DPR, through official forums such as hearing meetings (RDP), meetings with the president and vice-president, or meetings with the minister” (M2, BPKH)

“... BPK. This is routinely mandatory. We feel that the BPK monitors us throughout the year, just after completing the audit, usually in November - December. They go home first, then come again....“ (M3, BPKH)

Public agencies operate within formal procedures and hierarchical government protocols (Mintzberg & Quinn, 1979). Consequently, MORA is not the sole agent overseeing BPKH. Monitoring entities within public institutions follow a hierarchical structure, where higher authorities exercise control over subordinate organizational levels (Romzek & Dubnick, 1987). In fulfilling the mandate to hold BPKH accountable, the President Delegates supervisory responsibilities to MORA and other relevant agencies. The Government Audit Agency (BPK) represents the second line of oversight, as indicated by line 2a in Figure 7.2, and is responsible for conducting due diligence on BPKH’s governmental conduct in managing the Hajj fund.

“... We mainly submit other reports to the government audit agency (BPK). Technically, the president's organ is the BPK as a mandate from the DPR, but when we report to the President, it goes through the Ministry of Religion.” (M 1, Management)

“Then, here is the role of BPK (Government Audit Agency) as an external auditor to audit whether BPKH's financial reports comply with standards and meet the principles of accountability.....”(M3, BPKH)

This implies that the individual or organization in authority is responsible for explaining and justifying their actions to external stakeholders (Orbuch, 1997; Roberts, 2001; Dubnick, 2005). Another mandatory line of accountability, represented by line 2d in Figure 7.2, involves agencies and ministries responsible for pilgrimage organization, anti fraud units, law enforcement, financial authorities, and the Sharia National Board (Majelis Ulama Indonesia). These entities possess the authority to inquire into BPKH's activities and serve as forums demanding specific information as needed. Although these inquiries are not scheduled routinely, BPKH is obliged to respond and be accountable whenever such requests arise.

7.3.2. Accountability for Parties in the Social Environment

BPKH establishes norms to promote openness and accountability, thereby building public legitimacy. These norms encompass commitments to transparency, equity, compliance, and impartiality, aligning accountability with the social environment. This corresponds to stage 1 of Bovens' (2007), accountability scheme, the information stage, where the entrusted party must report and answer for their actions to the responsible party. In Figure 7.2, this social environment perspective is represented by codes 1d, 2c, 2e, 4a, and 4b, indicating accountability directed toward the fund's owners and other non mandatory societal forums.

The social environment stakeholders are categorized into two aspects. The first includes mandatory parties who hold priority positions, such as the pilgrims, the fund's owners, represented by lines 1d and 2c, acting as principals. Thus, BPKH must clarify its conduct to them, even though the DPR already represents pilgrims within the government as a mandatory public agency. This underscores the need for a virtual account (VA) system to provide pilgrims with information on the value of their benefits, as mandated by law as a reform measure. The green line 1d reflects the Wakalah contract, which officially appoints BPKH as the investment manager. This delegation is confirmed when pilgrims deposit their initial savings. Accordingly, the blue line 2c signifies BPKH's obligation to update pilgrims on the benefit value of their Hajj deposits. The legal requirement for the VA system is stipulated in Article 26 (c) of Law No. 34/2014.

The societal environment constitutes another mandatory stakeholder group, emphasizing the obligation to serve society through the publication of an annual report in national media. These societal actors play a critical role in shaping public acceptance and legitimacy of BPKH's management of the Hajj fund. The annual reports, prepared in accordance with relevant regulations, provide transparent and comprehensive information about BPKH's financial performance, governance, and social responsibility initiatives, thereby reinforcing public trust and organizational legitimacy.

“We consider (providing the information) as much as possible to stakeholders, especially pilgrims..... in the law, there is a term virtual account, there is an allocation of BPKH benefit value intended for pilgrims....” (M3, BPKH)

“...Then, the audited ones related to BPKH regulations must present their financial reports through the mass media every year, usually in *Republika* related to financial reports starting from 2019 audited results related to regulations. (regarding accountability) On the website, (it is) volunteers” (M3, BPKH)

Professional management of the Hajj fund reflects a reconceptualization of duty and a redefinition of legitimacy. Deegan (2002) proposes various organizational approaches that link operational practices with social contract values. The dissemination of financial performance information through financial reports serves as a mechanism to ensure transparency and accountability to the broader public (Vosselman, 2013). In line with this, BPKH has shifted towards embracing public accountability, recognizing its role as a public organization accountable to the community and other stakeholders a concept known as social accountability (McCandless, 2001).

The second category of societal stakeholders comprises non mandatory parties, represented by codes 4a (external parties) and 4b (media) in Figure 7.2. These relationships are depicted by undefined lines, indicating the absence of formal physical forums. Nonetheless, these actors serve as catalysts within society, amplifying the dissemination and impact of information shared with the public. Accountability is thus socialized through diverse communication platforms, with media serving as an effective tool for reaching wide audiences (Lee & Joseph, 2013). Figure 7.3 illustrates line 4a, which includes external parties within the social environment such as the Hajj Guidance Group (KBIH), Hajj and Umrah travel agencies, Islamic institutions, and the two largest Islamic organizations in Indonesia Nahdlatul Ulama and Muhammadiyah. These

groups are deeply invested in Hajj related issues and constitute a significant non mandatory societal forum to which BPKH must respond through its accountability practices.

“..... However, an explanation from BPKH, but the public is unlikely, except for interested parties. There should be continuous information there. Then, about our interests (as owners of Hajj and Umrah tours), I want to ask what the accommodation in Mecca is and how the funds are managed,.... “ (O1, TRAVEL)

BPKH’s role in administering Hajj funds underscores the importance of transparency and accountability. Fry (1995) emphasizes that this responsibility entails effectively communicating accountability in managing the substantial resources allocated for the Hajj. This concept is reflected in the undefined line 4b in Figure 7.2, highlighting the critical role of media communication. Financial performance and related information are made accessible to the public through official channels and popular platforms such as WhatsApp, TikTok, and official websites. Public organizations that implement robust accountability measures stimulate executives and agencies to prioritize outcomes that are beneficial and acceptable to society.

“..... Alhamdulillah, we have entered the 4th year of the annual report. This annual report is not an obligation for BPKH as a public legal entity, unlike a company. In a company, it is the company's law that requires an annual financial report. This is not the case for BPKH.” (M2, BPKH)

“The information there (official website) has various publications, financial reports, and various types, well, that is relatively transparent.....“ (M1, BPKH)

The Agency has demonstrated transparency and accountability in managing the Hajj fund, as evidenced by its receipt of an Unqualified Opinion from the Audit Board of the Republic of Indonesia (BPK), confirming compliance with general accounting principles and enhancing public confidence (BPKH, 2019). They actively communicates financial performance and strategic management of the Hajj fund through various official channels and media platforms, addressing public concerns and fostering transparency (BPKH official website).

BPKH functions as an organization that consciously manages its accountability behavior (Gray et al., 1996). However, it is important to recognize that the information

shared reflects the interests and curiosities of the public and other stakeholders concerned with the Hajj fund. Therefore, the accuracy and relevance of the information provided must align with the specific demands for accountability, ensuring that the content meets the expectations of information seekers (O'Loughlin, 1990). Evidence suggests that public understanding of available information may be limited, as the content is sometimes perceived as inappropriate or difficult to comprehend (O'Neil, 2006).

“Meanwhile, if people do not understand all kinds of financial reports and balance sheets, society will lack understanding. Even economists often criticize it..... The fund is IDR 18 billion, but the IDR 50 trillion in Islamic banks can be requested anytime” (BM 3, BPKH_P)

“... However, for the general public, who in general our society is unfamiliar with the form of financial information, it is possible that this financial report may not have any effect...” (M6, BPKH_P)

The complexity of accountability information often hinders public comprehension, especially when the content is overly technical or dense (O'Neil, 2006). Consequently, ordinary individuals may struggle to fully grasp accountability outputs, which tend to be complex and difficult to understand. This gap in understanding drives the public to rely more heavily on media coverage of the Hajj fund rather than seeking out detailed information themselves. Media outlets attract attention through engaging headlines and accessible narratives, effectively stimulating public curiosity. Therefore, the media plays a crucial role in shaping public acceptance and trust regarding the management of the Hajj fund.

“When it made headlines...: the Hajj fund ran out so that they could not leave, and the Hajj fund was used for infrastructure ... There is also the issue that the Ministry of Religion has not paid the debt for the previous Hajj, The public believes.....” (M2, BPKH)

“...attacks in the media are so intense that the public has difficulty sorting out what is right and wrong. However, he (the public) follows the massive flow, and when the statement comes out that it will be used to build toll roads, the public will no longer ask questions....” (BM3, BPKH_P)

Transparency and accountability in Hajj fund management are essential for building public legitimacy and trust (Nasution et al., 2019; Battal & Ibrahim, 2023). BPKH has made significant strides in improving openness by disseminating financial performance and related information through official channels and popular platforms, including social media (Indriani et al., 2023). Nevertheless, the media remains a primary source through which the public engages with Hajj fund issues, highlighting the importance of strategic communication to counter misinformation and enhance public understanding (Multazam et al., 2024). In this context, media coverage not only informs but also influences public perception, underscoring its pivotal role in the accountability ecosystem surrounding the Hajj fund in Indonesia.

Nonetheless, challenges remain in ensuring that all stakeholders fully understand the information provided. Continuous efforts to tailor communication to public needs and improve accessibility are essential to bridge the gap between information availability and public comprehension. This approach supports BPKH's commitment to responsible governance and sustainable management of Hajj funds, in accordance with legal mandates and sharia principles (Law No. 34/2014; Changir & Febrianti, 2024)

This situation represents the society's character that should be highlighted in managing the accountability for society in line 2e in Figure 7.2.

“Like me, I have just found out that BPKH is the manager of the Hajj funds.” (PS 4)

“We have never received any information about the finances. I only found out about BPKH recently.....“ (PN 2)

This condition has contributed to the public's disregard for the information on Hajj fund management published by BPKH. It reflects a broader lack of awareness regarding BPKH's comprehensive commitment to accountability and professionalism as the new manager of the Hajj fund. This phenomenon indicates low public acceptance and an absence of legitimacy. Public interest in BPKH is largely driven by sensational news related to Hajj issues, often raising concerns about the Hajj fund. Meanwhile, public trust remains affected by past negative experiences, yet there is limited recognition of the improved governance and new operational environment established by BPKH.

“The language is that past trauma does not go away easily. Managers may change, administrators may change, past trauma from events in the past is not easy to get rid of...” (M2, BPKH)

“I do not blame the community because the psychological aspect has been formed after decades of not receiving information.... So its nature not to be subjectively rational....” (BM3, BPKH_P)

Legitimacy depends on social approval, rendering credibility both tangible and socially constructed (Scott, 2005). Public information about Hajj fund management disseminated across various media platforms has motivated BPKH to intensify efforts to develop its organizational legitimacy (Scott, 2003). Despite the availability of such information, literature indicates that society and external stakeholders often remain unaware of it (Steccolini, 2003). This phenomenon helps explain why some individuals disregard information, even though they hold a fundamental stake in the consistent management of the Hajj fund. Consequently, accountability toward society, represented by code 2e in Figure 7.2, requires strengthening and greater focus. There exists a dissonance between how an organization perceives itself as “approved by norms” and the public’s perspective on that legitimacy.

Therefore, other non-mandatory forums within government and society should take part in building a sense of awareness with public money.

“... This should be communicated well to the public so that NGOs or people with special interests cannot easily ‘rub’ the public. BPKH must understand how mass communication ... it has to be really officially communicated to the public so that they understand and feel comfortable, safe, and clear.... and if the mass media support this, MUI, there will be no public concern.” (M6, BPKH P)

“.... Why do I say this? People close to me and relatives often ask me about the use of Hajj funds, so they feel confused or feel that there is asymmetric information, which can lead people to cause big problems for BPKH. In addition, social risks like this are 'fried' by certain people.” (BM 3, BPKH P)

“... So, this is what we tried to do (to involve) the academic Forums and asked for (adjust the regulation) to be changed.....“ (M3, BPKH)

The public’s response to ongoing challenges in Hajj fund management has been marked by curiosity and skepticism, largely due to limited understanding of reforms in fund administration. Nasution et al. (2019). identify that Phase 1 of Hajj management was

characterized by inadequate information dissemination and weak governance structures. This environment contributed to diminished public confidence, which persisted even as reforms were implemented in Phase 2. By Phase 3, when transparency initiatives were introduced, public indifference prevailed, with little active interest in seeking information about the Hajj fund.

This pattern reflects broader challenges in communicating accountability and reform progress to the public. Despite BPKH's efforts to improve governance and transparency, the legacy of past management issues continues to affect public trust. Official sources confirm that since its establishment in 2018, BPKH has managed to exceed financial targets and improve investment strategies while adhering to sharia principles and regulatory oversight (BPKH, 2019; Ministry of Religious Affairs, 2017). However, public engagement remains limited, underscoring the need for enhanced communication and education to build legitimacy and trust.

7.3.3. Legitimacy as a Virtue

The public's lack of awareness regarding accountability in the management of the Hajj fund by BPKH, as the new fund manager, has created a shared understanding between the community and the BPKH reform team. This mutual recognition of the prevailing societal conditions forms the basis of the insider team's moral conviction to demonstrate greater responsibility in their management role (Sinclair, 1995). The BPKH team's awareness of public perceptions and expectations underpins their commitment to enhancing accountability and rebuilding trust in Hajj fund administration.

The three phase accountability model proposed by Bovens (2007) provides a useful analytical lens for understanding how accountability flows within public sector institutions. The first phase involves the provision of information by the accountor in this case, the Hajj Financial Management Agency (BPKH). The second phase is the forum for discussion or debate, where hierarchical stakeholders, such as government agencies and oversight bodies, engage in questioning and evaluation. The final phase involves judgment, where conclusions are drawn and consequences may be applied based on the account given.

Historically, Hajj fund management in Indonesia has suffered from low public trust due to previous mismanagement and scandals. Aware of this legacy, BPKH's

leadership recognized the need for moral and structural transformation. Guided by a normative commitment to public service ethics, BPKH initiated reforms aimed at restoring institutional legitimacy and rebuilding stakeholder confidence. This effort reflects what Schweiker (1993) describes as unpleasant moral journey wherein accountability is not merely about compliance but involves a deeper sense of responsibility and ethical obligation. In the wake of past failures, the act of managing Hajj funds has been perceived by society as a morally weighty task, requiring both competence and integrity.

Despite improvements in information transparency, facilitated by digital platforms and routine reporting, public engagement remains limited. Many citizens have become indifferent to the available data, possibly due to a lingering sense of disillusionment. In response, BPKH interprets this apathy as a call to deepen its legitimacy by embedding accountability into a culture of transparency, supported by technology and continuous communication with stakeholders.

Accountability processes that allow the accountor to clarify and justify their actions to citizens and interest groups foster recognition of government authority and enhance public trust in governance (Aucoin & Heintzman, 2000). Justification reflects a learning perspective, emphasizing feedback mechanisms that encourage public officials and organizations to improve their effectiveness and efficiency (Day & Klein, 1987; Sinclair, 1995; Bovens, 2007). This focus highlights how BPKH, as an organization and through its individual members, develops a sense of responsibility that guides the internal formation and communication of information.

“Accountability is clear, that being accountable for what we do is definitely one of the stakes in management, so we do not play games.” (BM4, BPKH_P)

Interviews revealed that insiders at BPKH experience a strong sense of belonging and responsibility toward the organization, emphasizes that accountability definitions are shaped by prevailing ideologies, language, and social contexts, making the concept fluid and sometimes elusive (Sinclair, 1995). Their communication reflected genuine sincerity when discussing the Hajj fund and demonstrated thoughtful professionalism in managing the funds. The conversations also highlighted their aspirations for advancing the reform and professionalism of Hajj fund management to the next level. A widely accepted definition of accountability involves an actor or organization

disclosing information, engaging in debate or deliberation about that information, and potentially facing rewards or sanctions in cases of misconduct (Bovens et al., 2008). Moreover, when accountability is viewed as a virtue inherent to actors rather than merely a political or administrative evaluation process, it encompasses standards of conduct essential for good governance (Koppell, 2005), including commitments to transparency, fairness, compliance, and equity. This aligns with stage 1 of the Bovens' scheme (2007), accountability scheme the information stage where the responsible party is accountable to the delegating party (Bovens, 2007). The intrinsic belief that an actor must explain their conduct to another party represents the internal value or virtue of accountability. Insiders have been actively designing good governance practices from the outset (Broadbent et al., 1996; Jenkins & Gray, 1993). The detailed information on how insiders prepared it was shown by one of the supervisory board members of the pioneer team:

“...We prepare the administration and various regulations, starting from the institutional structure, human resources, and governance to business processes, monitoring, accountability, and communication related to various institutional stakeholders, and starting with preparing BPKH planning for the first five years. Then, we prepared BPKH for the next 25 years ... it was prepared from the start.” (BM3, BPKH_P)

A person's sense of responsibility often stems from their core values, which operationalize their sense of accountability. Accountability that is internally motivated rather than externally imposed can be described as self enabled accountability, frequently driven by individual conscience. This perspective helps explain why and how an actor performs accountable actions.

According to Sinclair (1995), individuals motivated by a sense of duty behave “in a manner that accepts responsibility for affecting the lives of others” (p. 230). Those who experience this internalized accountability employ a “calculus of accountability” grounded in their moral beliefs to assess the extent of their responsibilities (p. 232). Through self reflection, individuals determine how best to act in the interests of others, aiming to fulfill their needs more effectively (p. 230). The Islamic concepts of accountability and responsibility intersect closely with the ideas discussed by Sinclair (1995) regarding personal and organizational accountability. Maali et al. (2006, p. 272)

clearly illustrate this relationship within the Muslim way of life, emphasizing that accountability in Islam is deeply rooted in spiritual, moral, and social dimensions.

"The relationships of Muslims with each other and with the *Umma* (Islamic society) in general are emphasized in the *Qur'an* and *Sunnah*. Submission to the will of God thus includes recognizing the rights of others and dealing with society justly. Thus, accountability to God includes accountability to society" (Maali et al., 2006).

In Islamic teachings, accountability (*hisab*) is not only a social or organizational obligation but also a divine responsibility toward Allah, encompassing transparency (*shafafiyyah*), trustworthiness (*amanah*), and righteousness (*ihsan*). The Qur'an and Sunnah establish governance principles based on consultation (*shura*), justice (*'adl*), and moral conduct, which align with Sinclair's notion of internalized accountability driven by conscience and moral values. Thus, the Islamic framework complements and enriches the concept of accountability by integrating ethical, social, and religious obligations, creating a holistic approach that governs both individual behavior and institutional governance.

Redefinition of hajj as the *fiqh* in Islam, this hajj become compulsory for Muslims with financial and physical ability (Qur'an surah Ali Imran (3:97)). Therefore, the word able means that someone should be able to afford the cost of a pilgrimage to Macca. In the meantime, Indonesian pilgrims already used to have their costs subsidized by the government, and that system is highly political. Even though the pilgrims and society did not understand the actual hajj cost information, they accepted it as the true situation. So, there is information asymmetry, this arises from the complex interplay between government subsidies, actual pilgrimage costs, and the principle of financial capability (*istito'ah*) as mandated in Islamic jurisprudence.

In recent years, the Indonesian government, through the Ministry of Religious Affairs and in coordination with the House of Representatives (DPR), has implemented substantial subsidies to make the Hajj more accessible to its citizens. While these subsidies aim to alleviate the financial burden on pilgrims, they inadvertently create a disconnect between the actual costs incurred and the amount paid by the pilgrims. This disconnect can lead to misunderstandings among stakeholders, including pilgrims, policymakers, and the general public, regarding the true cost of the pilgrimage and the sustainability of the subsidy model.

"... because what is called *isti'toah* is to be able to afford it, and it is not just a matter of cost, physically able in terms of health, opportunity, travel, everyone must be able to perform Hajj. Now, if all this has to be taken care of by the government, prepared by the government, and by the state, then where is the *isti'toah* side? It is not fulfilled." (BM1, MORA)

The 2023 Hajj pilgrimage marked a pivotal moment in Indonesia's public discourse on Hajj fund management. The significant increase in pilgrimage costs brought BPKH into the spotlight, highlighting the complexities of fund allocation and subsidy mechanisms. Despite BPKH's efforts to enhance transparency and disseminate information regarding new guidelines for managing Hajj funds, public understanding and trust remained limited. This scenario reflects a broader issue of information asymmetry and the challenges of rebuilding institutional legitimacy. As Schweiker (1993) posits, accountability extends beyond procedural compliance to encompass a moral journey, wherein institutions must not only act responsibly but also be perceived as doing so by the public. The historical context of mismanagement and scandals in Hajj fund administration has led to a deep seated skepticism among the populace, rendering them indifferent to new information and reforms. Consequently, most of them become ignorant of the availability of information in the new atmosphere.

"I also think that perhaps many still do not know that BPKH has the function of coach and coachee for Hajj fund investment managers. I think not everyone is aware of the fact that everything they deposit to get a seat number is managed and has a benefit value that they can check every period. I do not think this has been conveyed on a massive scale and is known to all parties....." (M1,BPKH)

The public's ignorance regarding accountability information often stems from the complexity of the information itself, which makes it difficult for society to comprehend and engage with (O'Neill, 2006). This challenge highlights the importance of selecting effective communication strategies. Unerman and Bennet (2004) propose "strategic communicative action," emphasizing direct interaction approaches to enhance understanding and engagement.

In the context of BPKH, accountability mechanisms are deeply intertwined with religious and social values embedded within the community. Beliefs shape societal norms and values, framing behaviors and expectations as part of the cultural

environment. This sociological perspective underlines that public accountability is relational, where BPKH and its public managers should feel a moral obligation to account for their performance not only to the general public but also to civil interest groups, charities, and client associations. This relational core reflects the social psychology underpinning public accountability.

The events of 2023 underscore the necessity for BPKH to engage in a continuous process of moral accountability, to rebuild legitimacy and public confidence in Hajj fund management. External stakeholders, particularly prospective pilgrims, have expressed concerns over the management and allocation of Hajj funds, highlighting issues of transparency and equitable benefit distribution. The lack of comprehensive communication and understanding of BPKH's new guidelines has led to skepticism and diminished trust among the public.

The interviewees reflected on the psychological dimensions of public perception and the historical context of Hajj fund management in Indonesia. Although they responded with strong emphasis to the public's curiosity during interviews, explaining their efforts to design accountability measures within the new organizational environment. They also expressed frustration over the persistent public unawareness, as evidenced by repeated inquiries about the continued existence of the Hajj fund. Since legitimacy is grounded in social acceptability, credibility is both tangible and socially constructed (Scott, 2005). This understanding serves as a foundational step in developing organizational legitimacy and fostering public trust.

The interviewees highlighted the necessity for BPKH to establish legitimacy in the eyes of the public, emphasizing the importance of the relationship between BPKH and its stakeholders (McCandless, 2001). For insiders, building credibility is essential to gaining social acceptance and reinforcing the organization's legitimacy (Scott, 2001). These insights directly address the first research objective concerning the development of organizational legitimacy.

7.3.4. Concluding Remarks

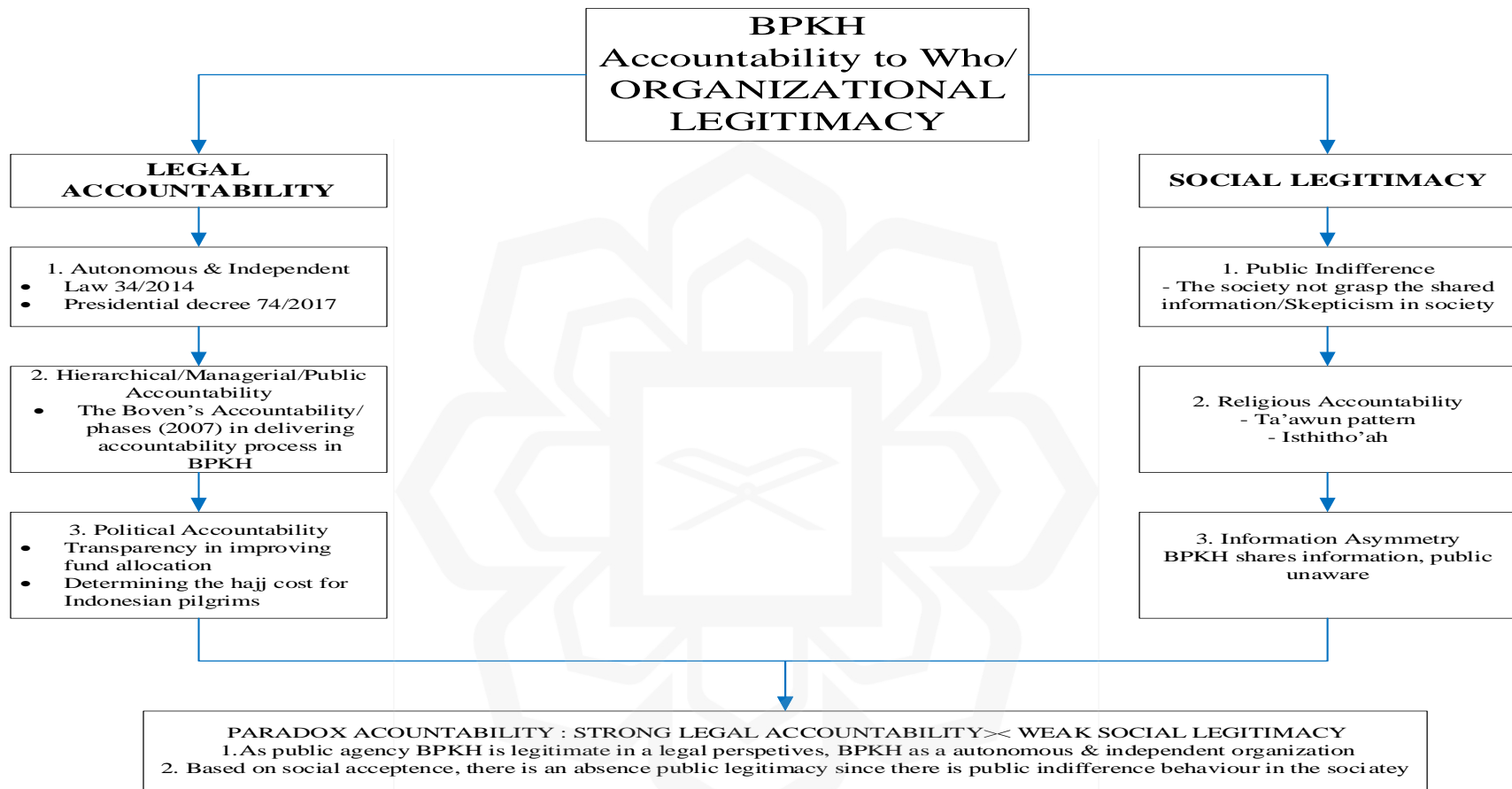


Figure 7. 4 Concluding Remarks Accountability to Who/Organizational Legitimacy

Figure 7.4 ultimately illustrates that BPKH's accountability is multi directional. Upward to regulators, downward to pilgrims, laterally to partner institutions, and symbolically to the broader ummah. To maintain its legitimacy and fulfill its mandate, BPKH must operationalize accountability not merely as a reporting requirement, but as an ongoing ethical and governance practice that integrates financial transparency, religious commitment, and responsiveness to public expectations. This model reinforces that accountability is both a mechanism and a moral compass for Islamic public financial institutions.

The dual structure of accountability applied to BPKH (Badan Pengelola Keuangan Haji), highlighting its strategic position as a public financial institution that must satisfy both legal institutional mandates and social expectations. This dual framework distinguishes between legal accountability, grounded in formal law and state governance, and social accountability, rooted in public perception, religious sentiment, and cultural expectations of transparency and trust.

This sub chapter concludes by emphasizing the critical distinction and interaction between legal and social accountability in the context of BPKH's governance of the Hajj fund, as illustrated in Figure 7.4. The analysis reveals that while BPKH has achieved significant progress in institutionalizing legal accountability through formal reporting structures, regulatory compliance, external audits, and procedural transparency. It continues to face considerable challenges in cultivating social legitimacy among the broader public.

The reforms introduced under Law No. 34/2014 have strengthened BPKH's organizational autonomy and improved its administrative credibility compared to previous fund managers. These legal mechanisms have enhanced the technical integrity and governance capacity of Hajj fund management, fulfilling the state's expectations for a transparent, apolitical, and procedurally sound institution. However, these legal gains have not been paralleled by a corresponding advancement in public trust.

Findings from this study indicate a persistent gap between institutional performance and public perception. Despite transparent financial disclosures and improved fund supervision, the public, particularly prospective pilgrims, remains largely sceptical. Their doubts are rooted in religious values, reinforced by cultural habituation to non transparency, and compounded by a limited understanding of BPKH's accountability mechanisms. This dissonance has created a paradox: while legal accountability is firmly established, social accountability remains underdeveloped.

Ultimately, this tension underscores that legal compliance, although necessary, is insufficient for achieving holistic legitimacy in a context where religious and emotional trust is paramount. For BPKH to fully realize its mandate, it must go beyond procedural adherence and actively engage in inclusive, culturally attuned, and communicative governance. Bridging this accountability gap requires not only maintaining institutional integrity but also fostering public dialogue, access to information, and community engagement. Only then can BPKH build the trust and credibility essential for sustaining the long term success of Indonesia's Hajj fund management system.

7.4. ACCOUNTABILITY HOW

The accountability scenario is intentionally designed to enhance public trust and revitalize the economic assets within the Hajj fund. To achieve this, good governance policies have been implemented, adhering to fundamental principles such as transparency, accountability, and responsibility. These governance practices are typically disclosed openly on the official website, serving as a key platform for public services, procurement procedures, and financial management systems. Such disclosures are validated by oversight authorities, reflecting the organization's responsiveness to societal expectations.

The second phase of exploration, based on Boven's accountability concept (Boven, 2007) aimed to answer research objective two: understanding the accountability and coordination process. Figure 7.2, specifically sections 2a through 2e, illustrates the preparation of accountability actions. The process begins within BPKH, where the accountant reports its conduct to various stakeholders, as indicated by codes 2a to 2e within the accountability framework of BPKH. Sections 2a, 2b, and 2c represent a hierarchical accountability process, involving financial oversight by superior authorities or principals. Subsequently, sections 2d and 2e focus on accountability toward the broader societal environment, emphasizing communication with non-formal forums and the public at large. This latter stage is designated as the communication of accountability. Additionally, this phase develops coordination by defining the characteristics of BPKH's public agents.

The case findings are organized into two primary themes. The first theme examines the accountability mechanism within BPKH, illustrating how the

organization is accountable both to governmental authorities and the public to secure organizational legitimacy. This section addresses two key areas: first, the comprehensive procedural accountability processes within BPKH, encompassing governmental and hierarchical political levels, and the categorization of various political strata; second, the communication of accountability, which details how BPKH conveys its accountable actions to stakeholders. Together, these themes respond to two research questions under the second research objective.

The exploration of accountability within BPKH reveals that the legitimacy process is reflected in the circulation of information within the system (Indriani et al., 2023). Such information flows prompt modifications to the system's structures and processes (Cutlip et al., 2000), which serve as signals of legitimacy to stakeholders. This study further investigates how BPKH manages communication and utilizes media as a communication tool to succeed within its social environment (Scott et al., 2000).

“The data can be seen that there are financial reports you can see there, specifically for the nature of services to the public in general and Hajj aspirants. A menu is provided regarding the services offered. There is also a submission menu and a virtual account menu.” (M5, BPKH P)

The study revealed significant progress in disseminating information to pilgrims and the broader public. Although the BPKH's official website is well structured and informative (Indriani et al., 2023), accessibility should be enhanced to support direct interaction. Closer, direct communication between the agency and the public strengthens the organization's image and public trust. The development of accountability at BPKH, as a trustworthy manager of the Indonesian Hajj fund, remains ongoing and positively contributes to its organizational legitimacy. This aligns with the accountability conceptual framework, which emphasizes interactive processes among society, control agents, and the organization (Fox, 2007).

As a public institution, the governmental sector serves society (Bovens, 2007). The achievement of objectives and resolution of political issues within government are influenced by both horizontal and vertical coordination. This is reflected in the adapted Stewart's ladder of accountability (2006) from Friedman and Miller, which contextualizes levels of accountability within the complex management of the Hajj fund. The dissemination and transmission of accountable actions present challenges in communication for information recipients and coordination for stakeholders embedded

in the governmental bureaucracy. The overarching theme in the accountability process is the ongoing development of coordination within bureaucratic sections, which is critical for effective Hajj fund management.

7.4.1. Accountability Process Inside of BPKH

The implementation of a novel framework promoting public transparency was instrumental in establishing BPKH. In its early stages, this approach emphasized strengthening the internal environment of public agents while also addressing the social environment through self perception. At the same time, it recognized that society has distinct needs, necessitating communication that focuses on issues relevant to stakeholders and the broader public (O’Loughlin, 1990). Within the context of the Hajj fund, the primary stakeholders include the pilgrims themselves as well as representatives of the wider community.

“What needs to be informed and prioritized by the BPKH is the pilgrims, but if we see what is happening, Many pilgrims question the financial management of Hajj and how their funds are managed. This means that BPKH's information and reporting on financial management has not been absorbed by its stakeholders...”
(BM 1, MORA)

BPKH is establishing a robust foundation for assessing organizational legitimacy from an internal perspective, particularly within the framework of prospective evaluation (Ebrahim, 2003). Historically, the administration of Hajj funds limited disclosure of specific financial data, especially prior to BPKH’s establishment (Nasution et al., 2019). The presentation of financial performance information constitutes a fundamental aspect of accountability’s initial stage (Bovens, 2007).

Reforms in the professional management of the Hajj fund demonstrate a fundamental reshaping of responsibilities and a redefinition of credibility. Deegan (2002) proposed organizational strategies that align operational practices with social contract principles. Within BPKH, credible internal resources have driven modifications to internal structures and processes (Cutlip et al., 2000), accompanied by transparent communication of financial performance. These reforms target governmental and political stakeholders as well as society at large.

Communication within the political hierarchy serves as a coordination mechanism. According to Bovens' (2007) accountability framework, phase 2 illustrated in Figure 7.2 with codes 2a, 2b, and 2d represents a stage of discussion or argumentation. This mechanism aligns closely with BPKH's internal regulation No. 3/2018 concerning financial performance obligations, reinforcing accountability through structured dialogue and oversight.

“The Ministry of Religion is intense, ma'am, not only when we submit the report but when determining the burden of the Hajj pilgrimage. The funding comes from the BPKH, even though the Ministry of Religion has a separate process from the DPR to determine the amount of the ONH plus Hajj because the subsidized Hajj pilgrims bear the BPIH.....” (M3, BPKH)

“We mainly submit other reports to the government audit agency (BPK). Technically, the president's organ is the BPKH as a mandate from the DPR, but when we report to the President, it goes through the Ministry of Religion.” (BM3, BPKH_P)

“... so we finally decided to go to PSAK. Then, the infrastructure is ready, and after that, we prepare the application setting and make the business process how the funds are delegated first from the Ministry of Religion and then transact.” (M3, BPKH)

The pioneers of BPKH formally institutionalized the process of preparing accountable information, demonstrating a strong awareness of their accountability responsibilities as an integral part of their pursuit of legitimacy. Within the governmental framework, higher level government institutions possess the authority to demand accountability and provide recommendations concerning the management of the Hajj, extending beyond BPKH's hierarchical structure. In response, BPKH addresses these demands by offering clear explanations and justifications for its management practices (Bovens, 2007). The discussion mechanism, which is the second stage of the accountability concept according to Bovens (2007), is described as follows:

“BPKH must submit the determination of the annual budget work plan to the DPR. So, determining the annual budget work plan includes interaction with the DPR as the institution representing the people and the state. ...including checking performance, current issues, and how to resolve existing matters.”(M5, BPKH_P)

“Then, here is the role of BPK (Government Audit Agency) as an external auditor to audit whether BPKH's financial reports comply with standards and meet the principles of accountability. So, before the BPK audit, we uploaded it to the semi annual, annual, and unaudited website.”(M3, BPKH)

The debating or discussion phase is inherently dynamic and necessitates coordination with other stakeholders and supervisory bodies to secure forum acceptance and validate due diligence as a public agent. BPKH's hierarchical management exemplifies political and managerial accountability by actively engaging key stakeholders, including the President, the House of Representatives (DPR), and the Ministry of Religion. To strengthen communication between the organization and the public, it is advisable to employ legitimation strategies through annual reports and related activities. Transparency remains a critical element of any strategy aimed at building credibility. Accordingly, BPKH's top management has emphasized its responsibility to deliver comprehensive reports on the activities and outcomes of Hajj fund management to both the President and DPR, thereby reinforcing accountability and trust (Bovens, 2007).

“..... the full version of the financial report and performance accountability report (is sent) to the DPR every semester but through the Minister of Religion, then directly to the DPR as well as to the President who appoints our leaders.....Then, the audited ones related to BPKH regulations must present their financial reports through the mass media every year....” (M3, BPKH)

This approach aligns with BPKH's organizational structure, which includes a Supervisory Board and Executive Body tasked with oversight and coordination among stakeholders to ensure compliance with governance principles and legal mandates . The annual reports demonstrate BPKH's commitment to transparency and accountability, detailing oversight activities and collaboration with various stakeholders to maintain credibility and trust within the ummah. Effective stakeholder engagement, as supported by hierarchical models, involves identifying, prioritizing, and managing relationships to foster transparency, trust, and credibility, which are essential for sustained accountability in public institutions.

7.4.1.1. Hierarchical Process

The hierarchical level of the accountability process inside BPKH aligns Boven's accountability concept (Boven, 2007), resembles the accountability for the accountability to a public agency. As a public organization, BPKH is inextricably linked to formal procedures and hierarchical government protocols (Mintzberg & Quinn, 1979). BPKH, as a unique organization, is a public legal body governed by Law 34/2014, which means it falls under the definition of two sectors: public and private. However, because BPKH oversees funds belonging to Hajj pilgrims, its character and quality are inextricably linked to that of public organizations in general. According to the direction of Hajj financial management reform, BPKH is a public body that requires adjustments in governance, design, and service enhancement for the general public's benefit (Pollitt & Bouckaert, 2004; Fernandez & Rainey, 2006). This means that the accountability procedure within the Hajj administration must be transparent and valid. Effective and transparent governance is a crucial component of successful governance. This implies the government should be devoid of corruption, conspiracy, and nepotism.

A typical accountability relationship in public sector enterprises is a combination of hierarchical/managerial/political accountability, sometimes called public accountability (Laughlin, 1990; Ryan & Walsh, 2004). Political and public forms of accountability are the critical tools governments use to hold themselves accountable. Transparency serves as the foundational element for all tactics aimed at establishing legitimacy. Next, the accountable actions taken by BPKH following Boven's concept (2007) are in phases 3 to 7 in Figure 7.1, where routine accountable procedures occur. The informing conduct, the debating/discussion, and the judging phases are the processes regulated in BPKH internal regulation No. 3/2018. It clearly stated the rules and mechanism of financial performance for BPKH. The narrative discusses the BPKH's initial phase of giving information on its actions and outcomes to the authorities, like the president and the House of Representatives (Bovens, 2007). The phase of informing conduct where BPKH should be ready for parties in the governmental setting can be seen in the schema of accountability (Figure 7.2), which shows the mechanism in 1a, 1b, and 1c.

“In transparency, BPKH has a monthly, quarterly, semi annual, and annual reporting mechanism. Reports submitted to the President and the House of Representatives (DPR) are semi annual. We mainly submit other reports to the government audit agency (BPK). Technically, the president's organ is the BPKH as a mandate from

the DPR, but when we report to the President, it goes through the Ministry of Religion.” (BM1, BPKH)

“Yes, the parties who have the authority are the Ministry of Religion and the House of Representatives (DPR), but the President is rare, and for verification, it is the BPK (Audit Agency). This is routinely mandatory.... So, the verification and supervision of the BPK is extraordinary because the people's funds are large...” (M3, BPKH)

The hierarchical process for preparing accountability within BPKH is delineated along two primary pathways. First, the blue lines 2b, 2a, and 2d in Figure 7.2 represent the routine, mandatory procedures conducted with higher level government authorities. This cycle occurs annually, coinciding with the financial performance assessment of public agents. Second, the red lines 3a, 3b, and 3c in Figure 7.2 illustrate supplementary processes that arise intermittently during the routine cycle, typically triggered by specific issues requiring additional attention. Legally, the blue line process holds priority, emphasizing due diligence in financial performance. The red line process functions as a supportive mechanism during the discussion or debating phase, wherein actors justify their conduct before the forum.

Despite this structure, further elaboration on the concept of transparency is warranted, particularly regarding responses to accountability assessments within reputable forums (Mulgan, 2000; Romzek & Ingraham, 2000; Sweeney et al., 2013). The routine hierarchical process begins with line 2b, involving coordination with the Ministry of Religious Affairs (MORA). In this context, MORA determines the financial requirements for the current year's Hajj pilgrimage. Given BPKH's role as the custodian and manager of the Hajj fund, close coordination with MORA is essential to effectively organize and manage the pilgrimage for Indonesian pilgrims.

“... The funding comes from the BPKH, even though the Ministry of Religion has a separate process from the DPR to determine the amount of the ONH plus Hajj because the subsidized Hajj pilgrims bear the BPIH. The Ministry of Religion is intense with the BPKH.....” (M3,BPKH)

The second phase of the accountability concept (Bovens, 2007) is exemplified in the assessment process between BPKH and the Government Audit Agency (BPK), which serves as the legitimate forum for evaluating compliance with financial conduct requirements. This phase corresponds to the debating or discussion stage of

accountability within BPKH, as indicated by lines 2a and 2b in the accountability framework. The interaction with BPK involves rigorous audit processes that assess BPKH's financial statements, ensuring transparency and adherence to applicable standards. Despite some identified issues, such as suboptimal utilization of integrated financial systems and certain account management weaknesses, BPK has consistently awarded BPKH an Unqualified Opinion (Wajar Tanpa Pengecualian / WTP), reflecting a high level of financial accountability and governance commitment. This ongoing dialogue between BPKH and BPK underscores the dynamic nature of accountability as a process of justification and validation within a recognized oversight forum.

“Then, here is the role of BPK (Government Audit Agency) as an external auditor to audit whether BPKH's financial reports comply with standards and meet the principles of accountability. So, before the BPK audit, we uploaded it to the semi annual, annual, and unaudited website.” (M3, BPKH)

“BPKH must submit the determination of the annual budget work plan to the DPR. So, determining the annual budget work plan includes interaction with the DPR as the institution representing the people and the state. When preparing the budget, the BPKH must be approved by the DPR before it can be carried out.....” (M3, BPKH)

BPKH actively engages in the argumentation phase of accountability through coordination and dialogue with key governmental stakeholders, including the Ministry of Religious Affairs (MORA) and the House of Representatives (DPR). This interaction forms an integral part of the accountability process, as emphasized by Fisher (2004), who noted that multiple government forums foster a dynamic balance and enhance administrative efficiency within public institutions. The degree of collaboration with stakeholders varies, reflecting the complexity of BPKH's accountability landscape.

At the next hierarchical level, represented by code 2d, agencies such as anti fraud bodies, legal and financial authorities, and the Sharia National Board (Majelis Ulama Indonesia) play a supervisory role. While their involvement is not routine, these entities possess the authority to inquire and require BPKH to confirm its conduct when specific issues arise. This supplementary oversight supports the primary accountability phases (2a and 2b), ensuring rigorous monitoring by hierarchical agents.

Further accountability interactions take place during the additional debating phases, represented by the red lines 3a, 3b, and 3c. These sessions focus on emerging

issues that necessitate more in depth examination with the accountant. For example, the political process that authorizes the allocation of predetermined Hajj funds involves transparent consultations with the Ministry of Religious Affairs (MORA) and the House of Representatives (DPR) to obtain formal approval. This process strengthens transparency and accountability in the management and utilization of the Hajj fund. It is important to note that, prior to the public release of the 2023 Hajj Pilgrimage Implementation Budget (BPIH), such financial information was confidential and accessible exclusively to policymakers.

“...Yes, if there is an issue, it will be asked whether it is accurate, and this is done through a hearing. This meeting can discuss anything routinely related to performance and budget, but it can be case by case outside of that. It is up to the DPR as the supervisor of the BPKH, which happens to be DPR Commission 8...” (BM 4, BPKH_P)

“...talking about The costs of pilgrimage, this policy will be communicated together with the three parties, Commission 8 will always have a long way to go so that BIPIH will stay low. If it is not, then it is not a popular action. Meanwhile, the BPKH, the Ministry of Religious Affairs, must make adjustments because the adjustment will reduce the distribution of the value of the benefits for Hajj operations..... “ (BM1, MORA)

This stage encompasses the responsibility for organizing procedural systems to achieve efficiency and effective time management. It also involves preparing accurate and reliable information that meets the accountability criteria required by oversight forums such as the Government Audit Agency (BPK), the House of Representatives, and the President (Mulgan, 2000; Romzek & Ingraham, 2000; Williams & Taylor, 2013).

The stage under consideration corresponds to the judging phase, which is the third phase in Bovens' (2007) accountability framework. This phase entails the accountant presenting arguments and justifications to the accountee, culminating in a final judgment or evaluation. According to an insider from BPKH, the most intense communication occurs during interactions with the Government Audit Agency (BPK), highlighting the critical nature of this phase in the accountability process.

“...for verification is BPK ... BPK could be present at least once to conduct an audit with the specific purpose of auditing the financial statements. So, the BPK's audit and supervision are extraordinary because the Ummah's funds are large ...” (M3, BPKH)

“It really depends on what the government and the DPR want politically. Is it possible? Yes, it is possible, The government will definitely get a negative response from prospective pilgrims, and it will become a political issue.” (BM1, MORA)

The transmission of accurate financial information has become critical in highlighting BPKH's responsible actions. Contrary to MORA as the previous caretaker of the Hajj fund, BPKH, since 2018, served compliance and voluntary aspects of providing accounts and rationale to justify the professional management practices employed in handling the Hajj fund. Dubnick (2007b) posits that the primary function of information processing workflows in an organization is ensuring reliable information dissemination to all pertinent stakeholders. The Government Audit Agency (BPK) has consistently issued Unqualified Opinions (WTP / Wajar Tanpa Pengecualian) for five consecutive years, beginning in 2018. This practice has effectively set a regulatory benchmark for financial reporting.

The hierarchical levels of accountability within BPKH illustrate progressive stages of constructive responsibility at each tier. The initial level is characterized by a modest approach, emphasizing the conscientious fulfillment of procedural obligations aligned with hierarchical positions (Roberts, 1991). At a subsequent level, technology assumes a pivotal role by enabling organizations to manage operations more effectively and efficiently through technology based systems, thereby enhancing public confidence (Gandía, 2011; Saxton et al., 2012). Further, standard operating procedures and additional mechanisms within BPKH foster organizational effectiveness and efficiency, reflecting a commitment to professional management. Notable achievements highlighted on the BPKH official website include the distribution of benefit programs, the implementation of a virtual account system for pilgrims, and adherence to the Four Eyes principle in decision-making processes. Finally, the highest accountability level denotes a stage of comprehensive responsibility, capable of meeting the diverse requirements of all stakeholders, despite the specific structural framework still being under development (Gallie, 1962). Table 7.1 presents the hierarchical accountability process derived from interview data, based on the Modified Stewart Ladder of Accountability and established accountability guidelines (Friedman & Miles, 2006; Stewart, 1984).

Table 7. 1 Accountability Framework in the Context of Hajj Fund Management

Actor /Agent	Stewart Ladder of Accountability	Primarily to whom FORUM	The standard form of accountability FORM	Accountability mechanism HOW	Why should render the account WHY
BPKH	Legal Accountability obligation ⁽¹⁾	Upwards stakeholders (Government principal, owner)	Audited financial statements; compliance with applicable legislation	In the separation of authority between MORA and BPKH, the legal standing in Law 34/2014 and other supportive fundamental laws define the scope of responsibility areas as receiving the Hajj deposits, managing the suitable investments for a good return, coordinating as the finance section in organizing the pilgrimage, maintaining the efficient cost, and helping improve services to pilgrims during Hajj.	Legal Responsibility is regarded as the most unequivocal manifestation of accountability due to its foundation in comprehensive legal concepts delineated by constitutional, judicial, or administrative legislation or decisions.

Actor /Agent	Stewart Ladder of Accountability	Primarily to whom FORUM	The standard form of accountability FORM	Accountability mechanism HOW	Why should render the account WHY
	Process Accountability	Financial forum (financial government authorities)	Activity Plans. Accountability for Standard operational procedures and technical procedures activities (Compliance with procedures; no maladministration)	BPKH justifies its conduct by communicating during the accountability mechanism with the accountee when making the argument during the audit process with BPK (government audit agency), coordination with the Ministry of Religious Affairs (MORA), and communication with the House of Representatives (DPR).	Accountability mechanisms enable the BPKH to elucidate and substantiate their intentions, promoting the acknowledgment of government power and fostering citizens' trust in the government's administration.
	Accountability for Performance	All stakeholders	Business Plans: Accountability through action	<ul style="list-style-type: none"> ▪ Performance based technology ▪ Information accessibility through the media (financial service and financial performance, and other various information ▪ Unqualified opinion from Government audit 	At the performance level, the utilization of technology plays a significant role in promoting accountability and performing assessments.

Actor /Agent	Stewart Ladder of Accountability	Primarily to whom FORUM	The standard form of accountability FORM	Accountability mechanism HOW	Why should render the account WHY
				Agency for four years since 2018 <ul style="list-style-type: none"> ▪ ISO Certification 9001; 2015 	
	Program accountability social impact recognition and measurement	All stakeholders	Accountability for financial performance and social performances (Strategic plan and balanced scorecard; annual performance reports and budgets)	<ul style="list-style-type: none"> ▪ Benefit program distribution ▪ Virtual account for pilgrims ▪ Four eyes principle in decision making ▪ Centralized data of BPKH 	BPKH identified several agendas to enhance communication between the organization and its stakeholders. During this particular phase, the process of local discourse and social learning has the potential to provide legitimacy to adaptation efforts.
	Policy Accountability	All stakeholders	Abstract	Abstract	The ideal situation of accountability that meets the needs of all stakeholders

Source: compiled by the author according to interview sessions gathered from the data collection period using the modified Stewart Ladder of Accountability from Friedman and Miles (2006) and transparency and accountability guidelines (1984).

Table 7.1 identifies each hierarchical level based on tangible achievements observed during the accountability process. Currently, BPKH's position aligns with the program accountability stage, characterized by the recognition and measurement of social impact. Notable physical achievements include technology based initiatives such as the benefit program distribution, the virtual account program for pilgrims, and the implementation of the Four Eyes principle in decision making. BPKH has evidently embraced technological advancements as a strategic response to challenges in vertical accountability. Technologies like e-government have been shown to systematically reduce corruption and enhance transparency (Popescu, 2015). The integration of technology plays a crucial role in facilitating accountability and enabling comprehensive assessments at both performance and programmatic levels. Advancing within the program accountability stage involves achieving specific objectives that exceed traditional benchmarks in financial performance and social outcomes (Saxton & Guo, 2011). Such progress enhances communication channels and promotes public transparency, thereby fostering greater citizen engagement. Additionally, it strengthens internal control and supervision mechanisms, contributing to the promotion of good governance within the organization.

The distinctive nature of a public agent engaged in the aforementioned processes can be characterized as a dynamic, bilateral interaction among entities participating in the accountability procedure (Stewart, 1984). The concept of a hierarchical structure in a superior-subordinate relationship, as highlighted by Roberts (1991), holds significant importance within the principal agent theory framework. Here, the principal is legally entitled to request an account, whereas the agent is obligated to provide it. Consequently, accountability pertains to how individuals or entities justify their actions, especially in light of potential positive or negative consequences (Dunn, 1999). Recognizing responsibility as a dynamic process, rather than a static condition, is paramount. Thus, accountability requires officials to undertake proactive measures, such as forging partnerships with diverse societal institutions and accounting bodies, to promote greater openness and effectiveness within government operations.

“... It is not yet the end of the financial report, annual report, or OWTP (Unqualified Opinion) that is the finish line for BPKH. This stage is necessary because it is the capital for them to socialize it to the public” (M2, BPKH)

Political forums within public institutions typically exhibit a hierarchical structure, where higher ranking positions exert control over subordinate organizational levels in government (Romzek & Dubnick, 1987). This hierarchical arrangement often leads to predictable outcomes and consequences. By implementing accountability systems, accountors can advance their objectives, reinforce the legitimacy of governmental authority, and foster public trust in government administration (Aucoin & Heintzman, 2000). Effective justification requires an instructional approach that emphasizes feedback driven incentives for public officials and organizations, thereby enhancing their efficacy and efficiency.

7.4.1.2. Communicating Accountability

Transparency serves as the cornerstone of all legitimization strategies. Annual reports and organizational activities are designed to enhance the effectiveness of communication by employing legitimation strategies that facilitate clearer and more meaningful engagement between the organization and society. Fundamentally, transparency underpins and strengthens all efforts aimed at establishing and maintaining organizational legitimacy.

“But from 2017 until now, transparency has been quite visible in the information and technology side, not to mention the performance side. Maybe you can read the BPKH accountability report for the 2018-2022 period. It already exists.” (M4, BPKH_P)

Transparency plays a vital role in disclosing governance procedures to citizens and political representatives, ensuring that processes and decisions are publicly accessible (Héritier, 2003; Novak, 2013). The dissemination of accurate financial reporting demonstrates that accountability has emerged as an essential component, as shown in lines 2e and 4b in Figure 7.2. These measures can effectively reduce the gap between individuals, their elected officials, the general public, and the government (Aucoin & Heintzman, 2000). The transmission of information is intentionally sent to form a good image of being accountable and trustworthy in public opinion. Furthermore, transparency initiatives improve service delivery, promote integrity, and enable citizens to participate meaningfully in policy and decision making processes. These subsequent actions that BPKH actively transmits to society are shown in lines 2e in Figure 7.2.

”...You can also check on our website as part of our transparency to the public. ...We have received an assessment from BPKH, at that time WTP (Unqualified Opinion) four years in a row.... which is perhaps one of the indicators that can finally convey the transparency of Hajj fund management.” (M1, BPKH)

The explanation illustrates that BPKH’s dissemination process encompasses the exchange of information, transmission of ideas, self presentation, and the pursuit of mutual understanding (Seitel, 2004). Mulgan (2003) defines accountability as “any system that holds influential entities accountable to their respective publics,” emphasizing the relational nature of accountability.

A critical aspect of this normative concept is that its various components cannot be measured on a uniform scale. Notably, the presentation phase of financial performance measurement has been validated by a legitimate forum through the issuance of an unqualified opinion the highest level of legal audit certification under hierarchical and political supervision. Within this context, BPKH operates as an organization that actively endeavors to assert its will and influence its operational environment (Scott, 2003).

”... if I look at the website, there is a menu of information related to financial management that all Indonesian people can access. Yes, the data can be seen. Financial reports can be seen there, specifically regarding services to the general public and prospective Hajj pilgrims. There is a menu regarding the services provided, an application menu, and a virtual account menu ... ” (M5, BPKH P)

Fox (2007) conceptualizes openness and accountability as intertwined dimensions, where transparency serves as a foundation for responsible governance. In this context, BPKH’s approach to openness and accessibility of information reflects a shift toward a less rigid form of responsibility, aligning well with clear transparency criteria (Fox, 2007).

Mass media plays a pivotal role in communicating information to society, often serving as the primary source through which the public learns about complex issues such as the management of Hajj funds. Media coverage, with its compelling headlines and engaging narratives, naturally attracts public attention and curiosity. However, media portrayals are often ambivalent, presenting issues with multiple perspectives akin to “two sides of a coin.” Byun and Oh (2018) found that corporate social actions tend

to be depicted positively in the media. Conversely, studies by Lee and Carroll (2011) and Vogler and Eisenegger (2021) suggest that media coverage of corporate social responsibility (CSR) efforts frequently carries a negative tone.

The perception of BPKH by its stakeholders aligns with the organization's efforts to convey accountability measures, which is essential for establishing organizational legitimacy. Nonetheless, public trust and legitimacy remain fragile, partly due to societal unfamiliarity with evolving accountability frameworks and transparency practices. The influential power of media in shaping public perspectives is underscored in line 4b of Figure 7.2, highlighting the critical role of communication channels in fostering or hindering public confidence.

“if you look at the news (Hajj fund information), it is often negative. It seems that not many are trustworthy.” (PS 4)

“...the attacks in the media are so intense... However, the public follows the massive flow, and when the statement comes out that it will be used to build toll roads, the public will no longer ask questions.....” (BM3, BPKH_P)

BPKH recognizes that stakeholders, primarily pilgrims and the broader community are key drivers of environmental change pressures that shape its legitimacy (Cutlip et al., 2000). Effective communication tailored to these stakeholders is essential to ensure they receive and comprehend information related to BPKH's operations. It is therefore recommended that BPKH implement direct communication channels that facilitate interaction not only within BPKH but also by leveraging the resources and environments of other Hajj management stakeholders.

This approach reflects the dynamic social relationships inherent in the accountability process, illustrating how environmental conditions influence and are influenced by BPKH's accountability practices. The complex ecosystem of Hajj management involves multiple institutions, including the Ministry of Religion, DPR, and supporting business partners, where collaboration and clear communication are crucial for effective governance and legitimacy (Sopyan et al., 2023). The suggestion is to offer a direct communication solution for interactions related to BPKH operational activities. By fostering direct, clear, and inclusive communication with pilgrims and other stakeholders, and by utilizing the broader Hajj management environment, BPKH

can better illustrate the social dynamics of accountability and adapt to environmental changes, thereby enhancing its legitimacy and the quality of Hajj services.

“... Regarding the Ministry of Religious Affairs structure, it is possible to have a hierarchical structure that is vertical to the counselors to the counseling area. The BPKH does not have one, so there is supposed to be cooperation between the BPKH and the Ministry of Religious Affairs, which have to work together...”

“However, our audience is a very broad spectrum, so it has to be transformed into something very easy for everyone to understand.... So, when we talk about communicating to the public, we need different channels to communicate this information and different packaging for each level...” (M2, BPKH)

BPKH's efforts to enhance social responsibility align with McCandless's (2001) concept of connecting with the public through transparent and precise accountability. These efforts include publishing public disclosures, undergoing verified assessments that consistently receive unqualified opinions, and conducting direct socialization activities to engage society. However, BPKH still faces challenges in effectively engaging the general public with accurate information about Hajj fund management. Interviews revealed ideas akin to “strategic communicative action” (Unerman & Bennett, 2004), emphasizing the importance of direct communication with stakeholders. Consequently, focusing on direct socialization with the public is considered one of the simplest and most effective approaches to fostering understanding and trust.

“..... So, when we talk about conveying it to the public, several channels need to be created to convey this information, and there needs to be different packaging for each layer.” (M2, BPKH)

“The public needs trust in reality, which means they need transparency, BPKH must understand how mass communication is and how strong its public relations department is, and it must be a one door system like the Bank of Indonesia. So, it has to be officially communicated to the public so that they understand, feel comfortable, safe, and clear. (M6, BPKH_P)

The use of social mechanisms such as focus group discussions, community panels, and independent external assessments of public agencies' practices has been shown to positively influence the development of organizational legitimacy (Bovens et al., 2008;

Meijer & Schillemans, 2009). Accountability, when employed as a tool for reflection and learning, should center on issues that are significant to relevant stakeholders and society at large (O'Loughlin, 1990). This inclusive approach naturally encourages the involvement of all parties, fostering a sense of safety and willingness to participate actively in the accountability process.

“I think it may be necessary for BPKH to open a one-step service channel; for example, if it is in a Sharia bank, there is a counter There will be pilgrims who are not familiar with technology; of course, they can come directly there; there are officials who represent the BPKH” (M3, BPKH_P)

“It needs literacy because it (information on the BPKH website) is written in domestic investment and foreign investment, which people who do not have a background in economics may find difficult to understand. Maybe it needs more socialization, ...I think the web is a bit heavy. It takes much effort to digest the information on the web.....” (M6, BPKH P)

The notion of acceptance is intrinsically linked to stakeholders' contentment with the services provided and their trust in the information disseminated by the institution. Achieving this acceptance depends largely on how stakeholders interpret and react to the information presented to them. Despite BPKH's efforts to communicate organizational information to the public, there remains significant curiosity and misunderstanding regarding the management of Hajj funds. A critical issue is the public's lack of awareness that the actual cost of performing Hajj far exceeds the predetermined Hajj Pilgrimage Implementation Budget (BPIH). While it is generally understood that the government subsidizes part of the pilgrimage cost, the precise calculations have never been fully disclosed to the public. The government annually sets the official Hajj cost (BPIH) for Indonesian pilgrims, which varies each year and is announced before the departure period. Pilgrims are required to settle their final payment based on this predetermined amount. However, the predetermined BPIH does not reflect the true cost of the pilgrimage. This gap was highlighted by a member of the pioneer team during an interview:

“... there are also heads of large mass organizations who do not know that what pilgrims pay for the Hajj should be much greater than the actual value ... the cost of a plane ticket per person is IDR 30 million if the Umrah is IDR 10 million, there are many things that

influence. Imagine if the ticket was only IDR 30 million, the congregation only paid IDR Thirty-five million and then returned IDR 5 million for living costs, so what would the money be like for accommodation costs, meals, and so on?" (BM3, BPKH_P)

Ultimately, the determination of the BPIH was largely influenced by negotiations between the House of Representatives and the Ministry of Religious Affairs (MORA). Although pilgrims and the public do not fully understand the actual cost structure, they accept the official BPIH as the definitive figure. Stakeholder involvement is crucial in preventing and mitigating risks related to illegitimacy. By closely monitoring public norms and expectations, organizations like BPKH can respond effectively to emerging issues and take appropriate actions to maintain legitimacy at all levels (Burlea Schiopoiu & Popa, 2013).

".....Some officials represent the BPKH so that they can receive complaints, insights, or inputs for the BPKH....our society in general, pilgrims, there are still quite a lot of older people, and the level of education may not be high....." (M5, BPKH P)

The direct communication approach enables BPKH to engage more closely with the public by understanding their perspectives and tailoring messages accordingly. This approach emphasizes the importance of speaking the public's language and selecting the most effective communication methods centered on direct interaction, a concept referred to as "strategic communicative action" (Unerman & Bennett, 2004). In designing these communications, BPKH must consider Indonesia's diverse linguistic, media, and educational demographics to ensure that its responsible activities are perceived and accepted as genuine social responsibility. Achieving this requires evaluating multiple organizational aspects while accounting for varying levels of public knowledge and behavioral influences (Ruef & Scott, 1998). Building strong relationships is essential, as these significantly impact coordination processes and outcomes within public organizations (Davoudi & Johnson, 2022).

Decisions by BPKH are often shaped by the need to secure approval or support from key social constituencies, consistent with the "logic of appropriateness" framework, which emphasizes adherence to socially accepted norms and proper conduct (Tetlock, 1992). This dynamic reflects the social contingency model, where various social context components foster a learning relationship that enhances accountability within BPKH. The interaction between individuals' roles and the nature

of their responsibilities influences their behavior as they seek to justify their actions to others (Bovens, 2007). To strengthen this accountability framework, it is crucial to formally include academic institutions, mass organizations, financial entities, and other relevant stakeholders. Their active involvement will support BPKH's efforts in educating society and promoting transparency and trust.

7.4.2. Developing Coordination

The continuation process within public institutions refers to an internal transition often regarded as a significant barrier to effective governance (Isett et al., 2013). Accountability is a multifaceted phenomenon that involves the connectivity of various organizational levels, the engagement of numerous individuals, the application of diverse methods and procedures, and the dynamic nature of responses (Ebrahim, 2003). The inherent challenges in achieving coordination are further complicated by the complex interplay between political and administrative dynamics.

The preceding assessment underscores several concerns within the public sector, highlighting the pressing need for enhanced collaboration from both administrative and political perspectives (Peters, 2015). The complexity of coordination in public sector organizations arises from the involvement of multiple hierarchical tiers, spanning policy formulation to service delivery. As previously noted, these processes operate within a framework of hierarchical and political accountability paradigms. Consequently, prioritizing the establishment of strong relationships is essential, as such relationships significantly influence the coordination processes and outcomes of public organizations (Davoudi & Johnson, 2022). Strengthening these relational ties can facilitate more effective governance and improved accountability across institutional levels.

BPKH operates within a multifaceted context. This aligns with the attributes of public organizations, which are characterized by several stakeholders' involvement, unclear and frequently conflicting aims, extensive oversight, and external political influence on the decision making process (Rainey, 2014; Boyne, 2002; By & Macleod, 2009). Decision making exhibits a significant reliance on external political factors. This phase reflects the debating phases in the rendering process of the accountability concept (Boven, 2007), where the authoritative power in vertical accountability of BPKH is the

House of Representatives (3a), the financial monitoring forum(3b), and the non mandatory controlling forums (3c).

“It depends on what the government and the DPR want politically. Is it possible? Yes, it is possible, but it needs a concept. Otherwise, the shock will be loud if the subsidy disappears immediately. The government will get a negative response from Hajj aspirants, and it will become a political issue.” (BM1, MORA)

The complexity of the environment in this context is profoundly shaped by the multitude of factors influencing the organization’s dependencies and the intricate interrelationships among these elements (Duncan, 1972). This perspective aligns with the theoretical framework of planned organizational change, which asserts that the heterogeneous nature of public organizations presents significant challenges in achieving cohesive objectives and securing collaborative support essential for successful change (Robertson & Seneviratne, 1995).

“... the first is a matter of regulation so that (there should be) no different interpretations.... It is as if the public and the BPKH read that there is no harmonization between the Ministry of Religious Affairs and the BPKH.....” (M1, MORA)

The narrative above underscores that coordination at the implementation level in the field is inherently challenging. To mitigate ambiguities and ensure consistent application, regulations governing operational procedures must be clearly articulated, thereby preventing multiple interpretations of the legal basis during field implementation.

“Yes, it is quite difficult (coordination with the Ministry of Religious Affairs) because I see that the Ministry of Religious Affairs is not wholeheartedly, sincerely, or willing to take the financial management of Hajj out of the Ministry of Religious Affairs,.....” (M1, BPKH)

The coordination dynamics between BPKH and the Ministry of Religious Affairs (MORA) reflect the complexities arising from their distinct experiences and ideals in managing the Hajj fund. Sinclair (1995) notes that meaning varies according to individual experiences and holds different values for individuals or organizations. This divergence is evident in the joint reporting process on Hajj fund management, which requires negotiation and alignment to reach a common understanding. This process

aligns with Bovens' (2007) accountability concept, particularly the rendering account phase, where discussion and communication are central.

However, as highlighted by a managerial representative from MORA, achieving equal perception or consensus on rules and procedures is challenging. This indicates that while coordination efforts are ongoing, differences in interpretation and understanding persist between BPKH and MORA. The Ministry of Religious Affairs, through its Directorate General of Hajj and Umrah, plays a crucial role in planning, implementing, and reporting on Hajj operations, as stipulated in regulations such as the Minister of Religious Affairs Regulation Number 28 of 2019. The Directorate consolidates reports from various regional and technical units involved in Hajj management, working alongside BPKH to optimize fund management transparently.

Moreover, the Ministry participates in numerous permanent and seasonal committees related to Hajj services and development, coordinating with governmental authorities and other stakeholders to ensure comprehensive service delivery. This extensive network of coordination highlights the layered and multifaceted nature of Hajj management in Indonesia. BPKH and MORA strive to coordinate their accountability and reporting processes, differing experiences and interpretations create challenges in achieving full alignment. Continuous dialogue and negotiation, as framed by Bovens' accountability model, remain essential to harmonizing their efforts and enhancing the legitimacy and transparency of Hajj fund management.

“The first dynamic is that the Ministry of Religious Affairs has no article or regulation in the law, the PP or the PMA that requires reporting to the BPKH..... Secondly, the BPKH audit report from the Ministry of Religious Affairs is related to the BPKH financial report, so we have to coordinate.....” (M1, MORA)

The coordination between BPKH and the Ministry of Religious Affairs (MORA) regarding the management of Hajj funds has experienced defensiveness from MORA concerning procedural administrative processes, which has slowed coordination efforts. Despite these challenges, public organizations like BPKH and MORA employ systems of checks and balances to promote effective governance (Fisher, 2004). The involvement of the Government Audit Agency (BPK) as an external monitoring body facilitates overcoming coordination obstacles by providing a legal forum that maintains a dynamic equilibrium within the accountability framework.

BPK's role as an independent auditor ensures that financial management adheres to established standards and regulations, thereby fostering transparency and trust. This oversight mechanism helps bridge gaps in coordination by holding institutions accountable and encouraging compliance with procedural requirements. An interviewee from MORA highlighted the importance of BPK's monitoring function in maintaining balance and supporting effective collaboration between the agencies. Since BPKH's establishment under Law Number 34 of 2014, it has been mandated to manage and oversee Hajj funds with a focus on transparency, accountability, and sharia compliance. BPKH has made significant progress in optimizing fund management, including investment activities aimed at improving Hajj services while prioritizing the integrity and safety of pilgrims' funds. The agency has exceeded fund management targets and implemented cost efficiencies, contributing to better service delivery for Indonesian pilgrims (BPKH, 2021; Jumali, 2018). The interviewee from the Ministry of Religious Affairs subsequently elucidates this matter.

“So, the first is that coordination continues, then if there are differences of opinion, ...the solution we provide between the Ministry of Religion and BPKH is a cooperation agreement (PKS/*Perjanjian Kerja Sama*). This means that it becomes an adjustment,but there is often no common ground because of regulations.” (M1, MORA)

Fundamentally, consensus establishes a framework in which government officials and organizations adhere to appropriate practices and principles. The collaboration agreement between BPKH and the Ministry of Religious Affairs (MORA) has been shaped by existing coordination conditions. This understanding within hierarchical structures exemplifies the complexity inherent in coordination, reflecting a drive for progress and mutual recognition of each participant's role in pursuing shared objectives (Davoudi & Johnson, 2022). These internal values serve as significant motivators in the accountability process, as emphasized by Sinclair (1995).

Consequently, the organization undergoes a dynamic and gradual process of recognizing that each participant holds responsibilities foundational to achieving organizational goals. Positive feedback has been expressed regarding the prospective collaboration between BPKH and MORA. This clarity in coordination narratives was especially evident in perspectives shared by MORA respondents, who underscored the necessity for clearly delineated roles to enhance normative implementation in the field.

However, the coordination process among various government parties remains challenging, leading to a shared perception of bureaucratic complexity. BPKH, as a public institution, is frequently characterized by a relatively bureaucratic structure (Rainey, 2014; Boyne, 2002). This scenario correlates strongly with protracted managerial procedures and political considerations that influence decision making and operational efficiency.

The primary stakeholder driving the advancement of BPKH is the Ministry of Religious Affairs (MORA), which holds a pivotal role in overseeing and managing the Hajj pilgrimage process. This complex interconnectedness of various elements in decision making reflects the bureaucratic challenges often described as the "problem of many hands," where multiple actors and lengthy bureaucratic procedures complicate accountability and coordination (Thompson, 1980). Specifically, the annual calculation of financial expenses associated with the Hajj pilgrimage is conducted under government supervision, with MORA playing a central role in proposing and managing the official Hajj cost (BPIH) (BPKH, 2018; Ministry of Religious Affairs, 2019).

“Yes, the problem is how this relates to politics.we stop with the results of BPIH already found at this number, BPIH alone at this number. Later, BPKH colleagues pushed it to this number while friends of the Ministry of Religion made it efficient in operations. They should walk in together (MORA and BPKH).” (BM1, MORA)

“This kind of coordination needs to be straightened out in terms of the law,if you look at Law 34, improving the quality of the Hajj pilgrimage is in the Ministry of Religious Affairs. In the BPKH, it is to improve the quality of the financial management of the Hajj. This kind of thing could make it ambiguous, so this stakeholder coordination is still ambiguous.” (M4, BPKH_P)

A notable improvement in coordination was observed during the second phase of the BPKH era, illustrating a defining characteristic of bureaucracy: its emphasis on formal procedures and protocols (Mintzberg & Quinn, 1979). Formalization refers to the extent to which organizational operations are codified through written documentation, including processes, job descriptions, rules, and policy guidelines (Hall, 1996). While formalization provides clarity and consistency, previous research has shown that excessive formalization can hinder employees' capacity to adapt, learn, and innovate due to reduced flexibility and increased procedural constraints (Moon, 1999; Walker,

2008). In the context of Hajj management, all involved parties must share a common goal that fosters mutual respect and collaboration (Davoudi & Johnson, 2022). When such ideal conditions are not fully realized, a robust control system becomes essential to mediate differences and unite stakeholders in pursuit of the overarching objective of public benefit (Fisher, 2004).



7.4.3. Concluding Remarks

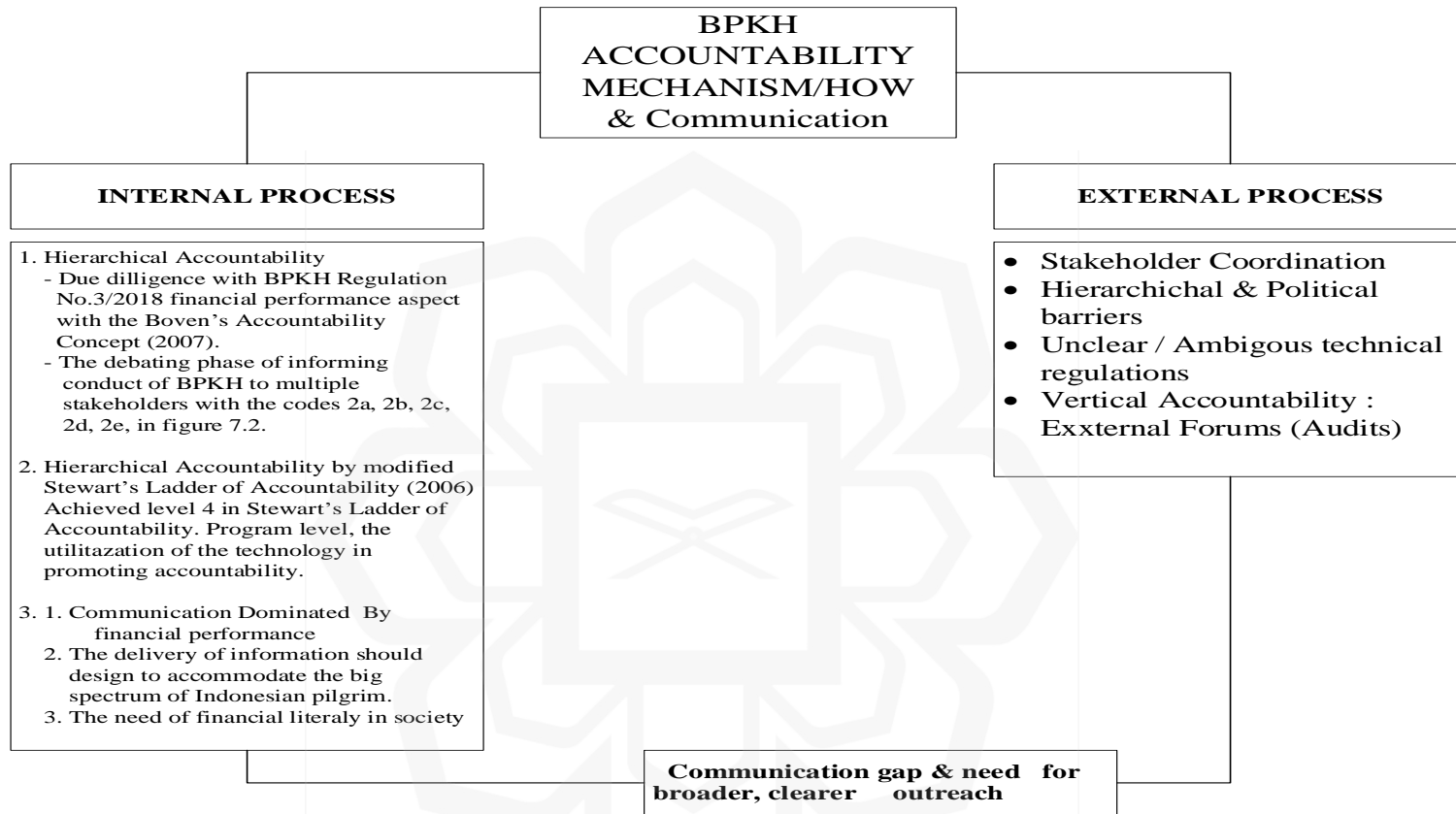


Figure 7. 5 Concluding Remarks Accountability How and Communication

The figure 7.5 provides a structured overview of the mechanisms and communication pathways through which BPKH (Badan Pengelola Keuangan Haji) discharges its accountability. It categorizes these mechanisms into two interconnected domains: Internal Processes and External Processes. At the center of the model lies a critical insight: the presence of a communication gap, highlighting the need for broader, clearer outreach to bridge legal structures and public understanding.

Internally, BPKH demonstrates legal accountability through hierarchical structures, financial reporting, and regulatory compliance (e.g., PBPKH No. 3/2018). Its communication is largely performance focused, yet insufficiently tailored to address the diverse financial literacy of Indonesian pilgrims. Although BPKH meets formal expectations (e.g., Stewart's Ladder Level 4), public engagement remains limited due to technical, one directional communication.

Externally, BPKH faces challenges in stakeholder coordination, ambiguous regulations, and political barriers. While vertical accountability is fulfilled via audits and forums, these mechanisms are not effectively communicated to the broader public, weakening public trust.

At the center of the figure lies a critical insight: a communication gap that limits the effectiveness of both internal and external accountability. Despite institutional improvements, social legitimacy remains weak due to public scepticism, cultural habituation to non transparency, and limited access to understandable information.

The bottom center of the figure points to a central insight: despite structured internal and external mechanisms, there exists a communication gap. This gap prevents accountability efforts from being fully effective or credible in the eyes of the public. Specifically, the mechanisms, although procedurally sound fail to resonate with or reach broader societal segments, especially those with limited access to information or lower financial literacy.

This gap reflects the broader accountability paradox identified in the study: while legal accountability has advanced, social legitimacy remains fragile. Despite procedural transparency and audited disclosures, public scepticism persists, especially among prospective pilgrims who prioritize religious trust over institutional performance. The figure, therefore, visually underscores that technical mechanisms must be accompanied by cultural, educational, and communicative strategies to achieve holistic accountability. To bridge the accountability gap, BPKH must integrate transparent, inclusive, and culturally appropriate communication strategies alongside

its legal mechanisms. Legal compliance ensures institutional legitimacy, but public trust requires engagement beyond formal reporting, especially in the religious and emotionally significant context of Hajj fund management.

In conclusion, the figure effectively highlights the disjunction between mechanism and meaning in BPKH's accountability framework. The internal processes focus on structure, regulation, and control, whereas the external processes involve broader stakeholder relationships shaped by social perception, political dynamics, and public trust. Without an integrated communication strategy that translates legal accountability into accessible and meaningful information, BPKH's efforts risk remaining procedurally valid but socially undervalued.

7.5. ACCOUNTABILITY WHY: THE REASONS FOR ACCOUNTABILITY

BPKH possesses the attributes of a public organization, including bureaucratic procedures, political processes incorporated in decision making, numerous stakeholder engagements, and extensive oversight (Rainey, 2014; Boyne, 2002; By & Macleod, 2009). As a result, the practices in sustaining the Hajj fund will be threatened by a complex political process that necessitates the coordination of every stakeholder in the Hajj fund management sector. Consequently, there is an urgent requirement for robust coordination, which will fortify the appropriate dynamics within bureaucratic administration and political processes (Peters, 2015). Reasoning on Boven's Accountability Concept (2007) is taking the fourth phase of learning perspectives. The processes state that BPKH is the accountant who always justifies and clarifies its' intention to citizens and stakeholders. Due diligence in hierarchical government authority adheres to recognizing formal governmental conduct and elevating public trust (Aucoin & Heinzman, 2000).

The inherent characteristics of public organizations marked by political forums and hierarchical, vertical structures pose significant challenges to fostering effective learning processes. In contrast, establishing equal positions within horizontal accountability frameworks can accelerate BPKH's organizational learning and enhance its accountability. This reasoning process involves BPKH justifying its conduct and incorporating feedback aimed at improving the sustainability and efficiency of Hajj fund management. A critical component of this accountability is providing accessible and transparent information dissemination to the public through effective

communication strategies. Such openness is a mandatory action that supports legal compliance and strengthens relationships with external stakeholders. This dynamic is reflected in codes 4a and 4b of Figure 7.2, Accountability Schema, where media and external parties play pivotal roles in stimulating BPKH to maintain alignment with its societal objectives.

7.5.1. Learning Organization Perspective

The next step in advancing good governance as an expression of accountable organizational action during Phase 3, characterized by a division of authority between the Ministry of Religious Affairs (MORA) and BPKH, is to clarify how government agents can effectively meet public needs. This phase of environmental adaptation involves taking responsibility for the broader community. The concept of social responsibility emphasizes that individuals and institutions should be accountable to society and the recipients of their services for their professional behavior and outcomes (McCandless, 2001). Within this framework, the President holds the highest position in the delegation hierarchy and appoints BPKH as the sole independent manager of the Hajj fund. BPKH's role includes overseeing the execution of public tasks by holding agents accountable for their conduct (Romzek & Dubnick, 1987). Accountability is intrinsically linked to the obligation of public institutions and officials to develop policies and implement actions consistent with societal values and needs (Knir et al., 2019).

Phase 2, spanning from 2014 to 2017, marked the beginning of reform efforts amid low public trust in Hajj fund management. The enactment of Law No. 34/2014, which established BPKH as a change agent, symbolized the government's commitment to meeting community expectations for competent and accountable administration of the Hajj fund. The legal framework underpinning BPKH's establishment includes key elements that define its intended management approach. It is important to recognize that reform is a gradual and ongoing process requiring continuous adaptation to achieve its objectives. This ongoing adaptation constitutes a learning process that enhances organizational knowledge in response to evolving needs, often referred to as "deutero learning" (Osman & Agyemang, 2020).

BPKH operates as a single unit organization and can be held accountable due to its hybrid structure, which emphasizes its status as a public entity with a private legal

personality (Dunn, 1999). The narration reveals that BPKH has intensively facilitated mechanisms for preparing information to support the organizational learning process throughout its operations. Consequently, BPKH assumes a leading role in readiness to be answerable. Accountability requires that actors provide an account of their conduct not only to the public but also to the relevant forums in which they participate (Bovens, 2007). The favorable perception of BPKH's adaptation to the demands of a dynamic environment, stemming from its distinct organizational identity, has been documented (Hemerijck & Visser, 2003, pp. 4-5). Internal team narratives further elucidate the procedures involved in establishing accounting standards for BPKH and the appropriate methods for conveying financial information in accordance with these standards.

“We informally formed the BPKH Accounting Committee, where divisional representatives and practitioners were present, and we also asked IAI personally. So, every time there is an issue, we communicate it to experts so that we can prepare information in the form of financial data that reflects BPKH's condition on real performance.....” (M3, BPKH)

The legislative enactment of Law No. 34/2014 mandated significant reforms in the administration of Hajj funds. During the implementation phase, BPKH encountered numerous challenges, particularly in areas characterized by ambiguity and uncertainty as outlined in the law. In the early establishment phase, several issues related to organizational identification arose, necessitating additional legal and procedural steps to clarify BPKH's role and functions within the existing legal framework.

Notably, Article 20 of Law No. 34/2014 specifies multiple critical components, particularly points two through four, which emphasize BPKH's hybrid organizational nature. Staff members simultaneously fulfill dual roles as government agents and professionals within the investment industry. This duality creates inherent tensions, especially in constraining BPKH's investment strategies within regulatory boundaries.

Furthermore, Article 53 of the same law addresses joint liability, stipulating that members of BPKH's Management and Supervisory Boards are collectively responsible for any financial losses incurred during the management of the Hajj fund. This provision underscores the accountability mechanisms embedded within the governance structure, aiming to ensure prudent and responsible fund management.

The regulatory framework established by Law No. 34/2014, particularly Article 3, represents a significant milestone in the reform of Hajj fund management undertaken

by BPKH. This article designates BPKH as the primary entity mandated to professionally manage Hajj finances. It also delineates the allocation of authority between the Ministry of Religious Affairs (MORA) and BPKH, thereby establishing BPKH's jurisdiction over the management of Hajj fund finances.

BPKH's responsibilities encompass several critical areas, including the collection of Hajj deposits, the management of investments to secure favorable returns, coordination as the financial division within the pilgrimage organization, maintaining cost efficiency, and facilitating improvements in services provided to pilgrims during the Hajj. These provisions collectively underscore BPKH's central role in ensuring the prudent and effective administration of Hajj funds in alignment with the reform objectives.

“We play the role of investment manager and treasurer when the organizing of the pilgrimage is no longer in our domain, and indeed, this needs to be a concern as well. We control the money but are not involved in organizing the Hajj. In quotation marks, how much funds does the operator need? We have transferred the funds to the Ministry of Religion ...” (M2, BPKH)

Contrary to its explicitly defined role, it can be argued that during the initial implementation phase, BPKH functioned primarily as a cashier. In this capacity, BPKH's main responsibility was limited to disbursing funds requested by the Ministry of Religious Affairs (MORA) to finance individual pilgrimages for the current year. This operational focus on fund allocation contrasts with the broader mandate envisioned for BPKH in managing and investing Hajj funds strategically.

“..... BPKH is like the cashier of the Ministry of Religion, The term is like this: BPKH, please transfer IDR14 trillion for us to carry out the pilgrimage. Well, BPKH only needs to transfer IDR14 trillion....” (M1, BPKH)

BPKH's initial role can be simply described as functioning like a cashier rather than establishing cost effective management of Hajj finances. However, the reform measures stipulated in Law No. 34/2014 explicitly define a broader mandate that extends well beyond this limited cashier function.

A critical challenge lies in BPKH's investment strategy, which is deeply connected to its unique hybrid status. According to Article 24 of Law No. 34/2014, BPKH's primary duty in managing the Hajj fund professionally is to make profitable

investments. These investments serve as a key resource to finance the subsidized portion of the Hajj costs for Indonesian pilgrims. Unfortunately, the existing legal framework does not provide BPKH with sufficient flexibility to pursue a diverse range of investment options. This limitation stems from BPKH's distinctive organizational nature, which combines characteristics of a public entity with those of a profit oriented investment institution. Article 20, paragraphs two to four, of Law No. 34/2014 describes BPKH as an independent public legal institution that operates in a corporate yet non profit manner. This unique blend of public service and industry profit orientation creates a dual role for BPKH's staff, who effectively "wear two hats" as both government agents and investment professionals.

"...So, like this, as a professional in the financial industry, the point is how we can create the maximum profit, but in the context of being a public servant, we must not be oriented towards that. So, this is contradictory because if we talk as public servants, we should not be instructed like that." (BM 3, BPKH)

Regrettably, all funds managed by BPKH originate solely from the financial contributions made by pilgrims, as stipulated in Article 1, point 2 of Law No. 34/2014. The term "public money" refers to funds sourced from the public; however, it is important to emphasize that none of these funds constitute capital in the traditional sense.

"No, no, but under normal business conditions, if you want to invest and the investment is safe, there must be provisions for impairment losses and capital to cover risks. These two things cannot be legislated..." (BM4, BPKH_P)

The current circumstances present significant challenges for BPKH in establishing an allocation account that supports a high yield investment strategy. The inclusion of an allowance account is a common practice within the investment industry, yet this practice conflicts with BPKH's dual role as both a public agent and the manager of the Hajj fund, a situation often described as "wearing two hats." Legally, BPKH's primary mandate is to generate profitable investments; however, this objective is complicated by inadequate legislation and BPKH's unique organizational character, particularly as the sole institution of its kind in Indonesia. An interviewee acknowledged that this duality and legislative ambiguity represent major obstacles. Further investigation is necessary to clarify and develop BPKH's investment plans effectively. Despite these

challenges, the reform phase of BPKH has contributed to improvements in Hajj fund management, although the pace of implementing these changes has been relatively slow.

7.5.2. Profit Sharing Policy of Benefit Value/BV of the Hajj Fund

The Virtual Account system is a digital platform that records financial information for all pilgrims who have been allocated a Hajj seat number. This technology enables pilgrims to access up to date financial data virtually, with the value of services credited to each pilgrim's virtual account periodically, every six months, based on the time remaining until their departure to Mecca. Historically, this virtual account mechanism was introduced only during the BPKH era in 2018. Prior to this, all accrued benefit values were directly utilized as subsidies for pilgrims departing for Mecca.

This prior practice is problematic in relation to the fundamental concept of Hajj, which is grounded in the legal and religious obligation for those who are able to perform the pilgrimage (Qur'an 3:97). The term "able" (*Isthi'thoah* in Arabic) specifically refers to individuals who possess both the financial means and physical capacity to undertake Hajj. Importantly, the concept of ability does not include receiving subsidies, which contradicts the true definition of being able.

"But there are many other issues that the public is unaware of.the *fiqh* says that pilgrims must be able to afford it, then it is subsidized, which means that they cannot afford it." (M1, BPKH)

The cost of performing the Hajj pilgrimage in Indonesia is influenced significantly by political considerations, particularly during negotiations between the House of Representatives (DPR) and the Ministry of Religious Affairs (MORA). The decision making process is often shaped by the location and dynamics of political lobbying meetings, which can affect the final agreed upon cost (BPIH) for pilgrims. This political context means that unfavorable cost increases may be avoided or delayed to prevent public dissatisfaction with the government over rising Hajj cost.

Despite discrepancies between the actual costs incurred and the officially determined BPIH, the government typically provides financial subsidies to bridge the gap. This subsidy mechanism ensures that even if the real costs exceed the set BPIH, pilgrims are protected from bearing the full financial impact, maintaining affordability and public support. Overall, the political negotiation process plays a crucial role in

setting the Hajj cost, balancing fiscal realities with public and political pressures. The government's subsidy acts as a financial buffer to manage these tensions and uphold the accessibility of the pilgrimage for Indonesian Muslims.

“But this is a moral issue; the government will not dare to increase the cost of the Hajj... we are strongly encouraging the BPIH to increase because there will be a time when the BPKH funds will start to decrease the principal amount, no longer from the development of the hajj fund....” (M3, BPKH)

The process of determining the cost of the Hajj pilgrimage (BPIH) in Indonesia involves several key steps and actors. BPKH prepares and submits a recommended work plan and budget for the annual Hajj pilgrimage to MORA. Subsequently, MORA forwards the proposed BPIH to Commission VIII of the House of Representatives (DPR), which, together with MORA, holds significant influence over the final determination of the Hajj cost. These two entities engage in deliberations to establish the official Hajj cost for the current period. While BPKH plays a crucial role in budgeting and managing Hajj funds, the Ministry of Religious Affairs and the House of Representatives are the primary authorities in setting the Hajj cost. The lack of full transparency regarding cost components and the acknowledged gap between actual and official costs highlight ongoing challenges in the governance and financial management of the Hajj pilgrimage in Indonesia.

“That is why I think we need to start informing the public about it (the BPIH or actual cost of the Hajj), and secondly, we need to start thinking about alternatives. So that the proceeds of the value of the benefits are not used entirely to support the departing pilgrims.” (BM1, MORA)

Until 2023, the political determination of the allocation of benefit values has predominantly prioritized financing the annual Hajj operations. Consequently, the portion of funds allocated to hajj aspirants, who often number in the thousands, has remained relatively small. This disproportionate allocation reflects the political and operational emphasis on current pilgrimage activities, potentially at the expense of addressing the needs and expectations of the growing queue of prospective pilgrims.

“So, from the value of the benefits, a percentage will be allocated to the congregation so that it will be shared equally by all the congregation ... But in practice, BPKH only starts within 5 years So, in terms of everybody getting it, everybody gets it, but whether

everybody has access to it is not certain. Whether everybody knows about it is not certain.” (M2, BPKH)

In examining the current management of the Hajj Fund, the seemingly substantial benefit value is, in fact, distorted. The financial burden on waiting pilgrims is inevitably high, as the majority of the benefit value has been allocated to cover the operational costs of the current year’s Hajj pilgrimage. This allocation approach places significant pressure on prospective pilgrims who remain on the waiting list.

Consequently, BPKH, as the institution entrusted with managing the Hajj funds, must endeavor to develop investment strategies that maximize returns. However, legal constraints limit the strategic options available to BPKH. Notably, the provision on joint liability for the Board of Directors and the Supervisory Board, as stipulated in the governing regulations, imposes a significant restriction on risk-taking and investment flexibility.

“... it is restricted in investment and placement because of Law 34, which is quite a scourge, especially for managers both in the executive body and in the supervisory body because it says that if there is a loss, it is joint responsibility in Article 53 point 2.” (M2, BPKH)

The Hajj Fund, originating from the initial deposits made by pilgrims, is utilized to finance the operational costs of the Hajj pilgrimage. This underscores that all funds managed by BPKH are, in essence, the pilgrims’ own funds. As a special entity, BPKH embodies characteristics that position it uniquely between a public organization and a professional investment institution. This dual nature imposes binding constraints on its capacity to engage in investment activities, requiring careful navigation of both public accountability and investment industry standards.

“Therefore, it is hoped that the management of the Hajj fund will be shifted to higher-yielding products such as direct investment, and it must provide risk mitigation with a note that to anticipate this, the government must include capital participation in BPKH, similar to State Owned Enterprise’s (SOEs)... so that there are profits and become reserves. ... “(BM3, BPKH_P)

“... So, if you go into more profitable management, but as long as it is Sharia compliant, the community also has to accept that the management is acceptable, and again, you have to get a fatwa for medium risk areas because if you play below it, it is very safe. If we

dare to play more in the high risk area, we may be able to achieve the desired goal.” (BM3, BPKH_P)

BPKH is currently developing a direct investment strategy aimed at enhancing the infrastructure and amenities available to Indonesian pilgrims. The proposed development includes several key infrastructural components, such as the construction of a hotel in Saudi Arabia, the provision of an airplane, the establishment of dining services, and the inclusion of other essential facilities designed to facilitate and improve the overall pilgrimage experience.

However, significant disparities exist between the regulatory frameworks of Indonesia and Saudi Arabia, necessitating assistance and modifications, particularly in managing the bilateral relationship between the two countries. BPKH had prepared its first investment and hotel project prior to the COVID-19 pandemic, but the global spread of the virus has delayed its implementation. Interestingly, the timing of signing the direct investment project before the pandemic may yield unintended benefits for BPKH. Despite this, BPKH is expected to face substantial financial losses in the coming years due to the suspension of pilgrimage activities caused by the COVID-19 pandemic (Ministry of Religious Affairs [MORA], 2022).

7.5.2.1. Subsidy Trends for Pilgrims

Since 2003, the subsidy component for Indonesian pilgrims undertaking the Hajj has typically covered about 50% of the total cost. However, this subsidy increased to approximately 60% during the 2022 Hajj season, largely due to the significant impacts of the COVID-19 pandemic on Hajj operations. According to Mr. Amri Yusuf, a member of the BPKH Executive Board for the 2022-2027 term, the actual cost of the Indonesian Hajj in 2022 was IDR 98.3 million per pilgrim, while pilgrims were required to pay only IDR 35 million. This means that pilgrims paid roughly 40% of the actual cost, receiving a 60% subsidy on their Hajj expenses.

This increased subsidy reflects the government and BPKH’s efforts to alleviate the financial burden on pilgrims amid the pandemic’s disruptions, which affected travel, accommodation, and other operational costs. Historically, the subsidy has been financed through the benefits generated from the management and investment of Hajj funds by BPKH, ensuring that pilgrims can afford the pilgrimage despite rising costs.

The substantial escalation in Hajj costs observed in 2022 has continued into 2023, prompting a reassessment of subsidy allocations. Historically, subsidies for Indonesian pilgrims ranged between 50% and 60%, but this level has been deemed unsustainable given the rising expenses associated with Hajj operations. Consequently, in 2023, the government, in a joint political process with the House of Representatives (DPR), decided to reduce the subsidy proportion to approximately 30%. This adjustment reflects a more proportional approach to subsidy allocation, balancing the need to support pilgrims while ensuring the financial sustainability of the Hajj fund.

As a result of this policy shift, the amount pilgrims are required to pay increased significantly from around IDR 39.8 million in 2022 to approximately IDR 69 million in 2023. The political process behind this decision was influenced by good governance principles, emphasizing the prudent management of Hajj funds. Maintaining a subsidy rate above 50% risks depleting the benefit funds managed by BPKH, thereby threatening the long term viability of the subsidy system and the ability to finance future pilgrims. This recalibration aims to safeguard the sustainability of Hajj finances while gradually transferring a greater share of the cost burden to pilgrims.

"So, we are at the stage where virtual accounts become the first component to compensate for the shortcomings. Is that possible? It is possible if the structure is perfect, Is it small (the portion shared from the virtual account)? BPKH provides a value that is not small," (BM3, BPKH_P)

The interpretation of this explanation highlights that the potential benefit value from Hajj fund investments could be sufficient to sustain ongoing Hajj subsidy requirements, provided that the operational structure of Hajj management is robust, both legally and technically. Such a framework would enable BPKH to maximize returns from its investment portfolio effectively. Currently, the legislative and technical support systems for managing the Hajj fund remain in the early stages of development, with gradual improvements underway following the enactment of Law No. 34/2014 and the establishment of BPKH. However, the existing subsidy scheme has adversely affected Hajj governance policies by politically reallocating funds derived from waiting list pilgrims to subsidize those departing for Hajj. This practice has become so pronounced that it risks becoming unsustainable.

When subsidies exceed the 50% threshold, the very definition of "subsidy" becomes distorted, as the subsidy amount takes precedence over the principle that Hajj

is obligatory only for those who are financially and physically capable. In such cases, the subsidy shifts from being a temporary financial aid to effectively becoming a form of assistance, with pilgrims contributing only a small fraction of the total cost borne by the government. From an Islamic jurisprudence (*fiqh*) perspective, this situation calls for a re examination the fundamental concept of Hajj obligations for those who are truly capable (*istitho'ah*). The evolving subsidy dynamics may necessitate a new interpretation or understanding of this principle to align religious obligations with contemporary financial realities.

Hajj financial management must strictly adhere to the principles of good governance, and any deviation from these standards is unacceptable. An imbalanced mechanism for allocating the benefit value of the Hajj fund risks rapidly eroding the fund's financial integrity. If such misallocation continues, there is a significant danger that the principal of the Hajj fund will be depleted to cover the excessive benefit distributions granted to departing pilgrims, thereby compromising the fund's sustainability and its ability to serve future pilgrims.

“... I have read of IDR 172 trillion (the amount of the Hajj fund), for management (management strategic) IDR142 trillion, and the remaining IDR 30 trillion is the value of benefits that will be used for subsidies. If the subsidy is oversized, it will run out in a short time.” (M1, BANK)

In the coming years, the current financial trajectory may adversely affect Hajj pilgrims, particularly those who may no longer receive subsidies due to the depletion of funds allocated to support departing pilgrims. If the existing subsidy composition formula remains unchanged, there is a significant risk that the principal value of the initial Hajj deposits will be used to cover subsidy allocations, thereby undermining the fund's sustainability.

Recognizing this critical issue, the Vice President of the Republic of Indonesia, Mr. Ma'ruf Amin, has emphasized the urgent need to reformulate the composition of the Hajj fund subsidy. Such reform is essential to ensure the long term viability of the fund and to maintain equitable support for all pilgrims, as quoted in the national media regarding the Hajj cost subsidy:

"However, it is risky if the subsidy model remains the same as before. The subsidy of 59% is excessively enormous. I sincerely hope that a more rational quantity can be determined, one that is

sensible to the pilgrims undertaking Hajj and does not compromise the sustainability of the subsidies offered.”

The current Hajj subsidy structure is excessively large, leading to an over reliance on maximizing benefit values or optimizing Hajj fund development to support departing Hajj pilgrims. To ensure that Hajj funds continue to support the administration of the Hajj in Indonesia for years to come, a reformulation of this structure has become an imperative task. This reformulation requires the participation of all stakeholders involved in the Hajj organization process.

Achieving immediate consensus and identifying crucial principles is essential to developing a Hajj cost formula that is both equitable and sustainable. This formula must simultaneously adhere to *istito'ah* standards, the fundamental tenet of Hajj for Muslims, which emphasizes that the pilgrimage is obligatory only for those who are financially and physically capable. Rebalancing the subsidy structure in alignment with these principles is critical for the long term viability and accessibility of the Hajj pilgrimage for Indonesian Muslims.

7.5.2.2. Pilgrim's Expectation on Benefit Value

This section provides an overview of the perspectives held by Hajj pilgrims and the general public regarding the nature and extent of benefits derived from the Hajj fund. A key concern revolves around the anticipated returns from the initial Hajj deposit, which tends to diminish in value as the waiting period before departure extends over several years.

Applying principles from economics and general logic, the concept of the initial Hajj deposit can be analyzed through the lens of the time value of money. The distinction between the present value and future value of money becomes particularly relevant, given that the initial deposit is held in financial institutions and thus subject to economic implications such as inflation, opportunity cost, and investment returns. This understanding aligns with the logical reasoning commonly held by many Indonesian Muslims. Interviews with Hajj pilgrims revealed a widespread desire for the initial deposit funds to contribute toward easing the financial burden at the time of departure. Pilgrims expect that the accrued benefits or returns on their deposits will help reduce the overall cost they must pay when their turn to perform Hajj arrives. However, they

also demonstrated an understanding of significant religious principles, which are elaborated upon below:

“... it's like if I pay an IDR 25 million for a seat now and then leave for a long time later, with my current age, it will be 50 years or maybe more. Well, that should be, if you invest it, there should be additional funds, again, people see Hajj as a way to worship, so sometimes they surrender....” (PN 2)

Among Hajj pilgrims, responses grounded in spontaneous economic reasoning consistently emerge as the most prevalent when discussing expectations related to the initial Hajj fund payments. Many pilgrims express optimism that the practical value of these initial deposits will grow over time, thereby augmenting their Hajj savings and easing the financial burden at the time of departure.

However, findings also indicate that most pilgrims exhibit a notable degree of tolerance toward the current situation. This tolerance is largely attributed to a prevailing culture of permissiveness, which stems from limited access to detailed information about the management of Hajj funds in the past. In instances where transparency in financial management falls short of public expectations, religious considerations often serve as a source of justification. Many pilgrims view challenges and obstacles encountered in the process as tests of perseverance aligned with the spiritual intention (*niyyah*) of worship. Additionally, pilgrims emphasize the importance of following the guidance of congregation leaders, fostering mutual assistance within the community, and exercising kindness and patience in navigating difficulties related to Hajj administration.

A predominant theme emerging from this research is that pilgrims tend to prioritize religious aspects over economic considerations in the management of Hajj funds. This permissive culture, characterized by minimal expectations of accountability for public funds, reflects a widespread lack of awareness and information about the Hajj process among the general public. Many individuals rarely seek detailed information regarding the Hajj registration procedures, financial management, or related administrative matters.

Empirical data reveal that most Hajj pilgrims are unaware of critical details such as the terms of the transaction agreement when making their initial Hajj deposit, the mechanisms for managing their funds, the entities responsible for fund oversight, and the specific roles played by the Ministry of Religious Affairs and BPKH in organizing

the pilgrimage. This lack of understanding or interest is largely because pilgrims' primary concern centers on determining the timing of their departure for Hajj (Wulandari et al., 2023). The following excerpts from Hajj pilgrims' responses further illustrate this limited comprehension of the administrative and financial processes involved.

“I do not think many people are aware of (the handling of this Hajj fund). Thus, it is as if the Hajj fund has increased. So, we pay the IDR 25 million later for the first deposit, as is the DP, and we will pay the remaining gap when we depart. I know only that.” (PL3)

“If I register by putting in IDR 25 million to get a portion, I just hope to go quickly without thinking about where the Hajj fund will go, but what is the point? We want to immediately carry out our Muslim obligations, namely going to Hajj.” (PN2)

All interviewees in this study can be considered representative of Hajj pilgrims residing in DKI Jakarta. They possess diverse academic backgrounds and hold university degrees. While not intended to generalize broadly, the empirical data reveal a consistent behavioral pattern among these pilgrims: a tendency not to seek out or possess detailed knowledge regarding the Hajj management process or the administration of their Hajj funds.

This social phenomenon is likely attributable to a low level of trust among the interviewees, which arises from their limited access to information. Moreover, their religious beliefs may further contribute to their acceptance of this informational gap. Nonetheless, as primary stakeholders and owners of the Hajj funds, pilgrims have a legitimate right to access transparent information from the authorities on how their funds are managed. Authorities bear the responsibility to communicate clearly and accountably with their stakeholders regarding the management of public organizations (Orbuch, 1997; Roberts, 2001; Dubnick, 2005). This situation suggests that many Hajj pilgrims may not fully recognize their pivotal role as primary stakeholders who significantly influence the environment and governance of public organizations (Cutlip et al., 2000). Enhancing awareness and encouraging active engagement among pilgrims could strengthen accountability and improve the governance of Hajj fund management.

From the perspective of Sharia economics, the expectations of Hajj pilgrims align closely with the contractual framework established during the Hajj registration process. At the time of registration, two key contracts are formed. The first is a verbal

contract with the Ministry of Religious Affairs (MORA), formalized upon the issuance of the SPPH (Surat Pendaftaran Pergi Haji or Hajj registration certificate). The second contract occurs when the pilgrim makes the initial deposit at a designated deposit taking bank. This deposit is governed by the *al-wadiah yad dhamanah* contract, which entrusts the funds to BPKH, the government appointed Hajj fund manager responsible for overseeing Hajj finances.

Under this arrangement, the deposit is classified as entrusted funds (*wadi'ah*) and remains the property of each depositor until the funds are used in accordance with the agreed purpose, namely the payment of the Hajj pilgrimage cost (BIPIH). While the initial agreement does not explicitly guarantee a return, it permits the receipt of a bonus or benefit if such arises from the fund's management. However, when examining pilgrims' perceptions of the current management of the Hajj fund by BPKH, it becomes apparent that the information disseminated by BPKH to demonstrate accountability and transparency has not been effectively received. Many pilgrims remain unaware of the details regarding Hajj fund management, despite BPKH's efforts to communicate through various media channels. This gap in awareness highlights a critical challenge in fostering trust and engagement between the fund manager and its primary stakeholders. Based on their responses, the interviewed individuals had limited knowledge about BPKH. Here are extracts from responses from the pilgrims:

“I do not know well because I just found out since this interview.”
(PS 4)

“I just found out from my friend that BPKH is the financial manager of the Hajj fund only, in 2022, around 2021 or 2022.” (PL3)

“.....For me, I do not know. The important thing is that the money has been deposited, so I get it just like that.” (PN2)

Pilgrims and the general public have become accustomed to the lack of information on the management of the Hajj thus far. This acceptance of the current scenario indicates that they are unaware of changes in the atmosphere of transparency around the management of the new Hajj fund, i.e. how a Virtual Account (VA) (Republic of Indonesia, 2014) has become the mainstay of the systemized personal information transparency program. The public has not fully comprehended this systemized program implemented by BPKH.

“So, the virtual account that knows is the BPKH people....If people can access them, then I think there is no need for issues about BPKH. Everyone can check virtual accounts, but people who register for Hajj do not understand virtual accounts, which they can check in real-time.....even though it is quite easy to open the BPKH website, ... But the realization is not that simple.” (M2, BPKH)

The current scenario underscores the critical need for education and literacy not only within BPKH but across all stakeholders involved in Hajj management. It is essential to inform Hajj pilgrims and the broader public who are the primary stakeholders of Hajj finances that they possess the fundamental right to demand transparency in the management of their funds (Orbuch, 1997; Roberts, 2001; Dubnick, 2005). Recognizing this right empowers key stakeholders to initiate and drive meaningful change within public organizations (Cutlip et al., 2000). The right to public accountability opens pathways for reform, enabling the correction of errors and the realignment of public organization managers to better serve their constituencies (Braithwaite, 2006; Harlow, 2002). When the congregation and wider community internalize this concept, it fosters a sense of responsibility and motivation to actively participate in overseeing the management of public organizations, thereby fulfilling their civic duties.

7.5.2.3. Developing Fair Distribution

The current scenario regarding the transparency of Hajj costs in Indonesia reveals significant challenges, particularly in achieving an equitable allocation of benefits between departing pilgrims and those on the waiting list. The Hajj pilgrimage cost (BPIH) has been a subject of political negotiation and public scrutiny, with recent efforts aiming to reduce the financial burden on pilgrims while maintaining service quality.

The subsidy system, however, raises concerns about fairness, as a large portion of benefits generated from the Hajj fund has historically been used to finance current pilgrims, leaving a smaller share for those waiting, whose numbers exceed 5 million and face long waiting periods of up to 25 years. The lack of full transparency, especially regarding indirect costs and the detailed breakdown of Hajj expenses, complicates public understanding and trust. Moreover, political dynamics heavily influence the determination of Hajj costs and subsidies, often prioritizing immediate operational

needs over long term equity for waiting pilgrims. The equitable distribution of benefits between departing and hajj aspirants remains a complex issue. Greater transparency in cost components and fund management, along with inclusive stakeholder engagement, is essential to address these challenges and ensure that the Hajj fund serves all pilgrims fairly.

“This means that out of the total value of 100% benefits obtained by BPKH, 88-90% was used by the pilgrims who departed, and only 200 thousand people benefited. While there are 5 million people who have money, the results should be professionally shared with 5 million people.” (BM1, MORA)

Establishing transparency in disclosing Hajj costs to the public would serve as an adjustment mechanism to establish a new standard for more realistically estimating the Hajj cost (BPIH) set by the government (Braithwaite, 2006). This means that the situation needs a strong commitment from all stakeholders to be in the same position to define the mechanism and formulate the distribution component for Hajj cost accurately. This is in line with the argument that in conditions of inequality such as these, public accountability can be a tool or an adjustment mechanism that can map injustice and use a sense of responsibility to correct mistakes, improve and get things back on track (Braithwaite, 2006). Similarly, Harlow (2002), emphasizes that accountability mechanisms provide opportunities for organizations to realign, improve, and accept social or political sanctions when necessary.

From 2023, the era of openness is likely to begin the process of public accountability (Braithwaite, 2006; Harlow, 2002). The government and the House of Representatives have been actively working to reduce the Hajj costs while maintaining service quality. This optimistic nuance is captured in the communication consistently built by the leadership of the Directorate of Hajj and Umrah, Ministry of Religious Affairs of the Republic of Indonesia, in several discussion forums on Hajj management. One of them is from The Directorate General of Hajj and Umrah:

“We are currently preparing the process of exploration related to the components of fixed and variable costs, so there are fixed and variable costs in BPIH and also mapping the financing cycle of Hajj operations to obtain real components for the needs of formulation,but for this year I think it is very dynamicwe talk about *Istitha'ah*,”

The move toward transparency and public accountability in Hajj cost management is expected to enhance equitable cost distribution, reduce information asymmetry, and foster greater trust among pilgrims and stakeholders. This development supports the formulation of a fairer, more sustainable Hajj cost structure that aligns with good governance principles and the expectations of the Muslim community.

This adjustment mechanism will significantly aid BPKH in progressing toward financial sustainability, especially given the current challenges faced in managing the Hajj fund. The professional management of the Hajj fund necessitates a robust support system that enables BPKH to function effectively as a specialized investment institution while simultaneously preserving public trust in the stewardship of these entrusted funds. Collaborative efforts, particularly those championed by members of the BPKH Supervisory Board, are essential in promoting best practices that ensure the long term sustainability and integrity of the Hajj fund.

“... the sustainability of Hajj funds must go hand in hand. It cannot be that Commission 8, which insists, does not want a slight adjustment ... BPKH will not work hard to achieve optimal returns, it cannot be. The Ministry of Religious Affairs spends the budget excessively, and this will not workThere must be efficiency and rationalization of Hajj operations,....” (BM1, MORA)

Consequently, the equilibrium percentage of benefits allocated to all pilgrims will be adjusted accordingly, fostering a fairer and more equitable distribution. Achieving this outcome requires a commitment to adjustment and ethical conduct from all parties involved in the public accountability framework. These stakeholders have a duty to prioritize the interests of society and pilgrims as the foremost beneficiaries. Ultimately, this collaborative process should lead to consensus on key principles that guide the equitable management and distribution of Hajj funds.

“.....when we talk about BIPIH to BPIH, this policy is communicated together with three parties: the BPKH, the Ministry of Religious Affairs, and Commission 8. Commission 8 will always have a long way BIPIH must go downwards,.... Meanwhile, the BPKH and the Ministry of Religious Affairs must make adjustments because it reduces the distribution of the value of the benefits for Hajj operations.....” (BM3, BPKH_P)

With the initiation of cooperation among BPKH, the Ministry of Religious Affairs, and the Parliament, there is renewed hope for establishing a more conducive environment for the future management of Hajj finances.

This collaborative environment marks a significant beginning, as the involved parties demonstrate a strong sense of responsibility (Hall, 2017). This shared commitment fosters enhanced coordination and encourages all stakeholders to act appropriately and responsibly in fulfilling their duties, thereby advancing organizational objectives. Currently, efforts are underway to develop a new formula for allocating Hajj funds that emphasizes sustainability and robust financial management.

"So here, the financial sustainability introduced by Hajj is related to three things. The first aspect is the optimization of profit returns. This part is in BPKH, where the distribution will be in the future direction, choosing benefits, the distribution will be at least 70% in the virtual account, and the estimated 30% is to support or support Hajj operations." (BM1, MORA)

"Now, the second is from the adjustment of BIPIH to BPIH, so the concept of *Isti'toah* is what we are applying. If the BPIH is IDR 100 million and he has deposited IDR 25 million, what category does he fall into?" (BM1, MORA)

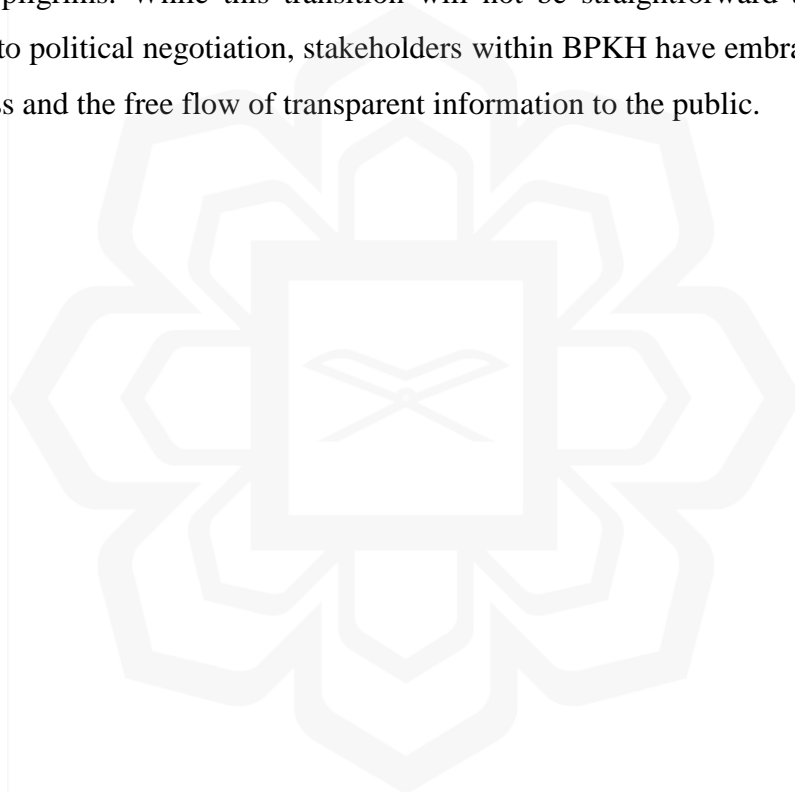
"Thirdly, we are talking about the efficiency of rationalization of Hajj operations. This is now the area of the Ministry of Religious Affairs." (BM1, MORA)

The journey toward achieving a sustainable management system for the Hajj fund under BPKH, as a professional financial manager, begins at this critical juncture. There is a shared recognition among all parties involved in Hajj management that transparency regarding Hajj costs is essential for continuous improvement and represents the expected standard of conduct for government officials and professionals alike (Dubnick, 2007b). This commitment to openness and accountability has been positively acknowledged by the Board of Directors of BPKH in their communications with representatives from the Ministry of Religious Affairs, signaling a collaborative and forward looking approach. Positive nuances were also conveyed by the Board of Directors of the BPKH to the Ministry of Religious Affairs representatives, as follows.

"I am sure (BPKH will be sustainable) as long as there is a real agreement on the direction of policy regarding the adjustment of BIPIH. So, the composition of BIPIH with BPIH must be

proportional, and then the value of the benefits should not be used for operations. At least 70% should benefit value to the virtual account pilgrims, and a maximum of 30% should go to operations. This operation must be minimized.” (BM1, MORA)

Moving forward, the path will undoubtedly be challenging, but the commitment to restoring order through public transparency has been initiated, beginning with the disclosure of the 2023 Hajj costs (Harlow, 2002). Maintaining consistency in the legal interpretation of the fiqh provisions concerning Hajj presents an opportunity to phase out the Hajj subsidy and instead emphasize the equitable distribution of benefits among regular pilgrims. While this transition will not be straightforward and will remain subject to political negotiation, stakeholders within BPKH have embraced the spirit of openness and the free flow of transparent information to the public.



7.5.3. Concluding Remarks

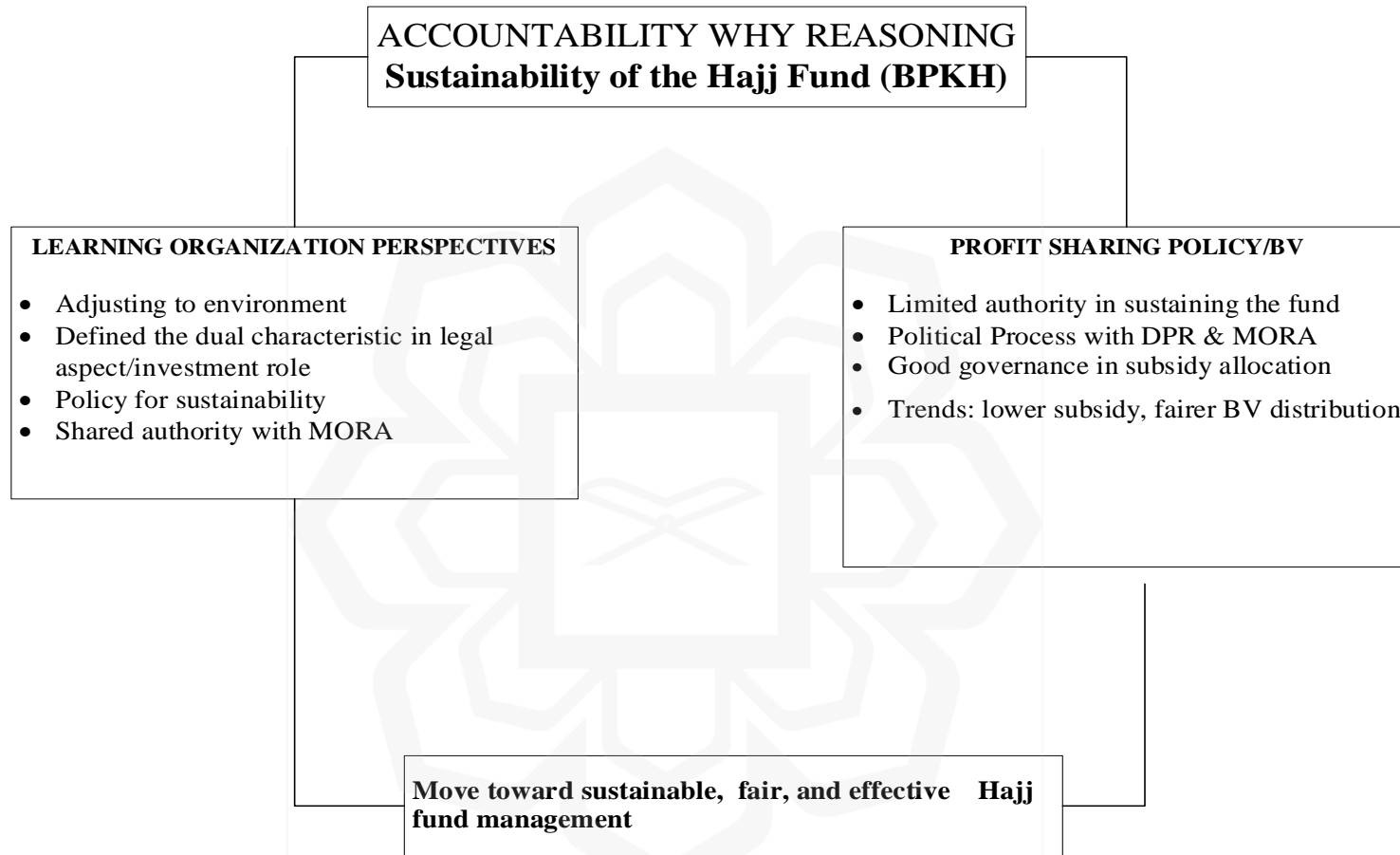


Figure 7. 6 Conclusion Accountability Why/Sustainability

The figure 7.6 illustrates the strategic reasoning behind BPKH's accountability practices in relation to its goal of ensuring the sustainability of Indonesia's Hajj fund. It maps two core dimensions that underpin this accountability logic: (1) the learning organization perspective, and (2) the profit-sharing policy (benefit value or BV). Together, these components converge toward the shared objective of moving toward a sustainable, fair, and effective fund management system.

The learning organization perspective, BPKH is expected to adapt continuously to the evolving social, economic, and political environment affecting Hajj fund governance. The figure underscores BPKH's dual mandate, functioning both as an investment manager and as a public institution accountable to legal and religious standards. Additionally, BPKH operates under a shared authority framework with the Ministry of Religious Affairs (MORA), which, while ensuring coordinated governance, can constrain unilateral decision-making in critical policy areas.

On the other hand, the profit sharing and BV policy dimension illustrates BPKH's limited control in fund redistribution, as this process is closely linked to political negotiations with DPR and MORA. Ensuring transparent and fair subsidy allocation is essential to maintain both institutional integrity and public confidence. The figure also reflects a policy shift toward lower subsidies and fairer BV distribution, signaling a move toward fiscal equity and prudent fund management.

At the bottom, the figure emphasizes the need to move toward sustainable, fair, and effective Hajj fund management, bridging institutional policy with long-term public benefit. Sustainability depends not only on regulatory compliance but also on adaptive strategies, collaborative governance, and legitimacy in the eyes of stakeholders. The figure thus concludes with a strategic imperative: to pursue sustainability not solely through technical and financial performance, but through adaptive governance, transparent communication, and meaningful stakeholder engagement, particularly important in the context of Hajj administration, which is inherently religiously sensitive.

7.6. SUMMARY

This chapter centers on Bovens's (2007) accountability framework to analyze BPKH's organizational legitimacy and accountability processes, as illustrated in the Schema of Accountability (Figure 7.2). The study's goals are categorized into three main areas:

The exploration of Figure 7.2 divided with Accountability to Who in highlighting the legitimacy of BPKH, Accountability mechanism for the process accountability, and Accountability Why for the profit sharing policy. The codes of the Figures consisted with the number 1,2,3 and 4.

The first phase, depicted by green lines (codes 1a to 1e) in Figure 7.2, explains the delegation of authority from key accountees the President, the House of Representatives (DPR), pilgrims, and the Ministry of Religious Affairs (MORA) to BPKH as the accountant. This represents BPKH's legal accountability as an autonomous and independent public agency responsible to the President. However, the societal environment reflects low social acceptance, characterized by public indifference, indicating limited public legitimacy for BPKH.

The second phase, shown by blue lines (codes 2a to 2d) and red lines (codes 3a to 3c), describes the hierarchical accountability process where BPKH informs its conduct and engages in deliberation and coordination with stakeholders. This mechanism aligns with Bovens's concept of hierarchical or political accountability and incorporates the Modified Stewart's Ladder of Accountability (2006). Empirical findings reveal that BPKH operates at a performance level (level 4), utilizing technology to promote transparency and accountability.

The third phase, indicated by codes 4a and 4b, views BPKH as a learning organization with the goal of achieving sustainable management of the Hajj fund. This sustainability process began amid significant turbulence in 2023 due to a sharp rise in Hajj costs. Government entities involved in hierarchical Hajj management (BPKH, MORA, DPR) are committed to developing accountable processes that establish BPKH's legal and technical operational foundations. The key initiatives include, reformulating the fair distribution of benefit values, reducing the subsidy proportion for departing pilgrims, and Defining BPKH's function to implement safe yet assertive investment strategies.

The existing Hajj subsidy pattern is considered excessively large, resulting in the overconsumption of Hajj funds primarily allocated as subsidies to departing pilgrims. This practice challenges the fiqh principle of *Istitho'ah*, which requires that Hajj be performed only by those who are physically and financially capable. The current allocation is deemed unjust for Hajj aspirants waiting in line, as the disproportionate subsidies undermine the religious and financial fairness of the system. Reducing subsidies for departing pilgrims is increasingly essential to realign Hajj costs with

fundamental religious principles. A more proportional subsidy allocation will restore the integrity of Hajj obligations, promote healthy governance of the Hajj fund, and support the fund's sustainability for future pilgrims.

This chapter applies Bovens's narrow definition of accountability, where BPKH, as the actor, must explain and justify its conduct to a forum comprising key stakeholders (President, DPR, pilgrims, MORA). This forum can question, judge, and impose consequences, thereby ensuring accountability. The integration of hierarchical and political accountability concepts with empirical findings on BPKH's use of technology situates BPKH as a learning organization committed to reform and sustainability within a complex governance environment.



CHAPTER EIGHT

CONCLUSION

8.1. OVERVIEW OF THE RESEARCH

This case study of BPKH aimed to describe the reality of managing information related to the Hajj fund within the public domain. In particular, it examined the practices of responsibility and accountability as part of new reforms toward professionalism and enhanced accountability management. Data were collected from a total of 41 sources, including Focus Group Discussions (FGDs), national webinars, and 19 face to face in depth interviews with BPKH insiders and stakeholders at various levels. Each interview lasted approximately 60 minutes. The semi-structured interview format facilitated an in-depth exploration of accountability issues.

Using an interpretive approach, the study uncovered diverse perspectives on the accountability actions undertaken by BPKH. Accountability was examined from multiple viewpoints: insiders within BPKH, the fund owners (pilgrims), government hierarchical agents, and BPKH's partners such as banks and Umrah travel operators. The findings revealed that the new spirit of reform is embraced as a core value by insiders, who actively nurture it through accountability practices adapted to the social environment's needs. However, the reform process faces challenges due to the complex political dynamics surrounding the Hajj fund.

An investigation into the internal accountability mechanisms demonstrated a well-designed governance framework. Applying Bovens's accountability phases, the study highlighted BPKH's preparation to be answerable. Furthermore, the Stewart Ladder of Accountability illustrated the progressive development of accountability practices within this governmental agency. Conversely, the dissemination of information to the public has been neglected, largely due to the permissiveness of religiosity and the lingering trauma from past negative scandals. Public discourse about the Hajj fund has been predominantly shaped by media coverage, which has played a catalytic role in raising public awareness about BPKH. However, there exists a fundamental contradiction between the perspectives of the fund managers and the public regarding Hajj management.

From the fund managers' standpoint, including stakeholders such as banks and the Ministry of Religious Affairs (MORA), the focus is on the processes of

accountability and answerability that directly relate to BPKH's operational responsibilities. In contrast, the public, with limited knowledge of management and financial literacy, exhibits a low level of trust, shaped by a long history of challenges in Hajj fund management. This asymmetry of information is undeniable and significantly hampers BPKH's ability to secure public trust and legitimacy as the custodian of the Hajj fund.

Indonesian pilgrims anticipate improved services under BPKH's professional management. However, the distinctive nature of BPKH calls for a revision of its legal framework to better define and support its functions as stipulated in Law No. 34/2014. Since BPKH assumed responsibility for managing the Hajj fund, the distribution of benefit value (BV) has been extended to all pilgrims, in contrast to the previous system where only departing pilgrims received such benefits. This mechanism, often referred to as 'ta'awun' (mutual assistance), is viewed by some financial theorists as resembling a Ponzi scheme. The 2023 Hajj cost reform marked the beginning of a new era of openness in the political discourse surrounding Hajj costs. The ongoing process of reformulating a fair proportion of BV distribution and adopting a sustainability perspective in managing the Hajj fund presents significant challenges for BPKH and other authoritative stakeholders.

8.1.1. Organizational Legitimacy

The silent environment and widespread ignorance surrounding the management of the Hajj fund became a notable social phenomenon, rooted in the long and challenging journey of fund management during Phase 1. This situation fostered public skepticism toward the management of the Hajj fund. In response, members of the BPKH pioneer team initiated efforts to raise awareness and build a new image of accountable and professional fund management.

Entering Phase 2, BPKH embarked on a movement to develop its legitimacy as the new manager of the Hajj fund. The organization nurtured motivation and cultivated public legitimacy through accountability and professionalism, viewing these as core virtues of their duties. The early stages of creating a healthy governance environment were facilitated by the formal establishment of BPKH during this phase. BPKH engaged in an adaptive process to meet the evolving needs of its stakeholders. This included ongoing self improvement efforts focusing on financial performance,

transparency in Hajj management information, and advancements in electronic systems. These initiatives aimed to address public legitimacy by embodying the principles of social accountability and safeguarding the public interest.

To manage good governance effectively, BPKH was established as a special entity with dual authority: operating both in the public sector and as a business entity. This dual role was considered a strategic solution to address public legitimacy challenges. However, the business side of this dual authority did not perform optimally, largely because the regulatory framework governing such dual entities was still underdeveloped. Consequently, the formation of a robust legal infrastructure to support BPKH's unique status, as mandated by Law No. 34/2014, became a critical challenge. The processes in Phase 2 transformed BPKH into a learning organization one that must remain actively responsive and capable of reformulating its governance platform, even in the absence of comprehensive regulatory guidance.

BPKH's operational processes reflect the concept of accountability as being prepared to justify and explain management actions. Increased transparency of public information has driven improvements in the governance of Hajj fund administration. Adapting to stakeholders' needs as a demonstration of professional accountability is an ongoing process that fosters organizational acceptance and public legitimacy. The application of accountability principles since BPKH's inception has contributed to the development of organizational legitimacy, focusing on establishing good governance over Hajj fund administration during Phases 2 and 3. Despite the dual authority structure aiming to enhance legitimacy, regulatory gaps have hindered the business aspect's performance. In Phase 3, BPKH further evolved as a learning organization, actively reformulating its governance approach to support good governance practices not yet fully codified in regulation. A critical aspect of this phase includes progressing toward a fair allocation of Hajj subsidies, which must incorporate the *fiqh* rule of *istitho'ah* stipulating that Hajj obligations apply only to those who are financially capable.

The widespread public unawareness of changes within BPKH indicates that the legitimacy of the Hajj fund manager has not significantly improved across the three phases of reform. Although heightened public attention often triggered by negative media coverage suggests an emerging awareness of BPKH's role, this awareness remains limited and superficial. Most people were unaware that BPKH had become the new manager of the Hajj fund and did not fully appreciate BPKH's efforts to enhance

information accessibility. Despite a high level of curiosity, many retained entrenched mindsets shaped by prior scandals and a history of insufficient transparency, leading them to take the situation for granted.

Interview data further reveal that the public's lack of understanding is rooted in the complexity of accountability information, which is often too technical or dense for ordinary individuals to grasp. This complexity drives reliance on media coverage, which tends to focus on sensational aspects rather than substantive improvements, reinforcing skepticism and indifference. As a result, even with skilled, transparent, and accountable management, the public continues to struggle to understand how BPKH administers the Hajj fund.

Legitimacy fundamentally requires social acceptance, which depends on establishing genuine credibility and community trust. Accountability is a critical mechanism through which BPKH can build this credibility and earn social approval. However, the findings indicate that simply making information available without addressing its accessibility and relevance has not been sufficient to improve public understanding or trust. This highlights the need for more effective communication strategies and greater efforts to align organizational transparency with public expectations.

In conclusion, the legitimacy of Hajj fund management in Indonesia can be assessed from two distinct perspectives: organizational legitimacy and public legitimacy. From the organizational legitimacy perspective, significant progress was achieved in Phase 2 (2017) when BPKH was formally established by presidential decree to professionalize Hajj fund management. The enhancement of public information transparency has led to notable improvements in governance practices. BPKH's continuous adaptation to stakeholders' needs demonstrates a strong commitment to accountability and professional management, fostering acceptance and legitimacy within both internal and external stakeholder environments.

The public legitimacy perspective, however, revealed the recognition of Hajj fund managers as legitimate organizers remains limited. This skepticism has persisted across both the Ministry of Religious Affairs (MORA), the previous caretaker, and BPKH, the current manager. While there was a slight shift in public legitimacy during Phase 3, this change is still in the nascent stages of public awareness. Since Phase 1, a passive public attitude and silent environment reflected a lack of legitimacy. This trend continued into Phase 2, with the public largely unaware of BPKH's accountability

initiatives. However, in Phase 3, public sentiment shifted noticeably; the community expressed anger and reacted strongly to issues such as the significant increase in Hajj costs in 2023. This public outcry marks an early stage of increased awareness and signals the potential for growing social approval and legitimacy.

8.1.2. Accountability Process

BPKH undertook deliberate accountability actions by making financial performance information accessible to the public, particularly during Phases 2 and 3. Information on Hajj fund management was actively disseminated through mass media platforms, utilizing financial reports filled with numbers, tables, charts, and diagrams as primary tools for communicating accountability to external stakeholders.

This approach marked a significant departure from Phase 1, under MORA, where there was no transparency or accountability, and information was not made available to the public. As BPKH assumed management, substantial improvements were introduced in both information accessibility and transparency, supported by modifications to systems and processes. The implementation of a well organized e-system further facilitated the sharing of financial performance data and regulatory compliance, reinforcing transparency and public confidence.

Throughout Phases 2 and 3, BPKH focused on preparing structured regulations and hierarchical obligations, with accountability indicators dominated by financial performance outcome standards. This systematic shift from limited information to accessible, structured disclosures helped BPKH build a more professional and accountable image compared to its predecessor.

The accountability process within BPKH is structured around bureaucratic and hierarchical mechanisms consistent with Bovens' (2007) conceptualization of accountability as a social relationship between an actor and a forum, where the actor must explain and justify their conduct and may face consequences. In this framework, BPKH's authority mechanisms resemble an account giving theory: the agent (BPKH) is entrusted with responsibility and held accountable by higher bureaucratic levels, such as the President, the House of Representatives (DPR), and the Ministry of Religious Affairs (MORA), which form the accountability forums within the Hajj management system.

The hierarchical nature of accountability in BPKH reflects procedural and political processes typical of government institutions. Applying the modified Stewart Ladder of Accountability (Friedman & Miles, 2006), BPKH has reached level 4 (program accountability) though not fully addressed. This level emphasizes accountability for both financial and social performance outcomes. Financial accountability is demonstrated through initiatives like benefit program distribution, the virtual account program for pilgrims, and the Four Eyes principle in decision making. However, social accountability remains limited, as public unawareness about the Hajj fund and BPKH's role persists, indicating that BPKH has yet to achieve full social legitimacy and acceptance.

While BPKH has made significant strides in establishing financial accountability within a formal bureaucratic framework, the organization still faces challenges in attaining social accountability and broader public acceptance, which are critical components of comprehensive accountability in public governance. The high level of curiosity, the vulnerability of Hajj issues, and the secrecy of information related to the political process were demanding more various and effective languages. Communicating with the political sphere and hierarchy follows formal and complex procedures. Meanwhile, social accountability is more dynamic and informal. It should be treated more simply so that the communication carried out by BPKH can be understood by all levels of society.

Phase 3 marked the beginning of growing public awareness about BPKH's accountability, triggered largely by provocative national media coverage that led people to criticize BPKH without fully understanding its role. While stakeholders closely involved with BPKH in their daily routines recognized and acknowledged the agency, the general public and pilgrims remained largely uninformed, relying solely on the information shared by BPKH. The most critical event in Phase 3 was the significant increase in the 2023 Hajj cost, which shocked the public and initiated a dynamic reform process in Hajj fund management.

This surge in Hajj costs exposed a "Pandora's box" of political secrecy surrounding how the costs were determined. Previously, the government set the Hajj cost based on political interests rather than sound economic calculations. The subsidy scheme intended to support pilgrims disrupted the benefit value (BV) allocation policy, leading to vulnerable fund management and threatening the sustainability of the Hajj fund in the long term. Consequently, the 2023 Hajj cost increase became a catalyst for

pushing toward a more transparent and healthier management environment between BPKH and its stakeholders.

The defining characteristics of BPKH as a public organization include complex managerial processes and inherent political challenges. A critical milestone in Phase 3 was the commitment to formulating a fair and sustainable Hajj cost (BPIH). Achieving healthier management of the Hajj fund necessitates a gradual reduction in subsidies over time to ensure long term financial sustainability.

The social contingency model plays a key role by leveraging all available resources within BPKH and the broader Hajj organizational network to actively enhance accountability in managing Hajj funds. In this context, building strong relationships is essential, as these connections significantly influence public coordination processes and outcomes. Coordination emerges as a primary strategic element within BPKH's bureaucratic framework. Notably, improvements in Phase 3 fostered better coordination between BPKH and the Ministry of Religious Affairs (MORA). This evolving environment supports a strengthened accountability process in Hajj fund management, paving the way for continued progress toward good governance in the future.

8.1.3. The Sustainability in Hajj Fund

The expectations of Hajj pilgrims and the public regarding the management of the Hajj fund align closely with the efforts undertaken by BPKH. Reformulating the Hajj cost (BPIH) is a critical agenda for all stakeholders involved in Hajj coordination. It is urgent to ensure that Hajj fund management is rational and scientifically grounded to foster a healthy and sustainable management environment. Central to this is understanding the impact of management decisions on all stakeholders.

The following outlines the conditions during each phase of Hajj management from the perspective of stakeholders. Phase 1 was characterized by MORA acting as the sole caretaker of Hajj management. During this period, numerous prominent issues emerged, leading to public distrust. Pilgrims generally exhibited passive attitudes in response to the limited transparency surrounding the management of their Hajj deposits. Their religious mindset shaped their acceptance of the subsidy mechanism, which is based on the *ta'awun* principle mutual assistance among pilgrims. This principle was quickly embraced as a justification for the lack of transparency, causing pilgrims to

overlook the economic implications of their deposits and instead view the challenges as a test of their faith during the pilgrimage. The subsidy mechanism has been in place since 2003, providing mutual assistance among Hajj pilgrims. Historically, the subsidy component has averaged around 50% but surged to approximately 60% during the COVID-19 pandemic. This large and increasing subsidy allocation poses a significant risk to the long-term sustainability of Hajj fund management.

During Phase 1, the public exhibited a largely ignorant attitude toward the issues surrounding Hajj fund management, accepting the situation without complaint. In Phase 2, shared authority in Hajj management was introduced, marking a fundamental reform with the enactment of Law No. 34/2014 in 2017. Under this law, Hajj management responsibilities were divided: MORA handled policy and pilgrimage operations, while BPKH was appointed as the manager of the Hajj fund. To develop legitimacy, BPKH, as the new fund manager, promoted accountability through various media platforms. These platforms provided accessible information on the financial performance of the Hajj fund and facilitated two-way communication with stakeholders.

The hierarchical government bodies linked to Hajj management are MORA, the House of Representatives (DPR), and the President. Each party play distinct roles in overseeing BPKH's accountability. Their commitment to supporting a well defined legal foundation is crucial, especially given BPKH's hybrid organizational status. This hybrid nature created challenges due to the absence of a clear regulatory framework, as existing regulations typically address single type organizations. A key issue was the limitation imposed on BPKH's investment strategies. Consequently, there was a pressing need to review and strengthen the legislative framework, including establishing accounting procedures and other operational supports to enhance BPKH's effectiveness. This required political advocacy and initiatives to push the government toward enacting appropriate regulations, thereby providing the BPKH team with the confidence and legal protection necessary to fulfill their mandate in compliance with relevant laws. However, in Phase 2, the reform was still in its early stages, characterized by weak coordination among governmental stakeholders and insufficient political progress in defining a robust legal structure. Moreover, decisions regarding the Hajj cost continued to be influenced by political interests rather than principles of good governance and sound fund management.

In Phase 3, the 2023 Hajj cost policy sparked public criticism directed at both the government and the Hajj fund manager, as the policy placed a significant financial

burden on pilgrims. This shift prompted a change in public mindset, from a primarily religious perspective to one increasingly concerned with economic realities. Leading to widespread calls for a more pilgrim-friendly Hajj cost policy to alleviate their financial strain. The previously opaque political process of setting the Hajj cost was finally opened to public scrutiny, fostering greater transparency and public engagement. Despite this progress, the complexity of financial reports and accountability data made it difficult for many pilgrims and the general public to fully understand the information provided by BPKH. This gap contributed to asymmetric information, where misunderstandings and misperceptions about the Hajj fund management persisted, exacerbated by low financial literacy among the public

Government entities adapted to this new environment. The Ministry of Religious Affairs (MORA) improved coordination with BPKH, recognizing BPKH as the leading authority for Hajj and Umrah management and supporting the reform agenda. MORA demonstrated greater openness in policy and strategy, aligning with the emerging culture of transparency and healthy governance. Meanwhile, the House of Representatives (DPR) faced the challenge of carefully managing the political process, particularly as BPKH sought to pursue more aggressive investment strategies aimed at maximizing returns. Together, MORA and BPKH worked on redefining investment formulas to optimize benefit values, embedding these strategies within a strengthened legal framework that clarifies BPKH's authority. The political process must balance the need for sustainability of the Hajj fund with efforts to ease the pilgrims' financial burden. Achieving sound fund management requires a gradual reduction in subsidies, moving toward more equitable subsidy allocation. This transition should incorporate the Islamic jurisprudential principle of *istito'ah* (financial capability), which holds that Hajj obligations apply only to those who are financially able. The challenges identified in this research echo concerns raised in national forums on Hajj management, where debates focus heavily on establishing a new, just, and sustainable framework for determining Hajj costs.

8.1.4. Implications of the Study

This study offers several important conceptual and policy level implications for understanding accountability in the management of public religious funds, specifically within the context of Indonesia's Hajj Financial Management Agency (BPKH). The

research highlights a core paradox: while BPKH has made significant strides in strengthening formal governance, such as compliance with investment standards, enhanced reporting practices, and adherence to Sharia principles, this institutional progress has not resulted in a commensurate increase in public trust.

This gap between institutional accountability and perceived legitimacy suggests that conventional definitions of accountability, focused solely on regulatory or administrative performance, are inadequate for contexts where public values and religious ethics are central. The study thus contributes to the broader discourse by framing accountability as a moral and relational concept, aligned with Schweiker's (1993) notion of accountability as a "moral journey."

In particular, it highlights the urgent need for improved communication and stakeholder engagement. Currently a communication gap persists for instance, most Indonesians do not even know the true costs or breakdown of Hajj expenses. Scholars therefore argue that ongoing public education and transparency initiatives are essential: "financial literacy" programs and continuous outreach can empower pilgrims to understand and monitor the fund, thereby raising trust. To address this, the government and BPKH should institutionalize educational initiatives, including the use of digital platforms, printed materials in mosques, and engagement with Islamic scholars and local religious institutions. Educating pilgrims in these areas, will foster a more informed public and shift accountability from a top down model to a shared, participatory framework. In short, rebuilding trust will require sustained dialogue and education in tandem with technical reforms.

The findings reveal that information asymmetry, historical mismanagement, and deeply embedded religious narratives shape how pilgrims interpret fund management practices. As such, the implications extend to governance theory in Islamic public finance, where trust and legitimacy are rooted not only in procedures but also in the ethical relationship between the manager (BPKH) and the community (pilgrims and stakeholders).

Therefore, study emphasizes the importance of formalizing stakeholder engagement within BPKH's operational and strategic frameworks. While accountability mechanisms exist at the structural level, they have yet to be meaningfully extended to the community of Hajj registrants and civil society. Initiatives such as public consultation forums, independent evaluations by academic institutions, and the formation of a Pilgrim Advisory Council could bridge this gap. Embedding such

participatory structures into the agency's accountability framework would enable more responsive, inclusive governance and elevate public confidence.

Additionally, there is an urgent need to harmonize the legislative framework governing Hajj fund management. Enhancing BPKH's legislative framework to bolster the legal foundation of its operational endeavours is a crucial aspect of the reform program. The well defined legal entity for BPKH as the dual character should be regulated immediately in making the reform process in Hajj management more effective. Clarifying the roles of BPKH and the Ministry of Religious Affairs through regulatory revision or a consolidated Hajj governance act would help resolve coordination issues and reinforce oversight integrity. Legal clarity is not only crucial for internal governance but also for public understanding and trust.

This research also calls for a reassessment of the religious principle of *istito'ah* (the financial ability to perform Hajj), especially in the context of excessive subsidy policies that may contradict the intention of the obligation. In doing so, the study contributes to emerging discussions on the intersection between religious ethics, financial governance, and institutional legitimacy.

The study underscores the need for a more equitable and sustainable subsidy model. Currently, the distribution of Benefit Value heavily favors departing pilgrims, who receive approximately 80%, while hajj aspirants receive only 20%, despite contributing equally to the fund. This practice not only raises fairness concerns but also challenges the principle of *istito'ah* in Islamic jurisprudence, which stipulates that only those who are financially capable should perform Hajj. Policymakers should consider a tiered subsidy approach based on need, waiting period, or income level to ensure that benefits are distributed more justly and sustainably. Such a model would also reduce long term fiscal pressures on the fund.

As one comprehensive review concludes, only by "continuous education" and a broad based shift in public awareness can Indonesians be brought into the fold of accountability. In other words, genuine acceptance of BPKH's governance will come only when people feel informed and heard. The study emphasizes that converting improved governance into trust will require exactly this kind of inclusive, educational approach. In sum, the Hajj fund system's evolution has increased the demand for better communication, fairer subsidies, and ongoing institutional reform; only by addressing these dimensions can BPKH solidify its accountability and secure enduring public confidence.

8.2. THEORETICAL AND KNOWLEDGE CONTRIBUTION OF THE STUDY

The study contributes to the accountability knowledge into how BPKH as an organization and the individuals within it have a concept of responsibility applied in forming information in the organization (Day & Klein, 1987; Sinclair, 1995) & (Bovens, 2007). It described the perspectives on the need for BPKH to be found legitimate for the public in their relationship with stakeholders (McCandless, 2001). The schema narration of the Hajj fund management fits the account-giving situation from the meaning of accountability between BPKH and its stakeholders as the reason to gain legitimacy (Gray, 1983; Roberts & Scapens, 1985, p. 447). Based on the premises above, the interviewee shared their view from stakeholders' perspectives. BPKH gives information for its action, and the stakeholders accept the information given. However, acceptance is usually believed when they trust the information's contents and organization (Dowling & Pfeffer, 1975; Suchman, 1995).

The insiders have a sense of belonging and responsibility towards their organization (Sinclair, 1995). Therefore, accountability is considered a virtue of actors and not just as an evaluating political or administrative process, and it comes with a set of standards of conduct for good governance (Koppell, 2005), including the commitment to behave in a transparent, fair, compliant, and equitable. This situation fits with stage 1 of Bovens accountability scheme (2007), which is the information stage, where here, the party given responsibility will be accountable for its activities to the one that is giving responsibility (Bovens, 2007). The concept of conscience is a well recognized idea that involves individuals acting in a manner that reflects a sense of responsibility toward the well being of others (Harmon & Mayer, 1986). Thus, leaders in the changing environment of the Hajj management have shown their value as transformational leaders who facilitate organisational transformation (Burke, 2002; Herold et al., 2008; Kotter, 1996; Bommer et al., 2005). Direct supervision helps senior leaders guide the entire organisation (Van Dam et al., 2008; Devos et al., 2007). In particular, Mr. Anggito, who represents BPKH, and Prof. Latif, currently Indonesia's Director General of Hajj and Umrah, whose presence promotes cooperation and openness in the Ministry of Religious Affairs.

The notion of a hierarchical arrangement in a relationship between a higher ranking individual and a lower ranking individual, as examined by Roberts (1991), carries substantial significance within the context of the principal agent theory. The

principal has the legal right to demand an account, while the agent is obliged to deliver such an account. The BPKH's hierarchical accountability system narrates that those who possess the authority to exert influence and demand accountability are always the individuals to whom the person being held accountable must eventually respond. The entities mentioned encompass the President, the House of Representatives (DPR/Dewan Perwakilan Rakyat), and The Ministry of Religious Affairs (MORA). This situation is confirmed by the logic of accountability by Ebrahim (2009), accountability involves a monitoring and control system that can help individuals and organisations achieve their goals. Therefore, it is the duty of the individual or institution in a position of power to provide a clear and logical explanation for their actions to individuals or groups outside their organisation (Orbuch, 1997; Roberts, 2001; Dubnick, 2005).

According to Mulgan (2003), accountability can be defined as a system that ensures important entities are held responsible to the public they serve (Mulgan, 2003). The salient feature of this normative concept is that the different components cannot be quantified using a uniform metric. The genuine forum clarified the presenting phase, which has stated its unqualified opinion. This level represents the highest standard of legal audit standards under its hierarchical and political oversight. Concerning the transparency and accessibility of information provided by BPKH, there is a shift towards reduced accountability that aligns with the requirements for clear transparency (Fox, 2007). A system cannot be considered truly open if its functionality is limited to allowing users to access and share information. This phenomenon is commonly referred to as "opaque transparency." A system is considered "clear" when managers elucidate their actions and assume accountability for them since it influences the public's perception of them.

The financial report was used as a method of accountability to the general public to communicate financial performance (Vosselman, 2013). Historically, the primary method of disseminating information to the general public has been through the use of financial reports. This action is considered an achievement because BPKH, being a public legal entity, is exempt from mandatory adherence to accounting standard standards for financial reporting. Nevertheless, it might be considered a voluntary act of taking on accountability. Therefore, accountability is a procedural requirement of legitimacy. Actors must offer an account of their conduct to the public and the forums in which they participated (Bovens, 2007). Providing transparency in the process of

disclosing the actual Hajj cost to the general public would serve as an adjustment mechanism to develop a new norm for more properly assessing the cost of the Hajj (BPIH). The idea that public accountability can be a tool or an adjustment mechanism that can repair injustice and employ a sense of responsibility to remedy mistakes, improve, and get things back on track is supported by the concept that public accountability can be used under conditions of inequality such as these (Braithwaite, 2006). Harlow (2002) makes a similar point, stating that public accountability mechanisms can offer organisations or government agents' opportunities to get back on track, make reforms, and accept social or political punishments. According to Harlow, these possibilities can be provided via public accountability mechanisms (Harlow, 2002). When the era of transparency begins in 2023, the process of public accountability is expected to get underway (Braithwaite, 2006; Harlow, 2002).

The engagement between BPKH and its stakeholders contributed to the knowledge of accountability. It is well agreed that stakeholders are the main catalysts for organisational environmental change pressures (Cutlip et al., 2000). Stakeholders can utilise their individual and collective interests to exert influence over the alteration of organisational policy. The role of BPK, which serves as an external auditor, can be described as a dynamic bilateral interaction between the entities involved in the accountability process (Stewart, 1984). According to Aucoin and Heintzman (2000), the process of openness and accountability in managing the Hajj's funds results in measurable performance that has been confirmed with suitable criteria and forums. Additionally, this method achieves harmony with the government, the environment, and the commercial sector. When it comes to preventing and mitigating potential dangers that are not legitimate, the participation of stakeholders is of the utmost importance. Organisations can successfully adapt to events and take necessary actions to ensure legitimacy at all levels if they regularly monitor public norms and expectations (Burleaschiopoiu & Popa, 2013).

8.3. PRACTICAL CONTRIBUTION

This chapter elaborates the practical contributions of the study by proposing actionable reforms that can strengthen public trust and institutional legitimacy in the management of Hajj funds in Indonesia. Drawing on empirical findings and comparative insights from Malaysia and Saudi Arabia, three major areas are discussed: simplified financial

disclosures, fairer ROI distribution, and active public engagement. These recommendations are presented not as abstract ideals, but as operational tools to help align BPKH's accountability practices with public expectations and Islamic ethical principles.

One of the study's key contributions is the recommendation to simplify financial reporting practices for better public comprehension. Although BPKH is currently in compliance with regulatory reporting requirements, the financial reports it produces are often highly technical, difficult for laypeople to interpret, and insufficient in fostering public understanding. As a result, most Hajj registrants remain unaware of how their deposits are managed or how benefit values are calculated.

To address this gap, this research calls for the adoption of simplified financial disclosures. These may include user friendly summaries of financial performance, visual infographics that illustrate the allocation of funds, and localized information dissemination through mosques and digital platforms. By demystifying financial data, BPKH can empower pilgrims with the knowledge necessary to evaluate fund performance independently.

Comparatively, Malaysia's Tabung Haji has demonstrated success in this area. It consistently produces transparent, accessible reports and updates depositors through interactive digital services, clearly communicating investment performance and zakat deductions. Meanwhile, although Saudi Arabia does not operate an investment-based pilgrim fund, its clarity in disclosing standardized Hajj service costs ensures accountability and reinforces operational legitimacy.

The second practical contribution of this study concerns the need to reform Benefit Value distribution mechanism. Under the current policy, 80% of the benefit is allocated to departing pilgrims, while only 20% is shared with those on the waiting list. Given that all registered pilgrims contribute to the Hajj fund through initial deposits, this system introduces equity concerns and threatens the sustainability of the fund. This study advocates for a more balanced and just distribution framework. ROI should be allocated in proportion to each pilgrim's contribution and waiting time, rather than primarily to those about to depart. This would not only reflect Islamic principles of fairness but also reduce the moral hazard of subsidizing pilgrims who may not meet the financial threshold required by the concept of *istito'ah*.

Malaysia again provides a compelling model. Tabung Haji allocates profits equitably to all depositors based on the amount and duration of their savings. This

inclusive approach enhances depositor loyalty and prevents the erosion of trust in the fund's integrity. Saudi Arabia's approach, while differing in structure, avoids subsidy related inequities by maintaining a clear distinction between pilgrimage affordability and public financing.

The third area of practical contribution involves fostering sustained and structured engagement with the public. Despite progress in internal governance, BPKH has yet to institutionalize participatory mechanisms that allow for consistent stakeholder involvement in decision making processes. This study emphasizes that public engagement must move beyond one way communication to include active consultation and feedback loops.

Practical strategies may include annual public forums, digital feedback platforms, independent pilgrim advisory councils, and strategic partnerships with religious organizations and civil society. Such initiatives would enable BPKH to build a culture of mutual trust, where accountability is co produced by the institution and the community it serves.

Tabung Haji has long embedded community engagement into its operational model through outreach programs, townhall meetings, and formal consultations with scholars and depositors. In Saudi Arabia, structured dialogue is ensured through coordination with official Hajj missions from each country, which ensures that the voices of international pilgrims are considered in logistical planning.

In conclusion, the practical contributions outlined in this chapter reinforce the study's central argument: that accountability in Hajj fund management cannot be realized through regulatory compliance alone. Instead, it must be supported by clear communication, equitable distribution frameworks, and inclusive stakeholder engagement. Comparative insights from Malaysia and Saudi Arabia further demonstrate that these elements are both feasible and effective. By implementing such reforms, Indonesia has the potential to build a sustainable, transparent, and trusted Hajj fund system that upholds both the ethical spirit and governance standards of Islamic public finance.

8.4. LIMITATIONS AND OPPORTUNITY FOR FUTURE RESEARCH

While this study offers valuable theoretical contributions and practical implications, it is important to acknowledge several limitations that may affect its findings. The

interpretive approach relied primarily on interviews conducted during data collection. The target interviewees were decision makers ranging from lower level managers to senior management, all of whom were educated and knowledgeable characteristics consistent across the sample. These interviewees were located in and around Jakarta, Indonesia's capital. Given the study's objective and scope, the selected sample is considered sufficiently representative of their respective categories, which aligns with the expectations for a PhD level study.

According to the study's findings, many intriguing themes surround Hajj fund management, an area that has been limited in scholarly literature until now. The extensive data collected from 19 personal interviews averaging sixty minutes each and five national seminars involving 23 experts, decision makers, and academics lasting two to three hours offers rich opportunities for further investigation. Since the analysis was focused strictly on phenomena related to the study's research objectives, topics beyond this scope were excluded but remain open for future exploration. This study captures only the early phase of managing accountability and legitimacy in Hajj fund management. It is important to extend observations into subsequent phases to better understand how these processes evolve over time.

The year 2023 marks a significant milestone, representing the first new formulation of the Hajj cost and establishing initial accountability and sustainability benchmarks in Indonesia's Hajj management. Recent research highlights several key challenges and strategies in managing Indonesia's Hajj funds, including the need for enhanced transparency, improved coordination among institutions, and adherence to Islamic financial principles to ensure sustainability and public trust. Studies also emphasize optimizing investment portfolios within Sharia compliant frameworks to maximize returns while minimizing risks, which is critical for balancing pilgrims' financial burdens and fund sustainability. The adoption of technology, such as mobile applications, further supports better service delivery and accountability to pilgrims. Future research could build on these findings by exploring the diverse perspectives of pilgrims across Indonesia, assessing the impact of new policies, and evaluating long term sustainability efforts within the evolving Hajj fund management system.

8.5. CONCLUSION AND RECOMENDATION

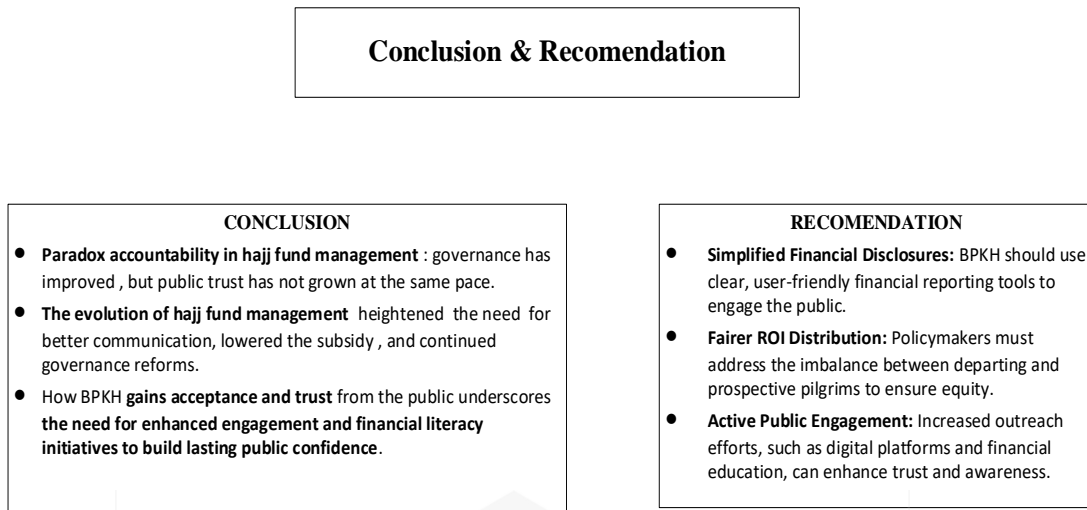


Figure 8. 1 Conclusion and Recommendation

The figure 8.5 summarizes the key insights and policy implications drawn from the analysis of BPKH's accountability in Hajj fund management. On the conclusion side, the figure highlights a central paradox: although governance mechanisms and institutional reforms have advanced, public trust has not increased at the same pace. This gap between performance and perception underscores the legitimacy challenges facing by BPKH. The evolution of Hajj fund governance marked by reduced subsidies, improved benefit value (BV) distribution, and heightened institutional transparency. Further, it revealed the need for more effective public communication and engagement. Despite procedural improvements, many prospective pilgrims remain disengaged due to limited access to clear information and insufficient financial literacy. Therefore, how BPKH gains public acceptance depends largely on its ability to foster meaningful engagement and implement targeted financial education initiatives that can build lasting trust and confidence.

The recommendations proposed in the figure 8.5 respond directly to these conclusions. First, simplified financial disclosures are needed to make BPKH's financial performance more accessible and understandable to the general public. This involves shifting from complex regulatory reporting to user-friendly, transparent communication tools. Second, the figure calls for fairer ROI (Benefit Value) distribution, urging policymakers to address existing imbalances in benefit allocation between current and prospective Hajj participants, ensuring that the principle of equity is upheld. Third, it emphasizes the need for active public engagement through digital

outreach platforms and financial literacy programs, particularly in the context of a religiously sensitive and emotionally significant sector like Hajj. By enhancing communication, inclusion, and responsiveness, BPKH can move beyond legal compliance and foster broader social legitimacy. Ultimately, sustainable Hajj fund management must integrate both technical accountability and human centered trust building strategies.



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APPENDICES

LIST OF INTERVIEWEE CODES

No	Interviewee	Number of Interviewee	Codes
1	BPKH		
	Top Management (Board Member)	2	1. BM1, BPKH 2. BM2, BPKH
	Middle Management (Manager)	3	1. M1, BPKH 2. M2, BPKH 3. M3, BPKH
2	Pioneer of BPKH		
	Top Management (Board Member)	2	1. BM3, BPKH_P 2. BM4, BPKH_P
	Middle Management (Manager)	3	1. M4, BPKH_P 2. M5, BPKH_P 3. M6, BPKH_P
3	MORA		
	Top Management (Board Member)	1	BM1, MORA
	Middle Management (Manager)	1	M1, MORA
4	Hajj Umroh Travel Agent (Owner)	1	O1, TRAVEL
5	Banks (Middle Management)	2	1. M1, BANK 2. M2, BANK
6	Pilgrims Waiting List	4	1. PF1 2. PN2 3. PL3 4. PS4

PROTOKOL INTERVIEW (DEWAN PENGAWAS/ORGAN BPKH) AKUNTABILITAS PENGELOLAAN DANA HAJI

Assalamualaikum wr,wb.

Ijinkan saya memperkenalkan diri, nama saya Susi Indriani, M.S.Ak., mahasiswa program doktoral jurusan akuntansi pada International Islamic University Malaysia. Saat ini sedang mengerjakan thesis doktoral saya dengan topik pembahasan akuntabilitas pengelolaan dana haji di Indonesia.

Pengambilan tema akuntabilitas dana haji didasari keantusiasan atas lahirnya BPKH sebagai lembaga pengelola keuangan haji yang mengusung semangat perubahan atas manajemen pengelolaan yang lebih profesional serta keterbukaan informasi. Secara ilmiah tujuan dari riset ini adalah untuk memahami proses akuntabilitas yang terjadi pada pembentukan informasi di BPKH yang akan menjadi bentuk pertanggungjawabannya pada para stakeholder.

Kami ingin mengetahui bagaimana BPKH sebagai organisasi publik yang independen menjadi organisasi yang terpercaya dalam mengelola dana haji masyarakat Indonesia. Sehingga proses transformasi yang terjadi di BPKH terkait pengelolaan dana haji serta proses komunikasi informasi terhadap publik dapat terekam dalam penelitian ini. Harapannya adalah proses komunikasi dengan pihak-pihak lain dalam lingkungan internal dan eksternal BPKH dapat membantu pemahaman secara ilmiah atas fenomena yang terjadi.

Dalam riset ini terdapat beberapa fenomena yang menjadi isu pembahasan. Pertama adalah bahwa BPKH perlu memiliki legitimasi publik sebagai pemegang dana haji yang profesional dalam mewujudkan transformasi *good governance* dalam penanganan dana haji Indonesia. Selanjutnya, yang kedua adalah penyebarluasan informasi oleh BPKH tidak mengurangi asimetri informasi terkait pengelolaan dana haji di wilayah publik. Dan yang ketiga adalah terdapatnya pembagian keuntungan (*Benefit value On Investment* dari dana haji) yang tidak seimbang antara jemaah berangkat dan jemaah daftar tunggu.

Sebagai informasi, penelitian ini menggunakan pendekatan kualitatif yang pendekatan utamanya menggunakan metode interview terhadap nara sumber. Dalam hal ini, interview pada penelitian kualitatif adalah sangat spesifik bagi setiap partisipan karena akan menggali pengalaman personalnya (Swap et al., 2001). Wawancara yang dilakukan bersifat semi-terstruktur berisikan serangkaian pertanyaan terbuka yang memberikan peluang bagi pewawancara dan orang yang diwawancarai untuk lebih mendalami isu-isu spesifik selama wawancara (Moll et al., 2006).

Kami telah merencanakan wawancara ini untuk berlangsung tidak lebih dari satu jam dengan bentuk pertanyaan semi structured interview. Selama waktu satu jam tersebut, kami akan mencoba memanfaatkan waktu yang ada sebaik mungkin.

Untuk menggali informasi tentang bagaimana informasi pengelolaan dana haji ini tersampaikan kepada publik dari sisi insider BPKH.

1. Perkenalan diri interviewee.
2. Ketika mengaitkan kebutuhan informasi para stakeholder di luar BPKH, masalah/situasi apa yang menurut Prof. belum tercakup dalam penyajian yang sekarang sudah ada.

3. Dalam konteks pelaporan pengelolaan keuangan haji yang profesional, bagaimana pendapat Prof tentang apa yang telah disosialisasikan oleh BPKH kepada publik selama ini ?
4. Apakah informasi yang telah disajikan BPKH akurat dan dapat dipertanggungjawabkan?
5. Terkait banyaknya isu negatif atas pengelolaan dana haji hingga saat ini, bagaimanakah pendapat Prof. atas peranan BPKH dalam mengelola komunikasi kepada publik.
6. Dapatkah Prof. berbagi dengan kami tentang bagaimana BPKH berinteraksi dengan lingkungan sosial seperti Majelis Ulama Indonesia (MUI), organisasi muslim besar di Indonesia (NU dan Muhammadiyah), dunia pendidikan dan masyarakat umum serta lingkungan dunia usaha yang terkait dengan pelaporan pengelolaan keuangan haji yang telah dilakukan BPKH.
7. Bagaimana pendapat Prof. tentang membangun kepercayaan publik terhadap pengelola dana haji di Indonesia.

Proses persiapan dibentuknya format penyajian informasi dari insiden organisasi untuk menyajikan informasi yang terpercaya bagi seluruh stakeholder BPKH.

8. Dapatkah Prof memberikan gambaran bagaimana mekanisme dan justifikasi yang dilakukan BPKH dalam memilah informasi pengelolaan keuangan haji yang akan dirilis kepada publik.
9. Apakah ada satu alasan dominan untuk memprioritaskan satu atau beberapa stakeholder dalam mempersiapkan pelaporan pengelolaan keuangan haji terhadap pihak di luar BPKH?
10. Terkait pemrosesan informasi yang terjadi di dalam, bisakah kami mendapat contoh tentang bagaimana mekanisme cek and balances di internal BPKH selama ini?
11. Dalam hal terdapat hal-hal spesifik (kasus/masalah tertentu) bagaimana mekanisme komunikasi pertanggungjawaban BPKH dengan pihak luar terutama organ Presiden (Sangat mengikat) dan publik (sukarela)?
12. Apakah sanksi yang diatur dalam UU No.34 pasal 53 terhadap organ BPKH dinilai cukup untuk mencegah tidak terjadinya fraud atau peristiwa sejenis.

Konsep keadilan pembagian dana manfaat (*Benefit value On Investment* dari dana haji), di mana terjadi ketidakseimbangan distribusi nilai manfaat antara jemaah berangkat dan jemaah daftar tunggu.

13. Dapatkah Prof. memberikan gambaran tentang bagaimana mekanisme menetapkan kebijakan distribusi nilai manfaat pengelolaan dana haji ?
14. Berdasarkan data distribusi keuntungan tahun 2018 dan 2019 terlihat, distribusi keuntungan lebih besar diberikan kepada Jamaah yang telah mendapatkan jadwal keberangkatan, pertimbangan apa yang menyebabkan hal ini dilakukan?
15. Jika dimungkinkan distribusi keuntungan dibagi secara merata ke seluruh jamaah terdaftar, bagaimana mekanisme menetapkan kebijakan ini ?
16. Topik menarik keluar dari MUI pada awal Februari 2023 terkait harus waspada bahwa pengelolaan dana haji potensial dikelola dengan skema ponzi, bagaimana pendapat Prof terkait hal ini.
17. Sebagai salah satu tim perintis pengelola keuangan haji profesional di Indonesia , bagaimana pendapat Prof. atas BPKH sebagai pengelola keuangan haji yang profesional pada masa masa mendatang.

Sebagai Penutup adakah ada hal lain yang ingin Prof. Hamid bagi dengan kami.

Wassalam,
Susi Indriani, M.S.Ak

Untuk informasi lebih lanjut, silakan hubungi: Susi Indriani M.S.Ak
Ph. 0812XXXXXXXX



PROTOKOL INTERVIEW (BANK SHARIAH)

Organisasi & Lokasi :
Tanggal/waktu :
Nama Partisipan :
Peneliti melakukan sesi :

Nama saya Susi Indriani, M.S.Ak., mahasiswi progra doktoral jurusan akuntansi di Islamic University Malaysia. Saat ini saya sedang mengerjakan thesis doktoral saya dengan topik pembahasan akuntabilitas pengelolaan dana haji di Indonesia. Saya akan memfasilitasi sesi wawancara sebagai tahapan dalam mempersiapkan thesis doktoral saya.

Pengambilan tema ini juga didasari keantusiasan atas lahirnya BPKH sebagai lembaga pengelola keuangan haji yang mengusung semangat perubahan atas keterbukaan informasi. Secara ilmiah tujuan dari riset ini adalah untuk memahami proses akuntabilitas yang terjadi pada pembentukan informasi di BPKH yang akan menjadi bentuk pertanggungjawabannya pada para stakeholder. Kami ingin mengetahui bagaimana kumpulan individu yang mempunyai tujuan menjadi organisasi yang terpercaya dalam mengelola dana haji masyarakat Indonesia menyiapkan informasi dan berkomunikasi dengan pihak-pihak lain dalam lingkungannya untuk dapat bertahan dan menjadi organisasi yang terpercaya sesuai dengan visi BPKH.

Sebelum wawancara, Anda akan dikirim/diberikan dua formulir Persetujuan Wawancara (satu untuk ditandatangani dan dikembalikan dan satu untuk disimpan) sebelum sesi hari ini. Wawancara kelompok akan memakan waktu sekitar maksimal selama 60 menit dan akan mengikuti protokol wawancara yang dirancang.

Protokol Perkenalan

Untuk memudahkan pencatatan kami, kami ingin merekam percakapan kami hari ini. Sekadar informasi, hanya peneliti proyek yang akan mengetahui rahasia kaset yang pada akhirnya akan dihancurkan setelah ditranskripsi. Selain itu, Anda harus menandatangani formulir Persetujuan Wawancara kami. Pada dasarnya, dokumen ini menyatakan bahwa:

- (1) semua informasi akan dijaga kerahasiaannya,
- (2) partisipasi Anda bersifat sukarela dan Anda dapat berhenti kapan saja jika Anda merasa tidak nyaman, dan
- (3) kami tidak bermaksud untuk menyakiti.

Terima kasih atas persetujuan Anda untuk berpartisipasi.

[Catatan: peneliti akan menggunakan frasa seperti “Ceritakan lebih banyak”, “Bisakah Anda memberi saya contoh?”, “Bisakah Anda menjelaskan itu?” sebagai petunjuk untuk meminta informasi yang lebih rinci bila diperlukan.]

Kami telah merencanakan wawancara ini untuk berlangsung tidak lebih dari satu jam dengan bentuk pertanyaan semi structured interview. Artinya proses interview akan berlangsung dengan beberapa pertanyaan yang telah dirancang namun tidak menjadi suatu kewajiban untuk terpenuhi. Sebab, interview pada penelitian kualitatif adalah sangat spesifik bagi setiap partisipan karena akan menggali pengalaman personalnya (Swap et al., 2001). Selama waktu satu jam tersebut, kami akan mencoba memanfaatkan

waktu yang ada sebaik mungkin. Selanjutnya, di bawah ini kami memiliki beberapa pertanyaan yang ingin kami bahas.

Untuk memulai, mari kita perkenalkan diri kita. Tolong beri tahu kami siapa Anda, Partisipan (interviewee) / Nama lengkap dengan gelar :

Institusi :

Divisi :

Sudah berapa lama di posisi Anda sekarang?

a. Informasi latar belakang yang menarik tentang orang yang diwawancarai: Apa gelar tertinggi Anda? ____

01. Informasi latar belakang lainnya dari Partisipan.

1. Jelaskan secara singkat peran Anda (sesuai divisi tempat anda) yang berkaitan dengan proses pembentukan keterbukaan informasi yang dilakukan BPKH.
2. Bagaimana Anda terlibat dalam di rangkaian proses terbentuknya informasi yang disajikan oleh BPKH?
3. Menurut anda, apakah BPKH telah menyajikan informasi secara informatif dan terbuka?
4. Menurut Anda, apakah BPKH adalah organisasi yang independent?

02. Persepsi para stakeholder BPKH terhadap BPKH atau seberapa kenalkah mereka terhadap BPKH.

1. Bagaimana pendapat anda tentang BPKH sebagai pengelola Dana Haji Indonesia?
2. Bagaimana image atau pendapat anda tentang kinerja BPKH selama ini?
3. Darimana sumber informasi tentang BPKH didapat?
4. Bagaimana koordinasi yang terjadi selama ini kepada BPKH, terkait survey kepuasan stakeholder utama (jemaah) atas manfaat yang diterima dari pengelolaan keuangan haji yg lebih baik?
5. Bagaimana pendapat anda mengenai fungsi BPKH dalam mengemban amanah sebagai fundholfer profesional?
6. Apakah anda familiar dengan informasi online di laman website resmi BPKH di www.bpkh.go.id ?
7. Informasi apa saja yang anda ketahui yang telah dibagikan BPKH selama ini.

03. Eksplorasi bagaimana respon stakeholder BPKH menerima informasi yang dirilis ke publik oleh BPKH.

1. Bagaimana pendapat anda terkait informasi kepada publik atas pengelolaan dana haji sejak dikelola oleh BPKH?
2. Apakah anda merasa berkepentingan untuk mendapatkan informasi tentang pengelolaan dana haji?
3. Apa informasi yang anda harapkan anda terima dari BPKH sebagai pengelola dana haji?
4. Apakah anda merasa bahwa informasi yang dibagikan oleh BPKH itu bisa anda fahami?
5. Apakah anda merasa bahwa informasi yang dibagikan oleh BPKH itu bermanfaat?

6. Menurut anda, apakah BPKH telah menyajikan informasi secara informatif dan terbuka?

04. Eksplorasi bagaimana stakeholder BPKH memiliki kepercayaan atau trust kepada BPKH atas keterbukaan informasi yang telah dilakukan.
 1. Bagaimana menurut anda terkait pengelolaan dana haji saat ini oleh BPKH dibandingkan MORA pada waktu lalu?
 2. Apakah anda mempercayai informasi yang dirilis kepada publik oleh BPKH sebagai informasi yang dapat dipercaya?
 3. Seberapa akuntabel kah BPKH dalam berbagi informasi kepada pihak lain dalam skala 1 sampai 10 menurut anda?
 4. Apa yang anda rasakan jika menerima informasi tentang klarifikasi dana haji dari pengelola BPKH di mass media?

05. Eksplorasi bagaimana para Stakeholder dapat berkomunikasi an berperan aktif dengan BPKH untuk bisa membuat perubahan atas kebijakan organisasi.
 1. Menurut Anda, bagaimana mensosialisasikan aksi organisasi (dalam hal ini BPKH) dengan lebih efektif dan mengedukasi?
 2. Dengan posisi yang ada sekarang anantara Bank Penerima Setoran dan BPKH, apa yang dapat ditingkatkan untuk dapat memberikan kepuasan lebih kepada publik?
 3. Apakah ada Jenis komunikasi spesifik yang digunakan BPKH dalam menanggapi isu-isu yang muncul di ruang publik?
 4. Menurut anda, apakah stake holders lain di luar BPKH dapat berkontribusi dalam membentuk BPKH menjadi lebih profesional & akuntabel? bisakah anda berikan contohnya?

- b. Sebagai Penutup adakah ada hal lain yang ingin anda bagi dengan kami.

Komentar Setelah wawancara dan/atau Pengamatan:

Wassalam,

Susi Indriani, M.S.Ak

Untuk informasi lebih lanjut, silakan hubungi: Susi Indriani M.S.Ak

Ph. 0812XXXXXXX

PROTOKOL INTERVIEW (TOP MANAGEMENT BPKH)

DIV. ACCOUNTING

Organisasi & Lokasi :

Tanggal/waktu :

Nama Participant :

Nama saya Susi Indriani, M.S.Ak., mahasiswi program doktoral jurusan akuntansi di International Islamic University Malaysia. Saat ini saya sedang mengerjakan disertasi doktoral saya dengan topik pembahasan akuntabilitas pengelolaan dana haji di Indonesia. Saya akan memfasilitasi sesi wawancara sebagai tahapan dalam pengumpulan data pada hari ini.

Pengambilan tema ini juga didasari keantusiasan atas lahirnya BPKH sebagai lembaga pengelola keuangan haji yang mengusung semangat perubahan atas keterbukaan informasi. Secara ilmiah tujuan dari riset ini adalah untuk memahami proses akuntabilitas yang terjadi pada pembentukan informasi di BPKH yang akan menjadi bentuk pertanggungjawabannya pada para stakeholder. Kami ingin mengetahui bagaimana kumpulan individu yang mempunyai tujuan menjadi organisasi yang terpercaya dalam mengelola dana haji masyarakat Indonesia menyiapkan informasi dan berkomunikasi dengan pihak-pihak lain dalam lingkungannya untuk dapat bertahan dan menjadi organisasi yang terpercaya sesuai dengan visi BPKH.

Sebelum wawancara, Anda akan dikirim/diberikan dua formulir Persetujuan Wawancara (satu untuk ditandatangani dan dikembalikan dan satu untuk disimpan) sebelum sesi hari ini. Wawancara kelompok akan memakan waktu sekitar maksimal selama 60 menit dan akan mengikuti protokol wawancara yang dirancang.

Protokol Perkenalan

Untuk memudahkan pencatatan kami, kami ingin merekam percakapan kami hari ini. Sekadar informasi, hanya peneliti proyek yang akan mengetahui rahasia kaset yang pada akhirnya akan dihancurkan setelah ditranskripsi. Selain itu, Anda harus menandatangani formulir Persetujuan Wawancara kami. Pada dasarnya, dokumen ini menyatakan bahwa:

- (1) semua informasi akan dijaga kerahasiaannya,
- (2) partisipasi Anda bersifat sukarela dan Anda dapat berhenti kapan saja jika Anda merasa tidak nyaman, dan
- (3) kami tidak bermaksud untuk menyakiti.

Terima kasih atas persetujuan Anda untuk berpartisipasi.

[Catatan: peneliti akan menggunakan frasa seperti “Ceritakan lebih banyak”, “Bisakah Anda memberi saya contoh?”, “Bisakah Anda menjelaskan itu?” sebagai petunjuk untuk meminta informasi yang lebih rinci bila diperlukan.]

Kami telah merencanakan wawancara ini untuk berlangsung tidak lebih dari satu jam dengan bentuk pertanyaan semi structured interview. Artinya proses interview akan berlangsung dengan beberapa pertanyaan yang telah dirancang namun tidak menjadi suatu kewajiban untuk terpenuhi. Sebab, interview pada penelitian kualitatif adalah sangat spesifik bagi setiap partisipan karena akan menggali pengalaman personalnya (Swap et al., 2001). Selama waktu satu jam tersebut, kami akan mencoba memanfaatkan

waktu yang ada sebaik mungkin. Selanjutnya, di bawah ini kami memiliki beberapa pertanyaan yang ingin kami bahas.

01. Proses persiapan dibentuknya format penyajian informasi dari *inside* organisasi untuk menyajikan informasi yang terpercaya bagi seluruh stakeholder BPKH.
 1. Bagaimana pendapat Bapak mengenai rangkaian proses pelaporan dan informasi yang telah disajikan oleh BPKH selama ini, apakah sudah cukup memberikan klarifikasi kepada para stakeholder BPKH? (Presiden, DPR, jemaah haji, dan semua stakeholder BPKH lainnya)
 2. Menurut pendapat Bapak, masalah/situasi apa yang menurut Bapak belum tercakup dalam penyajian informasi pengelolaan dana haji yang sekarang sudah ada.
 3. Bisakah Bapak berbagi untuk menceritakan bagaimana mekanisme cek and balances di internal BPKH selama ini (misal dengan memberikan contoh yang spesifik)?
 4. Dapatkah juga Bapak berbagi dengan kami, satu contoh proses klarifikasi atau audiensi dengan DPR yang menarik yang pernah terjadi dalam proses sosialisasi informasi pengelolaan dana haji kepada publik?

02. Eksplorasi bagaimana konsep para penyaji informasi di BPKH mentransmisikan informasinya secara efektif kepada pihak di luar dirinya.
 1. Menurut Bapak, apakah BPKH telah mensosialisasikan seluruh aktivitas organisasi kepada masyarakat secara akurat dan *up to date*?
 2. Terkait dengan kebijakan investasi yang dilakukan BPKH saat ini, apakah informasi yang disajikan BPKH kepada *stakeholder* saat ini terkait dengan kebijakan dan instrument investasi sudah transparan dan informatif?
 3. Eksplorasi bagaimana komunikasi yang terjadi antara BPKH dan lingkungannya dalam hal menyerap kebutuhan para stakeholder.
 4. Bagaimana interaksi BPKH dengan lembaga yang memiliki otoritas (baik dari pemerintah maupun independen) serta dapat melakukan verifikasi atau *cross control* terhadap BPKH?
 5. Apakah interaksi yang dijalin antara BPKH, Kementerian agama dan DPR saat ini sudah cukup membuahkan sinergi dalam pengelolaan keuangan haji yang profesional? (jika belum/tidak) apakah dibutuhkan mekanisme lain yang dirasakan dapat meningkatkan sinergi?
 6. Menurut pendapat Bapak, bagaimana interaksi BPKH dengan *stakeholders* nya dapat menjaga eksistensi BPKH?
 7. Apakah saat ini kebutuhan informasi lingkungan dunia usaha dan sosial BPKH sudah terakomodasi dalam proses persiapan penyajian informasi terhadap pihak luar?
 8. Bisakah Bapak berbagi dengan kami, tentang bagaimana BPKH mempunyai sistem dan strategi dalam komunikasi publik (dari sisi manajemen risiko yang bersifat non finansial/ akan tetapi lebih ke aspek sosial)

Sebagai Penutup adakah ada hal lain yang ingin Bapak bagi dengan kami.

Komentar Setelah wawancara dan/atau Pengamatan:

Wassalam ,

Susi Indriani, M.S.Ak

Untuk informasi lebih lanjut, silakan hubungi: Susi Indriani M.S.Ak

Ph. 0812XXXXXXXX



PROTOKOL INTERVIEW (MANAGER HUMAS)

Organisasi & Lokasi :

Tanggal/waktu :

Nama Participant :

Nama saya Susi Indriani, M.S.Ak., mahasiswi program doktoral jurusan akuntansi di International Islamic University Malaysia. Saat ini saya sedang mengerjakan disertasi doktoral saya dengan topik pembahasan akuntabilitas pengelolaan dana haji di Indonesia. Saya akan memfasilitasi sesi wawancara sebagai tahapan dalam pengumpulan data pada hari ini.

Pengambilan tema ini juga didasari keantusiasannya atas lahirnya BPKH sebagai lembaga pengelola keuangan haji yang mengusung semangat perubahan atas keterbukaan informasi. Secara ilmiah tujuan dari riset ini adalah untuk memahami proses akuntabilitas yang terjadi pada pembentukan informasi di BPKH yang akan menjadi bentuk pertanggungjawabannya pada para stakeholder. Kami ingin mengetahui bagaimana kumpulan individu yang mempunyai tujuan menjadi organisasi yang terpercaya dalam mengelola dana haji masyarakat Indonesia menyiapkan informasi dan berkomunikasi dengan pihak-pihak lain dalam lingkungannya untuk dapat bertahan dan menjadi organisasi yang terpercaya sesuai dengan visi BPKH.

Sebelum wawancara, Anda akan dikirim/diberikan dua formulir Persetujuan Wawancara (satu untuk ditandatangani dan dikembalikan dan satu untuk disimpan) sebelum sesi hari ini. Wawancara kelompok akan memakan waktu sekitar maksimal selama 60 menit dan akan mengikuti protokol wawancara yang dirancang.

Protokol Perkenalan

Untuk memudahkan pencatatan kami, kami ingin merekam percakapan kami hari ini. Sekadar informasi, hanya peneliti proyek yang akan mengetahui rahasia kaset yang pada akhirnya akan dihancurkan setelah ditranskripsi. Selain itu, Anda harus menandatangani formulir Persetujuan Wawancara kami. Pada dasarnya, dokumen ini menyatakan bahwa:

- (1) semua informasi akan dijaga kerahasiaannya,
- (2) partisipasi Anda bersifat sukarela dan Anda dapat berhenti kapan saja jika Anda merasa tidak nyaman, dan
- (3) kami tidak bermaksud untuk menyakiti.

Terima kasih atas persetujuan Anda untuk berpartisipasi.

[Catatan: peneliti akan menggunakan frasa seperti “Ceritakan lebih banyak”, “Bisakah Anda memberi saya contoh?”, “Bisakah Anda menjelaskan itu?” sebagai petunjuk untuk meminta informasi yang lebih rinci bila diperlukan.]

Kami telah merencanakan wawancara ini untuk berlangsung tidak lebih dari satu jam dengan bentuk pertanyaan semi structured interview. Artinya proses interview akan berlangsung dengan beberapa pertanyaan yang telah dirancang namun tidak menjadi suatu kewajiban untuk terpenuhi. Sebab, interview pada penelitian kualitatif adalah sangat spesifik bagi setiap partisipan karena akan menggali pengalaman personalnya (Swap et al., 2001). Selama waktu satu jam tersebut, kami akan mencoba memanfaatkan

waktu yang ada sebaik mungkin. Selanjutnya, di bawah ini kami memiliki beberapa pertanyaan yang ingin kami bahas.

01. Untuk memulai, mari kita perkenalkan diri kita.

Partisipan (*interviewee*) / Nama lengkap dengan gelar : (opsional)

Institusi :

Divisi :

Posisi :

Sudah berapa lama di posisi yang Bpk/Ibu emban sekarang?

02. Informasi latar belakang lainnya dari Partisipan.

1. Jelaskan secara singkat peran divisi tempat bekerja Bpk/Ibu yang berkaitan dengan proses pembentukan keterbukaan informasi (proses persiapan dalam menyajikan informasi) kepada pihak di luar organisasi.
2. Bagaimana Bpk/Ibu terlibat dalam menentukan rangkaian proses terbentuknya informasi yang disajikan untuk pihak di luar organisasi?
3. Menurut Bpk/Ibu, apakah BPKH telah menyajikan informasi secara informatif dan terbuka?

03. Eksplorasi bagaimana konsep para penyaji informasi di BPKH mentransmisikan informasinya secara efektif kepada pihak di luar dirinya.

1. Menurut Bapak, apakah BPKH telah mensosialisasikan seluruh aktivitas organisasi kepada masyarakat secara akurat dan *up to date*?
2. Apakah BPKH mempunyai strategi atau kebijakan khusus dalam mensosialisasikan kegiatan pengelolaan keuangan yang telah dilakukan?
3. Informasi apakah yang menjadi prioritas untuk ditampilkan sebagai sarana komunikasi akuntabilitas yang telah dilakukan BPKH?
4. Bagaimana konsep penyajian informasi tersebut di desain untuk di share kepada pihak di luar organisasi?
5. Bisakah Bpk/Ibu berbagi cerita terkait Siapa yang menjadi target informasi utama atas penyajian informasi yang tersaji saat ini.
6. Dapatkah Bpk/Ibu menjelaskan proses seleksi dan evaluasi informasi yang terjadi di BPKH sebelum informasi dapat dirilis keluar organisasi sebagai bentuk transparansi dan akuntabilitas?
7. Selain informasi yang terkait bentuk kepatuhan peraturan perundangan yang bersifat mengikat, informasi lain apa saja yang menjadi pertimbangan dalam mensosialisasikan kegiatan transparansi BPKH.
8. Apakah saat ini kebutuhan informasi yang bersifat non keuangan (seperti aspek sosial dan lingkungan) sudah terakomodasi dalam proses persiapan penyajian informasi terhadap pihak luar?
9. Terkait dengan kebijakan investasi yang dilakukan BPKH saat ini, apakah informasi yang disajikan BPKH kepada semua *stakeholder* saat ini terkait dengan kebijakan dan instrument investasi sudah transparan dan telah menggunakan media komunikasi yg dapat menyentuh beragam stakeholder BPKH?

04. Eksplorasi bagaimana komunikasi yang terjadi antara BPKH dan lingkungannya dalam hal menyerap kebutuhan para stakeholder.
1. Bisakah Bapak/Ibu berbagi dengan kami, tentang bagaimana BPKH mempunyai sistem dan strategi dalam komunikasi publik (lebih ke bagaimana mengelola aspek sosial. Cthnya penanganan atas isu fenomenal terkait keraguan dalam pengelolaan dana haji: 1. terkait isu penggunaan dana haji utk infrastruktur 2. penundaan haji tahun 2020 dan 2021 3. kenaikan BPIH tahun 2023 sekarang).
 2. Bagaimana proses evaluasi yg dilakukan untuk meyakini bahwa informasi yang tersaji sudah dapat diterima dengan baik oleh pihak di luar organisasi?
 3. Menurut Bpk/Ibu, bagaimana cara terbaik membangun komunikasi dua arah dengan para stakeholder BPKH.
 4. Bagaimana BPKH menanggapi masukan atau aspirasi yang disampaikan oleh stakeholder, apakah dalam hal semacam itu (respon/feedback) mempunyai ruang informasi untuk publik?
 5. Bagaimana pendapat Bpk/Ibu terkait kesadaran masyarakat untuk ikut serta dalam berpartisipasi mengontrol pengelolaan keuangan haji selama ini (selama ini bagaimana peran aktif masyarakat yang dapat kita temui dalam kehidupan masyarakat ?)
 6. Apakah interaksi yang dijalin antara BPKH, Kementrian agama dan DPR saat ini sudah cukup membuahkan sinergi dalam pengelolaan keuangan haji yang profesional?
(jika belum/tidak) apakah dibutuhkan mekanisme lain yang dirasakan dapat meningkatkan sinergi?
05. Sebagai Penutup adakah ada hal lain yang ingin Bapak bagi dengan kami.

Komentar Setelah wawancara dan/atau Pengamatan:

Wassalam,

Susi Indriani, M.S.Ak

Untuk informasi lebih lanjut, silakan hubungi: Susi Indriani M.S.Ak

Ph. 0812XXXXXXX

PROTOKOL INTERVIEW (PEMILIK HAJJ DAN TRAVEL AGEN)

Organisasi & Lokasi :
Tanggal/waktu :
Nama Partisipan :
Peneliti melakukan sesi :

Nama saya Susi Indriani, M.S.Ak, mahasiswi progra doktoral jurusan akuntansi di Islamic University Malaysia. Saat ini saya sedang mengerjakan thesis doktoral saya dengan topik pembahasan akuntabilitas pengelolaan dana haji di Indonesia. Saya akan memfasilitasi sesi wawancara sebagai tahapan dalam mempersiapkan thesis doktoral saya.

Pengambilan tema ini juga didasari keantusiasan atas lahirnya BPKH sebagai lembaga pengelola keuangan haji yang mengusung semangat perubahan atas keterbukaan informasi. Secara ilmiah tujuan dari riset ini adalah untuk memahami proses akuntabilitas yang terjadi pada pembentukan informasi di BPKH yang akan menjadi bentuk pertanggungjawabannya pada para stakeholder. Kami ingin mengetahui bagaimana kumpulan individu yang mempunyai tujuan menjadi organisasi yang terpercaya dalam mengelola dana haji masyarakat Indonesia menyiapkan informasi dan berkomunikasi dengan pihak-pihak lain dalam lingkungannya untuk dapat bertahan dan menjadi organisasi yang terpercaya sesuai dengan visi BPKH.

Sebelum wawancara, Anda akan dikirim/diberikan dua formulir Persetujuan Wawancara (satu untuk ditandatangani dan dikembalikan dan satu untuk disimpan) sebelum sesi hari ini. Wawancara kelompok akan memakan waktu sekitar maksimal selama 60 menit dan akan mengikuti protokol wawancara yang dirancang.

Protokol Perkenalan

Untuk memudahkan pencatatan kami, kami ingin merekam percakapan kami hari ini. Sekadar informasi, hanya peneliti proyek yang akan mengetahui rahasia kaset yang pada akhirnya akan dihancurkan setelah ditranskripsi. Selain itu, Anda harus menandatangani formulir Persetujuan Wawancara kami. Pada dasarnya, dokumen ini menyatakan bahwa:

- (1) semua informasi akan dijaga kerahasiaannya
- (2) partisipasi Anda bersifat sukarela dan Anda dapat berhenti kapan saja jika Anda merasa tidak nyaman, dan
- (3) kami tidak bermaksud untuk menyakiti.

Terima kasih atas persetujuan Anda untuk berpartisipasi.

[Catatan: peneliti akan menggunakan frasa seperti “Ceritakan lebih banyak”, “Bisakah Anda memberi saya contoh?”, “Bisakah Anda menjelaskan itu?” sebagai petunjuk untuk meminta informasi yang lebih rinci bila diperlukan.]

Kami telah merencanakan wawancara ini untuk berlangsung tidak lebih dari satu jam dengan bentuk pertanyaan semi structured interview. Artinya proses interview akan berlangsung dengan beberapa pertanyaan yang telah dirancang namun tidak menjadi suatu kewajiban untuk terpenuhi. Sebab, interview pada penelitian kualitatif adalah sangat spesifik bagi setiap partisipan karena akan menggali pengalaman personalnya

(Swap et al., 2001). Selama waktu satu jam tersebut, kami akan mencoba memanfaatkan waktu yang ada sebaik mungkin. Selanjutnya, di bawah ini kami memiliki beberapa pertanyaan yang ingin kami bahas.

01. Untuk memulai, mari kita perkenalkan diri kita. Tolong beri tahu kami siapa Anda, Partisipan (*interviewee*)/Nama lengkap dengan gelar:

Institusi :

Divisi :

Sudah berapa lama di posisi Anda sekarang?

Informasi latar belakang yang menarik tentang orang yang diwawancarai:

Apa gelar tertinggi Anda? _____

02. Persepsi para stakeholder BPKH terhadap BPKH atau seberapa kenalkah mereka terhadap BPKH.

1. Bagaimna pendapat anda tentang BPKH sebagai pengelola Dana Haji Indonesia?
2. Menurut anda, apakah terdapat perbedaan signifikan informasi pengelolaan dana haji yang disajikan oleh BPKH dengan pengelola dana haji di masa sebelumnya?
3. Apakah anda pernah mengakses laman atau website resmi BPKH di www.bpkh.go.id
4. Informasi apa saja yang bisa anda dapatkan di website BPKH tersebut?
5. Apakah anda familiar dengan informasi online di laman website resmi BPKH di www.bpkh.go.id?
6. Darimana anda mendapatkan sumber informasi tentang pengelolaan dana haji? selain dari website BPKH?
7. Menurut anda apakah BPKH telah menyajikan informasi secara informatif dan terbuka?
8. Menurut anda, apakah BPKH telah menyediakan sarana bagi masyarakat untuk turut berkomunikasi dan berinteraksi terkait pengelolaan dana haji?
9. Informasi apa saja yang anda ketahui yang telah dibagikan BPKH selama ini.

03. Eksplorasi bagaimana respon stakeholder BPKH menerima informasi yang dirilis ke publik oleh BPKH.

1. Apakah anda familiar dengan informasi online di laman website resmi BPKH di www.bpkh.go.id
2. Bagaimana pendapat anda terkait informasi kepada publik atas pengelolaan dana haji sejak dikelola oleh BPKH?
3. Apakah anda merasa bahwa informasi yang dibagikan oleh BPKH itu bisa anda fahami?
4. Apakah anda merasa bahwa informasi yang dibagikan oleh BPKH itu bermanfaat?
5. Apakah anda merasa berkepentingan untuk mendapatkan informasi tentang pengelolaan dana haji? (artinya berusaha mencari informasi tersebut)
6. Apa informasi yang anda harapkan anda terima dari BPKH sebagai pengelola dana haji?
7. Menurut anda, apakah BPKH telah menyajikan informasi secara informatif dan terbuka?

04. Eksplorasi bagaimana stakeholder BPKH memiliki kepercayaan atau trust kepada BPKH atas keterbukaan informasi yang telah dilakukan.
1. Bagaimana menurut anda terkait pengelolaan dana haji saat ini oleh BPKH dibandingkan MORA pada waktu lalu?
 2. Apakah anda mempercayai informasi yang dirilis kepada publik oleh BPKH sebagai informasi yang dapat dipercaya?
 3. Seberapa akuntabel kah BPKH dalam berbagi informasi kepada pihak lain dalam skala 1 sampai 10 menurut anda?
 4. Bisakah anda menceritakan apa yang anda pikirkan ketika menerima informasi tentang klarifikasi dana haji dari pengelola BPKH di mass media ? Cth : isu penggunaan dana haji utk infrastukture atau penundaan haji tahun lalu atau kenaikan BPIH tahun 2023 sekarang.
05. Eksplorasi bagaimana para Stakeholder dapat berkomunikasi an berperan aktif dengan BPKH untuk bisa membuat perubahan atas kebijakan organisasi.
1. Menurut anda, apakah stake holders lain di luar BPKH (dalam hal ini travel agent dan umrah dan organisasi lain yang ada dalam link BPKH)dapat berkontribusi dalam membentuk BPKH menjadi lebih profesional & akuntabel?
 2. bisakah anda berikan contohnya?
 3. Jika ya, bisakah ada memberikan saran?

Sebagai Penutup adakah ada hal lain yang ingin anda bagi dengan kami.

Komentar Setelah wawancara dan/atau Pengamatan:

Wassalam ,

Susi Indriani, M.S.Ak

Untuk informasi lebih lanjut, silakan hubungi: Susi Indriani M.S.Ak

Ph. 0812XXXXXXX

PROTOKOL INTERVIEW (JEMAAH HAJI TUNGGU/PEMILIK DANA HAJI)

Organisasi & Lokasi :

Tanggal/waktu :

Nama Participant :

Nama saya Susi Indriani, M.S.Ak., mahasiswi program doktoral jurusan akuntansi di International Islamic University Malaysia. Saat ini saya sedang mengerjakan disertasi doktoral saya dengan topik pembahasan akuntabilitas pengelolaan dana haji di Indonesia. Saya akan memfasilitasi sesi wawancara sebagai tahapan dalam pengumpulan data pada hari ini.

Pengambilan tema ini juga didasari keantusiasannya atas lahirnya BPKH sebagai lembaga pengelola keuangan haji yang mengusung semangat perubahan atas keterbukaan informasi. Secara ilmiah tujuan dari riset ini adalah untuk memahami proses akuntabilitas yang terjadi pada pembentukan informasi di BPKH yang akan menjadi bentuk pertanggungjawabannya pada para stakeholder. Kami ingin mengetahui bagaimana kumpulan individu yang mempunyai tujuan menjadi organisasi yang terpercaya dalam mengelola dana haji masyarakat Indonesia menyiapkan informasi dan berkomunikasi dengan pihak-pihak lain dalam lingkungannya untuk dapat bertahan dan menjadi organisasi yang terpercaya sesuai dengan visi BPKH.

Sebelum wawancara, Anda akan dikirim/diberikan dua formulir Persetujuan Wawancara (satu untuk ditandatangani dan dikembalikan dan satu untuk disimpan) sebelum sesi hari ini. Wawancara kelompok akan memakan waktu sekitar maksimal selama 60 menit dan akan mengikuti protokol wawancara yang dirancang.

Protokol Perkenalan

Untuk memudahkan pencatatan kami, kami ingin merekam percakapan kami hari ini. Sekadar informasi, hanya peneliti proyek yang akan mengetahui rahasia kaset yang pada akhirnya akan dihancurkan setelah ditranskripsi. Selain itu, Anda harus menandatangani formulir Persetujuan Wawancara kami. Pada dasarnya, dokumen ini menyatakan bahwa:

- (1) semua informasi akan dijaga kerahasiaannya,
- (2) partisipasi Anda bersifat sukarela dan Anda dapat berhenti kapan saja jika Anda merasa tidak nyaman, dan
- (3) kami tidak bermaksud untuk menyakiti.

Terima kasih atas persetujuan Anda untuk berpartisipasi.

[Catatan: peneliti akan menggunakan frasa seperti “Ceritakan lebih banyak”, “Bisakah Anda memberi saya contoh?”, “Bisakah Anda menjelaskan itu?” sebagai petunjuk untuk meminta informasi yang lebih rinci bila diperlukan.]

Kami telah merencanakan wawancara ini untuk berlangsung tidak lebih dari satu jam dengan bentuk pertanyaan semi structured interview. Artinya proses interview akan berlangsung dengan beberapa pertanyaan yang telah dirancang namun tidak menjadi suatu kewajiban untuk terpenuhi. Sebab, interview pada penelitian kualitatif adalah sangat spesifik bagi setiap partisipan karena akan menggali pengalaman personalnya (Swap et al., 2001). Selama waktu satu jam tersebut, kami akan mencoba memanfaatkan

waktu yang ada sebaik mungkin. Selanjutnya, di bawah ini kami memiliki beberapa pertanyaan yang ingin kami bahas.

01. Untuk memulai, mari kita perkenalkan diri kita. Tolong beri tahu kami siapa Anda, Partisipan (*interviewee*) / Nama lengkap dengan gelar : (opsional)

Institusi :

Divisi :

Sudah berapa lama di posisi Anda sekarang?

Kapan mendapat mendapat *seat* untuk berangkat ke tanah suci Kira-kira kapan jadwal berangkat ke tanah suci

02. Informasi literasi informasi haji dari pemilik dana haji.

1. Bagaimana Bpk/Ibu merasa berkepentingan terhadap informasi pengelolaan dana haji yang telah disetorkan.
2. Informasi apa yang sudah Bpk/Ibu dapat selama ini terkait dana haji yang telah disetorkan?
3. Dapatkah Bpk/Ibu menjelaskan sumber informasi terkait pengelolaan dana haji yang Bpk/Ibu ketahui sampai dengan saat ini
4. Informasi apa yang menurut Bpk/Ibu menjadi penting untuk didengar sebagai salah satu pemilik dana haji
5. Bagaimana Bpk/Ibu mengenal atau tahu mengenai Badan Pengelola Keuangan Haji sebagai pengelola dana haji Bpk/ Ibu sejak tahun 2018?
6. Menurut Bpk/Ibu apakah BPKH sebagai pengelola dana haji telah menyajikan informasi secara informatif dan terbuka?
7. Sejauh mana Bpk/Ibu memahami informasi yang ada dan telah disosialisasikan terkait pengelolaan dana haji? (melalui web, WA, twitter, intagram, mas media dll)
8. Terkait dengan kebijakan investasi yang dilakukan BPKH saat ini, apakah informasi yang disajikan BPKH kepada Bpk/Ibu saat ini terkait dengan kebijakan dan instrument investasi sudah memenuhi rasa ingin tahu bahwa dana haji tersebut dikemanakan?
9. Seberapa bermanfaatkah informasi tersebut menurut Bpk/Ibu

03. Eksplorasi bagaimana stakeholder BPKH memiliki kepercayaan atau trust kepada BPKH atas keterbukaan informasi yang telah dilakukan.

1. Bagaimana pendapat Bpk/Ibu terkait pengelolaan dana haji saat ini oleh BPKH (sejak tahun 2018) dibandingkan Kementrian agama (sebelum tahun 2018)?
2. Apakah Bpk/Ibu mempercayai informasi yang dirilis kepada publik oleh BPKH sebagai informasi yang dapat dipercaya?
3. Seberapa akuntabel kah BPKH dalam berbagi informasi kepada pihak lain dalam skala 1 sampai 10 menurut anda?
4. Bisakah anda menceritakan apa yang anda pikirkan ketika menerima informasi tentang klarifikasi dana haji dari pengelola BPKH di mass media?

Cth : terkait isu penggunaan dana haji utk infrastruktur atau penundaan haji tahun 2020 dan 2021 atau kenaikan BPIH tahun 2023 sekarang.

Fakta terkait pengembalian nilai manfaat dari pengelolaan dana haji, sebelum tahun 2018, hanya jemaah yg berangkat yang menikmati nilai manfaat tersebut.

3. Bagaimana pendapat Bpk/Ibu dengan adanya nilai manfaat dana haji yang telah dibagikan juga kepada para jemaah haji yang belum berangkat sejak thun 2018?

4. Apakah menurut Bpk/Ibu nilai manfaat pengelolaan dana haji merupakan hak bagi seluruh jemaah haji?
 5. Bagaimana pendapat Bpk/Ibu apakah memungkinkan pengelolaan dana haji oleh BPKH ke depannya bisa membuat semua jemaah haji merasakan nilai manfaat yang dibagikan secara adil.
04. Eksplorasi bagaimana para Stakeholder dapat berkomunikasi dan berperan aktif dengan BPKH untuk bisa membuat perubahan atas kebijakan organisasi.
1. Menurut Bpk/Ibu, apakah stake holders lain di luar BPKH (dalam hal ini travel agent dan umrah dan organisasi lain, atau DPR sebagai wakil rakyat yang ada dalam lingkungan BPKH) dapat berkontribusi dalam membentuk BPKH menjadi lebih profesional & akuntabel? Misal dengan memberi tahu bagaimana harapan Bpk/Ibu atau contoh lain?
 2. Bagaimana pendapat Bpk/Ibu terkait kesadaran masyarakat untuk ikut serta dalam berpartisipasi mengontrol pengelolaan keuangan haji selama ini (selama ini bagaimana peran aktif masyarakat yang dapat kita temui dalam kehidupan masyarakat?)
 3. Bisakah Bpk/ Ibu berbagi saran Jika menurut Bpk/Ibu ada yang bisa dilakukan untuk meningkatkan peran masyarakat dalam berperan aktif atas hal ini.
 4. Menurut Bpk/Ibu apakah ke depannya peran BPKH dalam memaksimalkan nilai manfaat dana haji dapat terus berjalan dlm jangka panjang?

Wassalam,

Susi Indriani, M.S.Ak

Untuk informasi lebih lanjut, silakan hubungi: Susi Indriani M.S.Ak
Ph. 0812XXXXXXX

TRANSCRIBE OF INTERVIEWEE 1

Jakarta, Monday, 20th June 2022, 8.00 WIB (virtual meeting)

- Interviewer : Assalamualaikum Mr. X, Good Morning
- Interviewee 1 : Walaikum salam. Good morning Mrs.
- Interviewer : Thank you for taking your time, Mr. X
- Interviewee 1 : You are welcome Mrs. God willing
- Interviewer : Okay, sir, how are you, sir, have you read the interview approval form, sir?
- Interviewee 1 : Have you read it, Mrs.
- Interviewer : Maybe there is something you want to ask, sir?
- Interviewee 1 : Enough, I think ma'am.
- Interviewer : Okay, maybe then if there is nothing to ask, we can just go ahead, maybe, sir.
- Interviewee 1 : Okay, please ma'am
- Interviewer : If you don't mind, sir, I will start by reading out the interview protocol, sir. I am Susi Indriani, an accounting doctoral student at the International Islamic University Malaysia and this is part of my doctoral assignment to earn my PSP degree. Before the interview, I try to remind myself that this research is my topic based on that I am enthusiastic about the birth of BPKH as a Hajj financial management institution that carries the spirit of change for information disclosure for Hajj management in Indonesia. This is the personal basis that I took when taking this topic. Then scientifically this concept aims to understand or explore the process of presenting information by BPKH to outsiders. So it's actually part of how we socialize this information disclosure behavior to outsiders. We want to explore that. Maybe that's all I can say about the purpose of this research. The process will take approximately 60 minutes, sir, the longest and the process, you have been informed in the interview consent form that you can stop at any time if you don't like it, you can not answer if you don't want to answer. I hope with the previous consent form how much detail has been explained, but the point is that in this process, you may object or not submit or you are not allowed to answer. Then in the interview process, the questions I used were guidelines but the guidelines did not have to be followed entirely, they were flexible. I will respect any personal experience you would like to share with us regarding our questions. Then later I will use phrases such as please explain, please give examples, and so on, sir. Maybe there's something you want to ask before we start.
- Interviewee 1 : Enough ma'am.
- Interviewer : Let's start, sir. To start first let's start with the self-introduction section. Please introduce yourself sir. Perhaps with whom, division

or whatever you want to share about your information with us. Please sir.

Interviewee 1 : Okay, thank you ma'am. My name is Mr X. My current activity is as division head accounting employees at a property company. My previous research role was actively assisting BPKH at the beginning of its establishment around early 2018 where I joined as one of the expert staff in the field of risk management where at that time my friends and I helped the management agency to prepare various internal regulatory instruments in preparation for its implementation. BPKH activities. That was around 2018 maybe that was the only thing relevant to BPKH.

Interviewer : Okay, thank you very much, Mr. X, we will continue, sir. Maybe you are no longer with BPKH, sir, do you think you are following or not, sir, how is BPKH now and could you give your opinion about what BPKH did after you were no longer with BPKH until now.

Interviewee 1 : Yes, to my knowledge and understanding, the spirit of establishing BPKH from the start is actually a strategic step from the government to manage Hajj financial funds in a more professional direction. Where here it is hoped that all Hajj fund, both those that are still inviting or that will continue to roll out for funding of Hajj aspirants who will depart can be managed professionally both in terms of receiving deposits from Hajj aspirants and then managing them in various investment instruments as well as in the allocation of good expenditures. expenditures for the operational activities of organizing the Hajj as well as funding for the Hajj aspirants themselves. Apart from that, it is also for the operational management of the Hajj management agency which was previously at the Ministry of Religion. The regulator is also the organizing agent of the pilgrimage funds and the organizer of the pilgrimage. Departing from there, I myself saw that this was actually a very appropriate step for the government by the government so that the real hope was that these funds could be managed more accurately and more professionally. The goal is actually how in general the Muslims in Indonesia and in particular the Hajj aspirants can enjoy or feel the benefits of the managed funds and the most important thing is how can it be if we both know that the waiting period for the departure of Hajj in Indonesia is quite sufficient. which may be 20 years, 15 years, 30 years and maybe even more although it depends on the amount of quota provided by the Saudi Arabian government. Thus the hope is that if the more professional the management of Hajj fund is, the greater benefits can be felt. Regarding the development of sharia, it is honest in particular not following in detail how the development of the implementation of Hajj is, but information from the website. I remember when I was there, the website was still not optimal. However, the information from the website is quite good as a means or medium of information provided. However, in detail, I honestly don't follow the details anymore regarding the development of the BPKH, more or less like that, ma'am.

- Interviewer : Okay, thank you very much sir. But according to you, based on your observations at this time, there are several things related to some information that you may have heard. In your opinion, what is the role of BPKH at this time from the last time you joined to help with its formation?
- Interviewee 1 : The point is that I understand. The role of BPKH is how it guarantees the readiness of funds which are deposits of Hajj fund from the public from Hajj aspirants which are managed by the government. Maybe those who feel difficulty because maybe in the implementation of the pilgrimage, for example, in the case of departure and then the process of departure of the plane then accommodation, hotel, and food there, there should be no more difficulties felt by the community or the pilgrims there or until they benefit value to Indonesia caused by unpreparedness of the organizing body. Of course, the unpreparedness of the organizing body, one of the variables is its readiness. So far, this means that BPKH has been operating for about 5 years or so far, the issue has started to decrease, although it's not 100% yet there are no problems, but at least there seems to be enough improvement from year to year. Maybe if the general public sees it, ma'am. The point is that if I go for Hajj, the process runs smoothly, starting from leaving, getting on a plane, getting there to eat at the hotel, and returning back, I have no rough problems like that. The activities carried out by BPKH as an institution that guarantees the readiness of Hajj fund are quite good, maybe that's what it is, ma'am.
- Interviewer : OK, thank you very much, sir. Sir, what do you think about the information presented by BPKH. In your opinion, do you think the information related to Hajj and others as part of the general public has fulfilled your curiosity or something else that you might feel about the information received from BPKH
- Interviewee 1 : Yes, for me personally, the information media is the most important. the easiest, easiest way is to access it via the BPKH website, ma'am. Honestly, I've never registered for Hajj, so I want to know that my information regarding Hajj registration is also not as deep as if I had already registered for Hajj, but if I look at the website, there is an information menu that can be accessed by all Indonesians related to financial management. Yes, the data can be seen there, there are financial reports that can be seen there, then specifically for services to the general public and to Hajj aspirants, there is a menu provided regarding the services provided, there is a submission menu and a virtual account menu. Now then there is other services or information related to the management of this Hajj financial institution from the investment side. However, the most important thing for Hajj aspirants, I think how can he see the progress if I have registered for Hajj then it is said that he manages my Hajj fund where then the value of the savings that I have deposited is how much then if there is a benefit that I receive, what form and what form? how much. Maybe in this menu there is already a virtual account menu, yes, because I haven't registered yet, of course I don't have access here, but I imagine this virtual account will become a powerful menu for BPKH as a medium of information to its customers, good for Hajj aspirants that

there will be Hajj aspirants maybe later you can see various information related to his various interests. For example, let's say I said earlier, if you want to see how many savings are now, then the value of the benefits that I get is estimated so that when I want to pay off my Hajj how much more do I need, maybe one of them or maybe one of them will leave for Hajj, when will I depart? then yes, things that are supportive for Hajj aspirants to be able to go to the holy land, ma'am. However, if I look at the financial statements here, it looks the same as the information presented by other companies. Complete financial reports, for people or the public who have a good capacity regarding financial reports, they will definitely be able to read it. However, for the general public, who in general, our society is lay with the form of financial information, maybe this financial report may not make him influential. Maybe what is needed more for the general public, especially for Hajj aspirants, is relatively advanced in age, although there has been a shift in which young people can go for Hajj, but most of the older ones, for them, how much money do I have, then they say I will benefit later or the value of the benefit from rupiah to dollar how much later if I have to deposit for repayment how much and when to leave after that that's what I remember. Next, from the investment menu information, if I look on the website, the investment menu here shows that there is still information presented about events or strategies carried out by BPKH to invest or manage funds, for example here he collaborates with institutions in establishing communication. However, in my personal opinion, information is needed here, whether it is important or not according to BPKH, but in my opinion, as the general public, maybe I know a little about financial information, investment. It may also be necessary, if possible, to present the actual investment portfolio, how much and where. For example, where is the 1 billion fund invested, where is the portfolio, how much is the projected profit, so that later there will be potential that the congregation will receive in what form. Maybe it really needs to be presented on its website, although it may be possible for BPKH to see how important it is to publish the information in general or specifically for the congregation who have registered. Now that's a matter of other considerations from the internal side of BPKH, but I think that in general the general public has the importance of this information, maybe that's ma'am.

Interviewer : OK, that's very interesting, sir. Perhaps, sir, according to you, sir, there was some information, maybe after seeing the information about BPKH, what you know means that there is some kind of investment. Now, how far is the information that has been given by BPKH and received especially from you, so I ask for your opinion by relating it to the information that had warmed up yesterday in 2021 when the cancellation of the second Hajj. Well, that's a lot of people, sir, asking BPKH for the Hajj deposit, what do you think it has to do with this opinion, sir, that there is an expectation that you might have something better, related to the warm information earlier. What do you think about your father?

Interviewee 1 : What do you mean by warm, ma'am? Hajj fund are used for various things or something like that.

Interviewer : Yes, sir. So yesterday it was because you failed to go for Hajj twice, sir. So, the community is restless. In the media, we can see that many parties question how BPKH manages its Hajj fund, where does the management go. I ask for your opinion, perhaps whether the information that has been conveyed so far is not sufficient to provide information to parties outside the BPKH, what is your opinion?

Interviewee 1 : In my opinion, when the departure of Indonesian pilgrims for the last two years was due to the pandemic, it was beyond the capabilities or control of the Indonesian government, let alone BPKH. Of course, it was indeed a pandemic condition, so the Saudi Arabian government decided that the pilgrimage to be opened behind closed doors might be limited. With the management of Hajj fund, I still have confidence in the departure process, even though there has been no departure for the past 2 years. I have absolute confidence that these funds will still be managed professionally in various investment instruments that have been targeted or formed. As I know in the Law of its establishment, instruments that can be used or alternative investments in sukuk are securities, whether in deposits in Islamic banks or even what is regulated in other instruments but still produce. To the instruments regulated by law so that if they do not violate the code of ethics of the law. If you don't go for Hajj, where will the money go, there is no expenditure for organizing the pilgrimage. Of course, according to my understanding, if there is no allocation of expenditure for organizing the pilgrimage, the funds will still be reinvested. That's my understanding as a general public. That the developments for programs, in my opinion, are information or dynamics of the Hajj financial management activities, where in fact the Hajj fund are the people's funds. It can be said that actually, because this is a community fund, it means that in fact it is a grant fund, where the perspective has already prepared its funds for worship, usually he doesn't think about things that are material or worldly in nature. If you have made worship, then it is for worship. So basically, regarding the dynamics of the issue of planning for the use of Hajj fund, in my opinion, there are a lot of political issues that are included in the dynamics of the development of the use of Hajj fund. As I said at the beginning, if the investment flow is the management flow of BPKH, it must remain on the track that the funds are managed professionally and then invested in investment instruments that have been regulated by law so that they do not violate the corridors of laws and regulations. Next, if the allocation is used, of course, if it is not used, it will definitely be reinvested, only regarding the issue earlier that the money was used for nothing, I was because earlier, the people's funds might be wrong, it could be right, maybe it could be cheap funds, the cost of funds is very cheap and free, which is the problem. It is very interesting that it can be used as a variety of issues. Of course, the political issue is very big. So, I think this is a natural thing, the only question is how BPKH manages it or responds to various issues that arise for BPKH professionals in

managing Hajj fund. Maybe that's the challenge from BPKH how it manages the information that develops in the community related to increasing the level of public trust in BPKH. On one of his websites, he can present any investment channels, how big his portfolio is. I think it can be very important to be able to answer when there are many political issues that a lot of money is used for various things. BPKH can answer with data, just present the portfolio data that the management is so, where is the portfolio, then what about the level of results. Maybe it's ma'am.

Interviewer : Okay, very interesting sir. Thank you very much sir. Maybe finally, sir, perhaps what is your opinion on whether the presentation of the information that has been presented by BPKH has fulfilled or is satisfied or something needs to be emphasized because perhaps considering that there are various groups of BPKH stakeholders, sir. So, in general, in your opinion, what is your assessment of how well BPKH has conveyed its information to outsiders and referred to some of the suggestions that you have mentioned earlier.

Interviewee 1 : Yes, as I said earlier, ma'am. The point is actually like this, if I try to place as a Hajj aspirants who will depart, the information is simple for us, if I have deposited the Hajj fund, how much is the amount. Of course, I also have a record of the bank account, if possible I click on one of the data, I can enter one of them. Actually, a virtual account has been provided, ma'am, maybe that's the name of a window or a menu that can be accessed for one congregation to see. But the most important thing was, if I had deposited my funds, how much was it then when it said I got the value of the benefits from being managed, how much was the value of the benefits that I could get then when I left and from the calculations of the ministry of finance and BPKH and that's from the side of information for customers and more It's simple, how much is the money, what is the value of the benefits, when do you think it's time to leave. But if we talk more generally, the public also needs information that previously the funds were managed, the portfolio was managed anywhere, ma'am. For example, he said it was permissible to invest in Islamic banking deposits. Okay, how much is the deposit in the Islamic Bank and then to which bank, what is the rate of return, he said it is permissible to invest in Islamic securities, how big is the portfolio there, then how much is the rate of return, then you can invest in other things. Maybe that's the general case, then when we talk in general again, financial statements I see are quite general in their context as a corporation or company or institution that has presented financial reports in a format regulated in accordance with the rules of financial accounting standards, but in my opinion it is also necessary to provide important highlight that became the main measurement of BPKH itself. An example of how much investment, what kind of development, then, for example, what kind of community endowment fund, then what kind of portfolio in Islamic Bank. So maybe you can narrow it down a bit but still pay attention to the level of needs that the general public and Hajj aspirants have but still pay attention to BPKH, ma'am.

Interviewer : Okay, thank you sir. Maybe this is the last question, sir, the question is, do you think there is a communication line that allows outsiders to provide aspirations or some kind of contribution to BPKH for the development of BPKH in the future?

Interviewee 1 : One of them may be access via the website, after that in the service menu there is already a complaint service but actually if we look at the majority of Hajj aspirants who may be old age, maybe the level of education is not high, of course they are not familiar with the website. I think it's important too, I don't know what I said earlier because I haven't registered for Hajj so I don't know the process in the field. I think it might be important for BPKH to open a one-step service channel, for example, in a sharia bank, there must be a counter there. When a customer wants to make a deposit that they want to make a deposit for Hajj, the saving is there. For example, opening a special counter for BPKH that specifically accepts complaints, there later pilgrims who are not familiar with technology can of course come directly there, there are officers who represent BPKH so they can receive complaints or insights or complaints or input for BPKH. So in my opinion, in this digitalization era, websites and other digital media are very important and of course BPKH has done it, but don't get me wrong, our society in general, there are still quite a lot of Hajj aspirants who are of old age and their level of education may not be high so they are not familiar with digital instruments so that it is still very necessary in my opinion BPKH to open information channels conventionally. Of course, there were institutions that could accept Hajj deposits so that people could easily interact with BPKH, the second was to educate the public, one of which could be through campuses, in mosques, through other information ecosystems. But what is important, in my opinion, is how BPKH can receive insights from the community, in my opinion, there are very important things that need to be done.

Interviewer : Okay, sir, thank you very much for sharing. If there is anything else, I think you can contact me at the phone number that was given earlier, sir. Thank you very much again for your willingness to participate in this research. Thank you very much Mr. X. Wassalamualaikum.

Interviewee 1 : It's all right, na'am.

TRANSCRIBE OF INTERVIEWEE 2

Jakarta, Monday, 20th June 2022, 18.00 WIB (virtual meeting)

Interviewer : Assalamualaikum, good evening

Interviewee 2 : walaikum salam rahmatullahi barakatuh

Interviewer : Yes sir, I really want to say thank you very much for your time and willingness to participate, then I have previously sent you my interview readiness form. I hope you have understood the conditions of participation in this research project, sir. I really appreciate it, thank you very much.

Interviewee 2 : Yes, you're welcome, ma'am. I've signed ma'am and I sent it.

Interviewer : It's okay, sir. Then because this is part of my dissertation process, sir and maybe this is just the beginning, God willing, we will update it in the future, sir, but once again I want to emphasize how the interview process will go, sir.

Interviewee 2 : Good

Interviewer : Yes, more or less the maximum target, we will take about 1 hour, sir and the questions that I previously passed on to you do not have to be answered all of them or they will work according to your personal experience. So, just work later, sir, because you have the right to answer or you have the right not to be interviewed or other things that you don't like, sir. Then you can access what I will give to you later. So, God willing, confidentiality will be guaranteed in accordance with the code of ethics that has been implemented, sir.

Interviewee 2 : OK, I hope the process goes smoothly, ma'am.

Interviewer : Amen, amen, sir, thank you. So I really appreciate your time and willingness, but maybe the point is that this question is actually an open one, sir. Later I might free you to share with me and my team, meaning my supervisor. So we freed you to share information, then later I will explore in sentences so that maybe I can get more information, sir, like please explain or something like that, sir.

Interviewee 2 : Okay. The question is still remember this

Interviewer : Okay, yes, that's right. This research will be qualitative, sir. So, qualitative is more about how the perception of the participants who took part in this interview and they will later be given access to see what I am transcribing. Is there anything else you want to ask, sir, after I review the protocol in the future, sir?

Interviewee 2 : Yes, I think that's enough. Only the questions remain. Have a discussion, ma'am.

Interviewer : More or less so that they are both delicious, sir. Sir, can we start?

Interviewee 2 : Yes, as a researcher, you may introduce yourself first, for example where you work.

- Interviewer : Yes, sir, I'm sorry, sir. I am Susi Indriani, sir, I took accounting courses in the UIAM. Now entering the third year, sir and already in the stage of verifying the draft of the questionnaire that I will be throwing, sir. So I need insight whether I can properly ask my respondents, sir. So later your input will be very meaningful to me, to see how I can catch what I want to ask, sir.
- Interviewee 2 : Yes, it's good, maybe from me because earlier in the form there was an entry for the unit, the position of the participant. If I retired from the Ministry of Religion at that time in 2017. As of March 1 2017, I resigned from the Ministry of Religion, meaning that I retired with respect, in 2017, then after a few months I was asked by Mr. Anggito to become an expert in the field of planning and development. at BPKH. BPKH was formed in 2017 in June, then in October I joined. Now, there are no employees, ma'am, so all experts are temporary and until there is employee recruitment and the entry of officials, around 2018 it has been filled in March. Then I continued to participate until the end of 2019 at the beginning I had resigned. So I have been working with BPKH for about 1.5 years. Yes, that is our experience and when we were at the Ministry of Religion, we were at the Directorate General of Hajj and Umrah organizers. Incidentally at that time he was the director general of Hajj at the Ministry of Religion, we helped each other with Mr. Anggito. So that's roughly a picture of my background, maybe later I can help based on that experience. I will say as much as possible, nothing is covered up and as it is.
- Interviewer : Yes, I really appreciate it, sir. You must have information or insights that, God willing, will help. Maybe you can start with. What did you see when you first joined the team as an early or pioneering development team, sir, maybe the developments that you know now, sir. What do you think about BPKH, sir?
- Interviewee 2 : From the beginning, if I compare it now, the progress is extraordinary, especially from the IT side, it is extraordinary and indeed this cannot be separated from the figure of the captain who really likes IT. So, if you read this best line, in the future it will be based on digitalization if the financial reports are based on that. If at the beginning, we were still limping, so what was the condition like that. Then now the website, I just looked at the cumin, it's good, right.
- Interviewer : In terms of information, how good is it, sir?
- Interviewee 2 : The information is that there are various publications, yes, there are financial reports, there are various kinds, so it's quite transparent, but maybe if you explore the details, it should be included as a criticism. As in the financial statements, there is a broker, yes. Now the notes on the financial statements are the explanations that actually need to be informed in more detail. As later the current trend, BPKH helps the ministry of religion as much as 1.5 trillion for the sudden addition in Saudi Arabia, so I saw that there was nothing but the echo was that BPKH helped 1.5 trillion, 50% of 1. 5 trillion, of course, people ask 50% of what the heck I was looking for was not there, but from the IT side of the effort, there have been reports that everything went there. It's just possible to update it with the commission in detail. But because

initially transparent, what is the term, don't be naked, right, there are many terms like that, right? Maybe it's being guarded like that could be. Maybe, for example, who is usually contacted, if it's not there, maybe not everything is published like that, ma'am. But from 2017 until now, from the IT side, the transparency is quite visible, if not to mention from the performance side, maybe you can read the BPKH accountability report for the 2018-2022 period, it's already there, maybe you can ask there for research, that's okay too. There are progressive students, for example, regarding financial funds, which are increasing, right from BPKH's efforts for people to save from the start for Hajj. Finally, if I'm not mistaken, it was published on TVOne that 10 trillion has reached 1 year from the managed funds for Hajj deposits, which was originally 25 million, there are 4.5 million waiting lists, the benefit value has been increased to 10 trillion. The effort comes from managing portfolios invested in sukuk, corporate sukuk, and government sukuk. Now that's what they did compared to before before they were still at the Ministry of Religion, the funds used to be limited to deposits, ma'am, there were sukuk but not as big as they are now. Alhamdulillah, currently all of the sukuk are left for liquidity for the implementation of the Hajj, according to the law, twice the funds for organizing the Hajj. If, for example, the implementation of Hajj twice requires 15 trillion, there must be an outstanding in the sharia bank, there must be 30 trillion, we immediately take care of the rest, including sukuk or other investments. This has been done by the BPKH, which has been maintained twice, and that's the maximum, and the last effort is to eliminate taxes from the sukuk investment. If we used to deposit 20% if the interest was cut 20% if the rate was 15%. Now yesterday, the last one was 0%, with stakeholders from the ministry of finance and then the lobby lobby there was finally allowed because this is the end of the Hajj fund not with taxes, so the value of the benefits in 2020 can already be 10 trillion.

Interviewer : Yes, sir, because there is a tax incentive, sir.

Interviewee 2 : In the past, when we were at the Ministry of Religion, we were given 15% tax on sukuk, we were happy, 5% commission was happy, because the amount was large, but 15% could still be lobbied. Now this was continued by BPKH and then managed to become 0%. Maybe because we used to get used to it. At the Ministry of Religion, it is SAG (Bachelor of the Unseen). With the existence of Law 34, it is indeed assigned to be professionally in charge of that and also so that the Ministry of Religion does not get slandered by such a large financial report. If it is managed by BPKH alone, we will be separated from that management. Then the question is the coordination between the Ministry of Religion and the BPKH, Law 34 seems to have been ambiguous. BPKH is like a cashier, the key should be in BPKH, for example, in increasing efficiency and rationalizing the use of BPKH for Hajj financing, BPKH should be the Ministry of Finance, not cashier. The Ministry of Finance rationalizes the existing costs proposed by the Ministry of Religion. So there is a new way to increase rationalization and efficiency so that the subsidy is not large from the value of the benefits if it can be rationalized. So, that means the cost of

Hajj, which we pay by chance, God willing, I'm going for Hajj this year, ma'am. So I only paid 36 million, which is actually 90 million bu, almost 60% of the subsidy. Well, that's because the costs have already been discussed by the Ministry of Religion and the DPR. So BPKH paid that much, so in the future I think the discussion will be more with the BPKH with the Ministry of Home Affairs and then to the DPR. After it is clear at BPKH and clear at the Ministry of Religion, then it will be brought to the DPR. Now, coordination like this needs to be clarified how the law is, including for example improving the quality of the implementation of the pilgrimage, now there is Law 34 if you pay attention to improving the quality of the implementation of the pilgrimage at the Ministry of Religion. Now, at BPKH, it improves the quality of Hajj financial management services. Things like that might be confusing, so it's like the coordination of these stakeholders is still ambiguous. Meanwhile, it was from me, ma'am, so the subsidy will increase the financial system ability of the Hajj. It's like a ponzi scheme, ma'am.

Interviewer : Ponzy scheme, sir, yes.

Interviewee 2 : Yes, try to carry subsidies now to those who have not left, the 4.5 million that was on the waiting list, the benefits are for carrying those who are leaving now, which is 200 thousand which every year should be 200 thousand using the value of the benefit that departs, which is 200 thousand not all of it, not all of it. Now this is unless later if the investment is large, I think it can only use the value of the benefits that go away while those who don't leave are indeed widely used for that because the subsidy is indeed large. So, I hope that if the direct investment can work, it can cover the subsidy, this is an investment, it's not just an assessment, it can take 5 years from BPKH to be formed, it's just an assessment for cooperation. Then there are no direct investments yet, there are direct investment projects, such as building houses in Saudi Arabia or hotels or boarding houses. The assessment has not yet been realized. Now, in coordination with the Ministry of Religion, for example, there is a guarantee that it will not work if you wake up and then 200 thousand worshippers won't be there anymore, it's useless. So this requires good cooperation between the Ministry of Religion and the BPKH. Then the rationalization of Hajj costs, for example, is not only with the Ministry of Religion. For example, with transportation, for example, how to make airplanes cheap. If BPKH goes to transportation, now the big brother is suspicious, why is there something wrong with Garuda? Even though the goal is to make it more efficient, but on the other hand there is a flirt, so this is going awry, isn't it? Good intentions are not necessarily responded to well, even though for example it is in order to reduce the cost of the pilgrimage so that the subsidy is reduced. For example, the current 36 million, I asked yesterday, it was 30 million planes, then the 6 million was the living cost. Paying for the living cost will be returned later, it's actually really cheap, it's 30 million 40 days there and then everything is free, the meal is 112 times calculated from Medina, Mecca, Minnah, Medina, try it, the service fee is the term for regular Hajj that. Now, it's like that with Garuda, with transportation, with the airline company, in order to

reduce the cost of the plane, or let's say we have BPKH money for hacking first until the aviation fuel is cheaper. Okay, let's pay for the avtur first, but later the cost will be cheaper, can it be like that, now the coordination has to be done, yesterday I happened to also follow BPKH at the beginning, I don't know if it's still ongoing or not that rationalization including the one with Angkasapura if it lands up and down, there is a BUMN that charges for the fee, try it until BPKH does rationalization, can it or not, the cost is eliminated because it is charged to the flight. Well, things like that have to be done continuously and yesterday the numbers stayed like that. The law may need to be re-examined.

Interviewer : Yes. Sir, if, for example, I heard from you, I actually wanted to ask more about if, for example, information that was officially presented on the web or maybe in the mass media that you saw about BPKH. In your opinion, do you think the general public is able to understand what BPKH has done so far to improve it, like you said, improving Hajj services, efficiency, etc. So I want to ask, that's about it, sir, in general and the general information that is presented to the public. Is it sufficient for the wider community to understand that, sir, what do you think, sir?

Interviewee 2 : It really depends on the community, if those who like IT, young people can open YouTube, but in general the layman I think needs more socialization apart from IT, what kind of IT is there, right, not everyone can be happy to open this web or happy and can. Now, this is what needs a strategy for the community, especially the lower middle class, Mom, you don't understand. There are still those who ask where the funds are going, for example yesterday's infrastructure, right, even though it's already like saving in a bank with sukuk. What do you want to use the bank for, play around for what but the important thing is that we get the interest and the money is guaranteed if we need it, it can be taken at any time, right, ma'am. So, I don't know what the money was used for, even though I didn't know about the investment in sukuk. In my opinion, this manual also needs to involve stakeholders, exactly the mother of the research there. For example, community organizations and institutions such as zakat institutions and other institutions that contribute to the community can participate in disseminating the programs at BPKH. I think ma'am.

Interviewer : Maybe you have an idea, sir, about a closer form of socialization, say most of the BPKH customers, especially for Hajj aspirants, sir, and they are very diverse, sir. Maybe you have an example, maybe an idea of what approach might be approached, perhaps, sir?

Interviewee 2 : Yes, if I was the one who got closer to the congregation, the first time I registered at the bank and at the Ministry of Religion, the city district. So, that was the initial socialization there. At the bank itself, sometimes the staff doesn't only manage the initial Hajj deposits, they also take care of the others, so sometimes they don't care, right? BPKH has the authority for Islamic Banks to issue permits for renewal or certification fees, so you can see that there are measures for stability and others, the Bank's performance capability. Now, BPKH has authority like that, so

actually the Bank can help socialize the Ministry of Religion. Then in that area, there is a city district, this is the Communication Forum for Hajj & Umrah Worship Guidance. So, those forums were invited by BPKH, the strategy sections of the method I mentioned earlier could work. Their singular getot is extraordinary, holding one KBIHU kiyai icon can have many congregations.

Interviewer : OK, next sir, sir, I want to ask again about your opinion, sir, BPKH has provided facilities and infrastructure, sir, to communicate with its stakeholders. For example, the general public, KBIHU, or umrah agents whose information is sufficiently transparent are known to the public. Do you think it was obtained or not from the information we can see in the BPKH?

Interviewee 2 : That's what I just saw on the website, right. So it hasn't reached there yet because BPKH doesn't have a regional office, like the ministries in the regions, they have one at the center. So, this is one of the things that need to be established at the provincial level in charge of that, right? It can also be used for development, right? Like the information so fast. Currently, most of the work is a trip, the insemination of the members in the regions can be the same as conducting socialization in the regions, the districts and cities are usually like that, but the members are not very many and also limited. Well, actually BPKH has a program for the benefit of the people, they have a budget from the BAU. At the Ministry of Religion, BAU is the remaining efficiency from the cost of the pilgrimage which is collected as an endowment for the people and can be returned to the people in the form of programs for the benefit of the people. Facilities and infrastructure for worship continue to preach and continue education in the field of Islam. So, the community can submit proposals for assistance. Now that's a strategic means when providing assistance, BPKH is better known for its information. Have you ever seen BPKH assistance milling about, right? The hearse belongs to BPKH. At the time of submitting a proposal and suppose the proposal is good and accepted then the program is submitted.

Interviewer : Actually, yes, sir, the access is there.

Interviewee 2 : There is access, only the staff, yes, not many, because in the center.

Interviewer : OK, sir. Sir, if that's the case, sir, this research actually leads to how BPKH communicates its information sharing activities, sir. So, this is all that you have touched in front of that many things have been done, actually in the process BPKH is the organization that manages Hajj fund, but like what you said earlier, but actually I want to ask again. Actually, in general, sir, is there any benefit, sir, in sharing it for us to believe that BPKH is a trusted organization, sir?

Interviewee 2 : Yes, if the annual results are actually good, the forms are distributed every year, maybe later you can ask the Ministry of Religion to go there too. If, like the Ministry of Religion, each Hajj season makes a form together with a satisfaction survey in organizing the Hajj pilgrimage with PTS. In addition, there is financial management in which the results are increasing every year. Please check the financial statements again.

Interviewer : Yes sir, I will also explore again later. What do you expect from the presentation of this open information. Do you think there is anything that you expect from BPKH to be able to play a more role like that?

Interviewee 2 : Yes, I have hope that this will play a role even more, especially if I can in the mainstay process, not only as a cashier, but as having a portion of the budget, which then hopes that direct investment needs to be boosted again. In the past, the main purpose of Law 34 was to form so that the money could be invested directly. At the Ministry of Religion, we had aspirations to buy planes. When the Ministry of Religion owned an airplane, there was no legality. Now, if it is played, for example, BPKH buys a plane to be played for Umrah. Now, with the existence of a BPKH with strong legality, the Act actually has to be able to work, the investment will take the form, please, do you want to invest in the model or want to invest in sharia, or what will the competent BPKH members in their field think like what I said earlier, like a boarding house. Well, it hasn't worked yet, it's a bit difficult in Saudi Arabia, ma'am, if ownership is easy here like foreigners, it's easy to own land here. I hope that the two investments will work so that later the subsidy will not be too large. If we are only in the portfolio, it is good enough, up to 10 trillion cumin. It would be even better if direct investment could work. Of course, the hope of the congregation is to pay for the value of the benefits of those who departed, it could be even better. So don't use the 4.5 million earlier.

Interviewer : Underline what you said earlier, sir, regarding the position of BPKH. Can it actually change or can it be fought for or what, sir, or is it progress or is the law really like that, sir?

Interviewee 2 : Yes, in my opinion, the vision of the law should be reviewed again because in the law there is a sentence that the 14 members are jointly and severally responsible for and the supervisory board. For example, there are good signs, whether from the value of the benefits of organizing the Hajj or from the state budget, it needs an explanation. If that's all from the value of the benefits, I think over time it can disrupt the financing system for the management of the Hajj, it can basically be eroded over time, if the subsidies are getting bigger day by day, this is the price if in Saudi Arabia it continues to rise for sure. If the service increases, it will definitely increase. The difficulty is that the subsidy will automatically increase, sorry for the congregation. Now, there are two patterns, the investment started immediately, then from now on, politically, the congregation's budget may pay a high price. Don't worry, if the political budget is set at the same level as last year, it can't go up so that once there the prices go up, the service goes up, the quality is improved so it goes up because politically the budget is not allowed to go up which is paid for by the congregation. I think the congregation will understand, for example, if they say their hotel is from a 4-star or 5-star hotel, they will realize that it has been increased, maybe they want what they have to pay to increase, so they don't increase subsidies.

Interviewer : This man answered very technically, so I wanted to ask more technical questions. So, sir, the general difference is, for example, we are branchmarking Malaysia, yes, sir. So there is a very basic difference

for pilgrims in Malaysia and Indonesia. In Malaysia, when you put money, it's like saving, you all get it back, if we just want to leave, sir, that's different, but I see from the outside I don't know the mechanism in Malaysia, but I see how they have the infrastructure, they have facilities, there are hotels and so on that I read when I was building the information that BPKH was also in process for this infrastructure, but maybe what I want to ask the father of the infrastructure is. What do you think about what BPKH is doing to be able to build more infrastructure, facilities, and services to the congregation, as in Malaysia. Maybe you can give insight into what the problem is here.

Interviewee 2 : In the first comparison about Malaysia, the value of the benefits is distributed directly in the form of money, but he determines the actual Hajj costs. For example, the cost of Hajj is 100 million, which is set at 100 million, but later the value of the benefits will be returned and you will pay 100 million. For example, if we take 36 million, but the 60 million is returned but in the form of services and subsidies, we make it the same, it's okay if you want to benefit value it in the form of money but the BPKH is set at 100 million but it doesn't want to be like that. That's the historical cost of the pilgrimage, but the problem is that the Ministry of Religion is trapped by budget politics that the cost of Hajj cannot be increased. So it's packaged like that. In the past, the government's proposal had to be raised first and then lowered. Indeed, they were told to go up first and then lower the DPR so that the DPR will get a star. If now it's all open so that it's real how much must be paid by each individual congregation and the value of the benefits is reversed in the form of savings being told to pay, it can also be like that, instead of being closed and covered with subsidies. If people still don't understand the problem of transparency, you just enjoy the results, how the interest is. The interest is to pay for hotels, meals in Saudi Arabia, everything except the plane. In the dormitory, there are also rituals in the country, all of which are free, ma'am. For that fee, everything is free from the subsidy. Now, it's just a choice, such as a pull-down glove or a pull-up one, just which choice you want. So it's just a matter of choosing which one, the benefits are returned or in the form of services. Then the infrastructure, I think, in my opinion, the law needs to be revised first to build it because there is a joint responsibility for the severance pay, the members will definitely think about it if a loss occurs. More mitigation than realization. Well this is what happened until now has not worked. Hopefully it can work and the law has been proposed, but it's just a matter of waiting for the DPR to discuss it, such as the investment risk borne by the state budget, also from the value of the benefits. So, so that there is a precautionary principle to make laws first so that they are not blindly related to the investment value, so it is borne by the individual (joint and joint responsibility).

Interviewer : I really thank you for sharing your insight. Hopefully later this father is going to go for Hajj, hopefully he will be healthy. Thank you very much sir. Wassalamualaikum

Interviewee 2 : Yes, you're welcome. Walaikumussalam

RESUME FGD UIN

Topic : Strengthening Indonesia's Hajj and Umrah Economic Ecosystem in 2022
Date : Thursday, 10 November 2022
Time : 09.00 – 17.00 WIB
Location : Artotel Suites Mangkuluhur Hotel, Online via Zoom and Youtube

Prof. Dr. Hilman Latief

Director General of Hajj and Umrah Management, Ministry of Religion of the Republic of Indonesia & Ketum ADESY

- The Ministry of Religion, which is mandated by law to carry out the implementation of the Hajj pilgrimage, includes many aspects, starting from preparation, departure, guidance, service to pilgrims and protection of pilgrims.
- Food staples such as rice come from Thailand and Singapore and there is a restaurant from Thailand called Sofia Food Traditional which sells Indonesian food such as rendang but there is an Indonesian product from Sidoarjo, namely prawn crackers. If we look at it, for example, the next trade balance is trade, yes, in the State of the global food, Malaysia is number 1, we are number 4, and even then, the question is for exports or for domestic needs, what is the standard? Are there more and more halal labels or what is Islamic Finance like, yes, Malaysia is number one? we're still far away huh Number 6
- Exports from Indonesia to Saudi Arabia are quite high, exports from Saudi Arabia to Indonesia are also quite high, there are cars, then palm oil, then polywood rubber, rubber and so on, we really have to check to what extent. we sell more value than the products we have, of course later there will be stronger cooperation between BPOM bpjph then what is LPP Pom yes with bpjph and sfde
- Halal trading, small medium enterprises as well and the involvement of Islamic financial institutions will be like this, including to support the needs or capital among MSME players, which hopefully we can prioritize in the future. Vision 2020 Where there is a transformation from the nature of services that are socio-religious to pure business or business. If we are not ready with our infrastructure, of course it will be difficult, hopefully there will be an offer later

Prof. Dr. Euis Amalia, M.Ag

Deputy Chairman of IKALUIN, ADESY Expert Council & Head of Islamic Banking

Doctoral Study Program

- Adjustment to the bpjph law, law number 33 of 2014 concerning all food products circulating and entering Indonesia, and I also think that all pilgrims here must have halal-certified ones and also what is the culture of production of Indonesian foods that are used it's food from outside
- Congregational protection When it comes to congregational protection, there are three life protections, which means life insurance is needed for pilgrims going there, meaning that sharia insurance also plays a role here. I don't know if the products in this sharia insurance already protect this. insurance from life protection to health accidents is provided in the form of insurance and has all sharia insurance been used, if there is still content, in my opinion, it is necessary to issue a fatwa, Mr. Helmi to use sharia insurance, not to mention later if there is financing from sharia banks, guarantees for bank guarantees and bank counters the guarantee from the

guarantee company also requires a bank guarantee contract using a sharia guarantee company.

- Hajj economic potential but it has been conveyed that Indonesia has the greatest potential for 7 million pilgrims
- The target is that the Bpkh must provide an additional 41 million for the regular Hajj, say per congregation times 1 million pilgrims, how much is the benefit value on investment obtained by the bpkh, don't let the benefit value on investment obtained by the bpkh be only enough to finance the operational costs of the pilgrims, even though the target is how the investment in ppkh gets a higher benefit value than just covering operational costs because if not later it won't be sustainable, so this is also the reason for the increase in the pilgrimage there because the Rupiah exchange rate against the dollar is said to have increased, then the tax set by Saudi Arabia is 15%.
- Muamalat then long-term investments and short-term investments are also there in the form of SBSN and others. There needs to be diversification. In my opinion, the allocation of Hajj management funds needs to be reconsidered and of course if, for example, the law is inadequate, it means that what we need to prepare is a review of the law and we need to formulate an academic paper to carry out various reviews of the regulations that apply. There is. So what I have noticed is that there needs to be synchronization between Hajj regulations, in this case between Hajj regulations
- Synchronize with the fatwa, don't let the DSN fatwa come out later but also later it will be out of sync with existing regulations or laws. So, how do you synchronize before tapping the Palu? congregation continues
- For Indonesia to have an ATM machine there or any digital payment, maybe it can be funded or not for direct investment, then investing in digitalization, then building a gallery or wall sale there, there are shophouses or galleries to market Indonesian products in Saudi Arabia, especially in the Mecca and Medina areas, of course, collaboration between the Minister of Religion MORA, the Ministry of Commerce, the Ministry of Industry, the Ministry of Cooperatives, Small and Medium Enterprises and the Ministry of Hajj of Saudi Arabia needs to be done. In my opinion, an agreement is needed to realize how Indonesian products can get there
- It is necessary to support the Indonesian Movement to support the halal industry and the Muslim market. It has enormous potential in the next world. We need to see this global halal market output projected at 1972 billion trillion, yes, then fashionable fashion media, fashion friendly, halal medicines, halal cosmetics. The halal industry is a source of new economic growth. Imagine Thailand. The vision is to become the world's halal kitchen. The UK is to become the center of Islamic finance, Saudi Arabia, the center of Islam in the world, China, the highest export of Muslim clothing to the Middle East.
- there are four factors to drive the global halal industry one growth in the Muslim population which is now rising high then high and fast sharia economic growth oac countries on the development of halal products and Islamic ethical values in the business context.
- The digitalization strategy for the Islamic financial economy is integrated. The need to use transactions using payment banking, namely banking from Indonesian Islamic banks, is also an opportunity for friends in the banking industry and also from the regulatory aspect, for this, all synergy is needed between not only the financial system but also regulation in other matters.
- one map of Hajj ecosystem development one here is responsive government and regulations the second is governance. In my opinion, now that there is zakat, we need to compile a profile that must be obeyed by all organizing institutions or

institutions that organize the pilgrimage, so they have standards. Then the supervision of licensed and accredited Hajj organizers and then professional Hajj officers. For example, Hajj officers must be professional and Hajj companions, if necessary, certified

- Need Synergy Ministry of Religion, Ministry of Commerce, Ministry of Industry, Ministry of Cooperatives and the Saudi Arabian Ambassador Kadin Middle East to strengthen cooperation network of Hajj services and networks to become Indonesia
- BPK or management in Hajj investment needs to carry out risk-based management and diversify in Hajj investments that are oriented to the Project base not only to assets or financial sectors that are fixed and the risk is small, they must also be brave with large investments with of course good risk management Certain off-direct experts at BPK must have certification in risk management.
- In my opinion, then public literacy on how to compile guidelines for the pilgrimage guidebook needs to be socialized through social media.
- Then the second is Hajj and umroh travel. How to prepare competitive prices, quality of service and also need to think about the values of travel, for example, can be done by tourists integrated integrity system The Ultimate spiritual experiences, how do people go for Hajj and Umrah? it's extraordinary that there needs to be a little innovation from travel agencies
- Indonesia is the fifth largest exporter among the 56 countries of the world Islamic conference organization, but Indonesia is also the fourth largest importer. How to push this and it turns out that until 2021 Indonesia is 1.4%, right? 2021, Indonesia's proportion compared to other countries to export to Saudi Arabia, Indonesia is only 1.01%, that's the data, right? relationship later with other Ministries or other institutions.
- Is it in the form of holding or in the form of companies that can already handle it so that Ums can be helped because if SMEs directly export it is of course difficult, but they have to go to big companies but don't fold too much to go there, for example holding two culinary holdings are enough holding the hotel holding earlier in the flight I agree that there needs to be holding the student then working together there the financing is here the bank plays a role and for SMEs of course we work together with sharia cooperatives because we also want to develop BMT cooperatives Sharia on campus that handles SMEs. as well as the products of other SMEs that are empowered so that the people's economic potential really is where Indonesia is adhering to an economic democracy where people must be empowered, all of which can be helped by the existence of large core plasma companies but those who participate in a fair way, this needs to be formulated roughly so

QUESTION ANSWER SESSION

Moderator : About the breakthroughs on the bpkh side that could, for example, invest in the procurement of infrastructure which would actually cut or increase costs. Our producers will put their goods there so that their prices can be competitive with others?

BPKH : Sir, especially in the field of direct investment and other investments, we have conducted studies and safeguards in sufficient detail and depth to be able to invest in Saudi Arabia. There are 4 sectors that we have taken seriously, namely the aviation sector, the hotel sector, the land transportation sector in Makkah Madinah and consumption sector. In fact, until our Deal with one hotel owner, we have partnered with one of the large corporate groups, the CT Prof group. We even accompanied

Mr. CT to meet Sheikh Abdullah Faqih, the owner of the Mekkah Tower Hotel. In the aviation sector, we have had intense discussions with the main director of Garuda Indonesia, who previously had a case. We have also done ground transportation with the group, but when we opened the financial report it was negative and we had to look for something safe and it turned out that if we wanted to pay for it, we had partnered with Adiputro, a well-known manufacturer in Indonesia in Malang, unable to win against China. so while confirming that there is no placement of the BPK in an unstable bank, everything second must be safe, the dimensions of the risk must be maximum, we must be careful, we translate all the PP Perpres statutory soup, and the profit is what the reference must be higher from the second deposit it has to be higher than enough countries the third has to be higher than the corporate tribe our rating has to be higher while to take higher than that means it has to be cleaner and people don't want to know that's from there but anyway we keep trying .

Moderator : I don't think it crossed your mind to make an investment, what I asked from the start was to provide infrastructure that simplifies or streamlines the costs of potential producers in Indonesia. Do you have any thoughts about investing like that?

BPKH : Not only thinking about it but already doing that okay but already coming to Solo to the food manufacturer Wong Solo. We give them the opportunity to do what we can help, there are four things for food for ihram cloth.

Moderator : because the considerations are still yes, the first is sharia, the second is Safe, the third, but it also has to be Fathonah.

Audience : How about the development and strengthening of the economic ecosystem so I have no experience and that's all from the Ministry of Religion not in a position to provide holding, yes because our job is to serve the congregation because of that holding, of course institutions like the BPK or the private sector like BUMN are the most likely?

Prof Hillman: So I have no experience and that's all from the Ministry Religion is not in a position to provide holding, yes, because our job is to serve the congregation, therefore holding, of course, institutions such as the BPK or the private sector, such as BUMN, are the most likely. The principle of the ministry of religion and the mandate given is to serve the congregation, that's why the transportation, the type of menu and so on have advantages because we determine the type of menu and the team is the troop that's why. Both of us have also entered the Hajj hostel, sir. We want the Hajj hostel to be strengthened. We are currently designing a Hajj hostel, which has a hard store. Where can the UMK products be deposited there and we will include 200,000 people per embarkation of 10's of thousands of people. We also want to have a hard store in the dormitory and we are developing a minimum store standard. So, this is what we have done in small ways, including I want to build a pilgrimage hostel that we have, not only as a stopover but also as a center for Islamic activities, religious activities, namely what we cannot do yet and of course what is the name of economic activity in there I think it's for holding it's fine but I don't know later the context or the design maybe another one that's free.

- Audience : how about for example in the future, good from the father of Hajj, so that we can give understanding to these congregations to buy Indonesian products, don't go out and waste money buying foreign products, maybe we can tell them that is the perfection of Hajj, that is buy Indonesian products. How can we indoctrinate Hajj officials or travellers so that we don't go out and buy foreign products because it's useless for us to bring our goods there?
- WE : Thank God it has been formed in 29 provinces and then in 22 countries and 117 urban regencies, of course if we talk about relations or networks abroad this is a big potential when we talk about serving halal exports in early 2022 Yesterday we facilitated what is called the matching business for coffee exports needs in oman. How can this Mesh meet the needs of the Umrah pilgrims, for example in terms of clothing, then those who need hotel soap and so on, it turns out that the opportunity is very big, but we can't find that. We are trying to seize this opportunity because this is an organization what we can do right away is to encourage or print or business actors who are related to what is needed in Saudi Arabia. In the near future, we and Bank Indonesia are preparing for a fashion show exhibition in Jeddah. Now for those related to education and literacy, as stated earlier, our female students are very interested.
- Moderator : How is this, Mr. Subhan related to the emergence of various kinds of ideas earlier, in terms of providing facilities, holding, strengthening literacy, not only literacy, how do we perform Hajj, whether it's easy or whenever that's like that, right, but also how to love Indonesian products so that when Umrah or Hajj Even if you still use the organization's products, please, Doctor?
- Mr. Subhan : First, maybe 15 years ago, we managed to send pilgrims to Saudi Arabia and we were entrusted with the money for this service, but we were not willing to provide Indonesian products, so we tried to contact the Indonesian trade promotion center. At that time, we conveyed our need for pilgrims like this. What we get is products from other countries, and we cannot be stopped. there was no response but when the president then gave a speech there had to be an optimal increase in domestic products and then the crowds ended so the wish list was very large. For the congregation, we have prepared 24 million boxes of complete consumption. When we have a digitization program, we also have to see that this one must be served, don't let us focus on the details, it turns out that they are part of the previous question about which product to buy, namely if the fatwa will be the same, we invite me that one of them doesn't get along with the sunnah Hajj, yes sunnah Hajj is the Netherlands, a domestic product of the Indonesian Ulema Council, we will socialize it later.
- Audience : what has become their obstacle so far, the first is the lack of socialization to raise the dignity of micro business actors, it takes a very big struggle, they have to be able to compete. Now, this is a big task for maybe all stakeholders, not only the Ministry of Religion, which has an extraordinary waiting list that lasts for decades. So maybe this needs to be built through this forum. FGD is through Prof. Hilman and from MES friends and others. Maybe they can be our mouthpiece as academics who help a lot from upstream to downstream. They really need assistance so they can rise. classes from the local level to re-famous to the national

level to being able to export to the international level, maybe that's all, thank you.

Moderator : before being presented to Prof Eulis and Prof Ilman, are there any other parents who would like to share their opinions?

Audience : Sorry sir, talking about this sacrifice, maybe there was a lack of socialization or what was wrong with me, who was misinformed when I heard that the sacrifice had to be in Mecca like that, because I also heard from my father, my deceased father during the pilgrimage, that we cannot offer sacrifices at home, we have to on the ground holy Well maybe if it's not obligatory sir Maybe there was socialization from gentlemen from the Ministry that it's permissible to sacrifice anywhere because the sacrifices themselves are so many, just imagine, sir, our money brought from Indonesia there to buy sacrificial animals, maybe billions already rupiah yes Why is it not sacrificed in Indonesia itself in its own area so that our MSMEs can grow because from our own charitable Guidance we will build an ecosystem, namely from sheep skins it can become bags so the fur can be exported and the meat can be canned.

Moderator : There is one more please sir.

Audience : Talking about the ecosystem maybe the supply chain, so if we look at all the problems there is a problem about the high cost of transportation and so on if we are going to sell our products abroad, that's it. What if we apply this in the Hajj ecosystem, starting from registration, for example when there is registration, there is a waiting period, when there is a waiting period, right then the money goes to the BPR and is managed. So, for example, what do we make for a marketplace, say yes, integrated means how many people accessed the existing marketplace at PPK, then there is also an economic ecosystem there. The simple thing is to earn money for the congregation itself, what's more, if he was able to be a producer, you can also sell his goods there without needing to export outside, right? Maybe that's it sir. at all its interests.

Prof Hillman: We're going to form the ecosystem that we wanted to imagine the previous one. We want to get a lot of input from MSME actors and entrepreneur farmers. Then also take the agency policy, yes, our Ministry of Trade and so on also include others. The point is, yes, we want to make it happen, excluding the ecosystem from the smallest we build. I think that as a regulator, we hope, of course, that there will be more and more parties involved, travel entrepreneurs too. Insha Allah, many will be involved and I hope that other entrepreneurs will also be involved a lot because our enthusiasm is that this payment is a congregation with regulations that have notifications, give us and as Muslims, of course We also want to translate the Hajj in a somewhat correct manner in accordance with the spirit of the verse of Surah Al-Hajj 28 because we haven't touched on anything new spiritually, who knows there may be more benefits for the people of Indonesia. So we, from the Ministry of Religion, once again, the context is to prepare the market, but we may not ask the Minister of Religion MORA for a market that is not because we cannot be direct with entrepreneurs, only with the market there.

Prof. Eulis : How did the halal supply chains become one halal supply chain simultaneously with Indonesia's 2024 vision of making Indonesia the

world's halal center and also the world's halal producer and I think how the potential for haj and umroh pilgrims is an extraordinary potential that has an impact on development the industry of these things maybe the current term of things in Indonesia and in Saudi Arabia does not recognize things but in our perspective it remains that these products are halal products and they can be from MSMEs or from large companies. Then we need to have a network of sharia economic communities who already have networks in several countries. Then we also Persami have an Indonesian Muslimah merchant association. If it's not just coffee, sir, we have tea. How can we network between business groups of these entrepreneurs and then later there will be a market place so there will be the government, there will be business actors, there will be haj umroh travellers, then there will also be the BPkh who manages the Hajj fund, all of which must once again become a liaison to become one with synergy and collaboration. The point is we can't do it alone, now is not the time for each other, it's time for network collaboration between all of us. Then the last thing is how we need to compile a road map or grand strategy for the economic ecosystem of the Hajj economy in Indonesia, I think we need to compile first on a regular basis and then who are the parties involved and who is doing what will be seen there so that the targets we have formulated and discussed can be achieved by involving all parties

Moderator : Thank you very much to Prof. Eulis and Prod Hilman Latif and at the same time I, as the moderator, apologize to especially our resource persons if I talk too much beyond my capacity as a speaker and also to all the participants, hopefully what we are discussing can get good results. we can recommend that in the future it will have a real effect in the future to have an increasingly positive impact on Indonesia and the world.

MEMO OF INTERVIEW PAK MSH

Anggota Komite Audit BPKH

Tempat : Pertemuan virtual *Zoom Meeting*

TGI : Selasa, 21 Juni 2022

Beliau berprofesi sebagai anggota komite audit Badan Pengelolaan Keuangan Haji sejak November 2019. Sebelumnya background saya lama di dunia audit, jadi saya dari 2001 sampai sekarang itu banyak backgroundnya itu di *governance risk management compliance* audit. Interview diawali dengan beberapa pertanyaan terkait mekanisme antara BPKH dengan Kemenag. Beliau menjelaskan di awal sesi dengan mengangkat data dari pasal, UUD, dan peraturan terkait sebagai regulasi. Lalu ditimpali dengan opini dan pemahaman beliau. Penyampaian opini yang lugas, singkat namun sangat jelas yang langsung tertuju pada intinya membuat sangat menarik dan membangkitkan sikap antusias pada beliau dan peneliti. Gestur tubuh dan mimik muka yang bersahaja, nyaman, dan bijaksana ketika penyampaian dan opini dan saling berbincang sangat terlihat di benak wajah beliau. Ketika pembahasan terkait masalah pembatalan haji yang terjadi hingga 2x menjadi perbincangan yang menarik dan penuh semangat pada sesi interview ini. Beliau menjelaskan secara gemblang sehingga dapat memberikan informasi yang jelas dan dapat meluruskan kesalahpahaman di benak pendengar. Secara keseluruhan interview berjalan dengan baik dan sesuai dengan pedoman protokol wawancara.

Perbincangan hangat tentang bagaimana BPKH mengkomunikasikan dirinya sebagai organisasi terjadi setelah wawancara dan memakan waktu hampir 30 menit. Berdasarkan percakapan yang terjadi, bahwa selain menjadi Tim Audit beliau juga membantu divisi humas. Para karyawan yang diterima menjadi karyawan tetap adalah generasi muda dan karenanya spirit dan gaya komunikasi yang menjadi eksplorasi dalam mensosialisasikan BPKH lebih mengarah ke media komunikasi yang relevan dengan anak muda. Contohnya adalah mengalakkan program haji muda, menggunakan beragam platform media kekinian seperti twitter, tiktok, dll, dan sebagian besar lainnya terutama sekali adalah mensosialisasikan kegiatan pengelolaan haji yang secara dominan adalah melaporkan proses dan kinerja keuangan. Pelaporan keuangan ini lebih bersifat memenuhi kewajiban dengan konten yang memenuhi standar pelaporan yang umum secara pelaporan keuangan konvensional. Semua persyaratan dan verifikasi terstandar yang telah dimiliki BPKH menjadi salah satu tujuan utama pencapaian pertanggungjawaban (opini Badan Pengawas Keuangan dan Standard ISO 9001). Akan tetapi saya menginterpretasikan bahwa jawaban yang saya dapat dari bagaimana sesungguhnya secara umum proses mengkomunikasikan BPKH itu sendiri (yang dilakukan selama ini) telah melewati satu komponen penting. Yaitu bagaimana BPKH pada hal ini para pimpinan dan tim humas kurang memberikan atensi pada bagaimana cara mensosialisasikan informasi agar dapat diserap berbagai kalangan stakeholder BPKH itu sendiri. Terutama sekali para jemaah haji tunggu yang secara mayoritas merupakan orang berusia lanjut dari berbagai kalangan dan latar belakang yang sangat beragam. Belum lagi iklim demografi Indonesia yang sangat eksotis yang tiap daerah bisa saja mempunyai kendala akan penggunaan teknologi informasi di wilayahnya. Mengingat hal itu menyampaikan informasi dengan cara yang sederhana agar dapat difahami oleh semua kalangan menjadi sangat penting. Bagaimana membagi proporsi penggunaan media komunikasi yang relevan dengan kebutuhan informasi dari setiap

stakeholder agar informasi kegiatan yang bertanggung jawab yang telah dilakukan oleh BPKH selama ini dapat diterima dan dimengerti oleh masyarakat luas.

Untuk informasi lebih lanjut, silakan hubungi:
Susi Indriani M.S.Ak
Ph. 0812XXXXXXXX



MEMO OF INTERVIEW BUYA ANWAR ABBAS

Ketua PP Muhammadiyah

Tempat : Ditayangkan pada TvMu Channel Youtube

TGI : Selasa, 28 Februari 2023

Beliau memulai pemaparannya dengan santai, tenang, dan tidak mengebuk-gebu. Beliau terlihat bercanda terlebih dahulu sebelum memulai pemaparannya dengan berkata bagaimana ini saya menyampaikannya, dengan ekspresi muka yang senyum tipis melihat ke arah moderator. Beliau mengusulkan supaya mengurus Haji dan bisnis ini diurus oleh tiga pihak yang pertama untuk urusan ibadah haji diurus oleh kementerian agama masalah manajemen dan ibadah itu diurus oleh mengenai masalah pengelolaan dana haji itu diurus oleh BPKH. Tapi untuk masalah membelanjakan uang untuk kepentingan ibadah haji itu menurut saya harus ada badan khusus. Beliau menghitung bagaimana untuk mendatangkan profit dari dana setoran yang ada dengan sangat rinci namun tetap santai dengan pembawaan yang tenang. Beliau memperhitungkan Kalau dana hajinya ada sekitar 166 triliun dapat untung rata-rata 5% maka hasil yang bisa didapat oleh BPKH hanya 8,3 triliun oleh Kementerian Agama dan 83 triliun ini. Jika seandainya seluruhnya diperuntukkan untuk mensubsidi kekurangan biaya Haji Jamaah untuk tahun 2023 yaitu 210 ribu maka berarti masing-masing individu jamaah yang akan berangkat yang jumlahnya 210 ribu itu mendapatkan sumbangan dari hasil manfaat 37,5 juta. Beliau sangat menekankan kata jika pada saat penyampaian pendapatnya tentang perkiraan perhitungan jika mendapat untung 5% dari hasil investasi pengelolaan dana haji. Beliau menyimpulkan bahwa saya subsidi dari hasil manfaat yang bisa diberikan kepada jamaah yang akan berangkat tahun ini adalah hanya 30 juta per orang ya. Beliau tentunya tampak hebat sekali dengan perhitungan yang rumit ini bisa di kupas tuntas olehnya. Terdapat gesture tubuh yang menarik ketika beliau membahas atas dasar apa pemerintah mengambil 80% dari hasil manfaat untuk dia pergunakan bagi membantu jamaah haji akan berangkat. Beliau membuka kacamatanya lalu menatap serius kepada audience. Lalu di lanjutkan beliau menanyakan ke semua narasumber yang berada di sebelahnya apakah mereka sudah melaksanakan haji. Pertanyaan beliau langsung di jawab oleh kedua narasumber dan beliau mengatakan bahwa kedua narasumber telah berhaji dengan subsidi. Sontak narasumber, moderator dan audience merespon dengan gelak tawa singkat sehingga suasana menjadi lebih mencair dibandingkan tadi sempat merasa memanas. Penyampaian materi dan fakta yang diketahui oleh beliau sangat krusial dan di kemas dengan tuntas secara blak-blakan. Akhir kata dari beliau menyampaikan dan tentunya menegaskan bahwa pendapat dan pemaparannya didasarkan oleh pendapat pribadi dan beliau menyampaikan maaf beliau jangan dibicarakan tentang agama Islam nanti bermasalah. Menurut saya secara syariatnya memberikan uang subsidi dari hasil manfaat setoran kepada jamaah haji akan berangkat apalagi yang menerima itu adalah orang kaya ya. Maka menurut saya itu adalah merupakan satu hal yang tidak tepat menurut saya dan saya memang pendapat tadi bahwasanya kalau biaya hajinya itu 90 juta yang semuanya ditanggung oleh yang bersangkutan gitu cuma kan ini karena ada dimensi politiknya. Selama acara berlangsung beliau sangat koperatif dan komunikatif tentunya kepada sesama narasumber dan audience.

Untuk informasi lebih lanjut, silakan hubungi:

Susi Indriani M.S.Ak

Ph. 0812XXXXXXX

BPKH RELATED NEWS

5 Reasons Why Hajj Costs Are Proposed to Increase

Sunday, January 22 2023 - 05:16 WIB

By: Dedy Priatmojo

This article was published on [VIVA.co.id](https://www.viva.co.id) on Sunday, January 22 2023 - 05:16 WIB

Article Title: [5 Reasons Why Hajj Costs Are Proposed to Increase](https://www.viva.co.id/berita/nasional/1567643-5-alasan-kenapa-biaya-haji-diusulkan-naik)

Link Article: <https://www.viva.co.id/berita/nasional/1567643-5-alasan-kenapa-biaya-haji-diusulkan-naik>

Changes in the Percentage Scheme and Benefit Value

Director General of Hajj and Umrah at the Ministry of Religion, Hilman Latief, explained that the increase in Hajj costs occurred due to changes in the BIPIH component percentage scheme and Benefit Value. «This is intended to ensure that the value of the benefits that are the right of all Indonesian Hajj pilgrims, including those still queuing for departure, are not eroded,» said Hilman Latief in Jakarta, Saturday 21 January 2023.

Use of Hajj Fund Benefit Value Continues to Increase.

According to the Director General of Hajj, the use of benefit funds from 2010 to 2022 continues to increase. Because Saudi Arabia increased Masyair service fees significantly ahead of the start of Hajj operations in 2022, usage and benefit value increased by 59%. If the BIPIH composition and Benefit Value are still disproportionate, then the benefit value will be quickly eroded and will not be healthy for long-term Hajj financing.

Sustainability of Benefits of Hajj fund in the Future.

According to MORA, charging Hajj costs must maintain the principle of istitha'ah and liquidity in organizing the Hajj pilgrimage in the following years. "Hajj if you can afford it. In fairness, the Director General of Hajj, Hilman Latief, explained that the benefit value of Hajj fund comes from the results of the management of Hajj fund carried out by the Hajj Financial Management Agency. "Therefore, the benefit value is the right of all Indonesian Hajj pilgrims, including more than 5 million who are still waiting in line to leave. "Perhaps this proposal is not popular, but the Minister is doing this in order to protect the benefits and value rights of all Hajj pilgrims while maintaining its sustainability," he stressed.

Fair

Director General of Hajj Hilman Latief explained that the value of the benefits of Hajj fund comes from the results of the management of Hajj fund carried out by the Hajj Financial Management Agency. Therefore, the benefit value is the right of all Indonesian Hajj pilgrims, including more than 5 million who are still waiting in line to leave. "Perhaps this proposal is not popular, but the Minister is doing this in order to protect the benefits and value rights of all Hajj pilgrims while maintaining its sustainability," he stressed.

Hard to Avoid

Chairman of the National Commission for Hajj and Umrah, Mustolih Siradj, stated that the increase in Hajj costs is a consequence that is difficult to avoid, especially if the comparison is used as a reference for the costs before the pandemic in 2019. Because, so far, subsidies to BPIH which have been supported by subsidy funds originating from returns from Hajj financial management are too high. large and likely to be unhealthy.

"The proceeds from managing the Hajj fund from the waiting congregation are around 160 trillion. The proceeds from placements and investments should be the rights of the waiting Hajj pilgrims, who currently number approximately 5 million people as fund owners. "But so far the 'tradition' has been given to subsidize Hajj pilgrims leaving in the current year up to 100 percent. This really needs to be corrected and addressed," he explained.

Indonesian Hajj Costs Increase Even though Saudi Arabia Lowers Prices

This is the Ministry of Religion's explanation Sunday, January 22 2023 - 00:04 WIB
By: Dedy Priatmojo







This article was published on [VIVA.co.id](https://www.viva.co.id) on Sunday, January 22 2023 - 00:04 WIB
Article Title: [Indonesian Hajj Costs Increase Even though Saudi Arabia Lowered Prices, This is the Ministry of Religion's Explanation](https://www.viva.co.id/berita/nasional/1567635-biaya-haji-ri-naik-padaahal-saudi-turunkan-harga-ini-penjelasan-kemenag)
Link Article: <https://www.viva.co.id/berita/nasional/1567635-biaya-haji-ri-naik-padaahal-saudi-turunkan-harga-ini-penjelasan-kemenag>

The Director General of Hajj and Umrah at the Ministry of Religion, Hilman Latief, emphasized that the proposed cost for organizing the Hajj for 1444 H/2023 had taken into account the reduction in the cost of the Hajj service package that had just been implemented by the Saudi Arabian authorities. Hilman did not deny that Saudi Arabia reduced the Hajj service package for 1444 H/2023 to around 30 percent cheaper than the previous year. The reduction in the Hajj service package includes services during the peak period of the Hajj pilgrimage, namely 8-13 Zulhijjah in Arafah, Muzdalifah and Mina. According to Hilman, all services at Masyair are called Hajj service packages which are handled by Syarikah or companies in Saudi. Last year, Hajj service packages in Masyair increased significantly due to the pandemic. In the proposal, the assumptions used are IDR 15,300 for an exchange rate of 1 USD, and IDR 4,080 for an exchange rate of 1 SAR. In 2022, the SAR exchange rate used is IDR 3,846. Another thing of concern is the aircraft components. Because, the average BPIH proposed this year is IDR 98,893,909.11. Because Saudi Arabia increased Masyair service fees significantly ahead of the start of Hajj operations in 2022, usage and benefit value increased by 59%. The benefit value, continued Hilman, comes from the results of the Hajj fund management carried out by the Hajj Financial Management Agency. Therefore, the benefit value is the right of all Indonesian Hajj pilgrims, including more than 5 million who are still waiting in line to leave. If the BPIH composition and benefit value are still disproportionate, then the benefit value will quickly erode and will not be healthy for long-term Hajj financing.

DOCUMENTASI OF INTERVIEWEE

Tanggal & Waktu	Keterangan	Foto Dokumentasi
19 September 2022 13.30 – 14.30 WIB	Pak KTS Sumber Daya Manusia BPKH Ruang rapat BPKH, Gedung BPKH Berdikari, Jakarta Selatan	
5 Desember 2022 15.00 – 16.20 WIB	Pak AJR Management BPKH Bid.SDM & Risk Management dan Anggota MNGMT BPKH Lama Lobby Setiabudi One, Jakarta Selatan	
23 Desember 2022 14.00 – 15.00 WIB	Pak MSB Kepala Bagian Akuntansi BPKH Ruang rapat Asyafa BPKH, Gedung BPKH Berdikari, Jakarta Selatan	
12 Januari 2023 10.00 – 11.20 WIB	Pak FR Hajj Bisnis Divisi Haji Panin Dubai Syariah Bank, Slipi, Jakarta Barat	
23 Januari 2023 14.00 – 16.00 WIB	Pak YY Bank Syariah Indonesia Pertemuan virtual <i>Zoom Meeting</i>	
20 Februari 2023 10.00 – 10.30 WIB	Pak ACG Humas BPKH Pertemuan virtual <i>Zoom Meeting</i>	
8 April 2023 13.00 – 14.00 WIB	Pak IAA Dirjen PHU Kemenag & Dewas BPKH Kantor Pusat Kemenag Lt.2, Jakarta Pusat	
13 Maret 2023 14.00 – 16.00 WIB	Pak SRT Kasubdit Pengelolaan Keuangan Operasional Haji (PKOH). Ruang Pribadi Kasubdit PKOH. Kementerian Agama, Jakarta Pusat.	

DOCUMENTASI OF WEBINAR & FGD

Tanggal & Waktu	Keterangan	Foto Dokumentasi
30 Maret 2022 19.30 – 21.30 WIB	Public Lecture IX The Development and Upgrading of The State University of Jakarta (Phase-2) Zoom Meeting	
25 Mei 2022 08.30 – 11.30 WIB	Kemenkeu Corpu Talk Kebijakan Pengelolaan Keuangan Haji Untuk Kemaslahatan Umat Youtube BPPK Kemenkeu RI	
31 Oktober 2022 11.00 – 12.00 WIB	Masyarakat Ekonomi Syariah Digitalisasi dan Ekosistem Ekonomi Haji Youtube radio smartfm	
10 November 2022 09.00 – 17.00 WIB	Focus Group Discussion Memperkuat Ekosistem Ekonomi Haji dan Umrah Indonesia Hotel Artotel Suites Mangkuluhur, Jakarta. Zoom Meeting & Streaming Youtube Ikaluin Jakarta	
27 Januari 2023 15.40 – 17.40 WIB	Webinar Ekosistem Haji dan Umrah bersama dengan UI Menelidik Kenaikan Biaya Perjalanan Ibadah Haji (BIPIH) 2023: Apakah Wajar dan Berkeadilan? Zoom Meeting	
18 Februari 2023 19.00 WIB – selesai	Forum Diskusi BPIH Berkeadilan dan Berkelanjutan TvMu Channel Youtube	
23 Februari 2023 09.00 WIB – selesai	Seminar Nasional Doktor Perbankan Syariah FEB UIN Konsep Istitha'ah, Biaya Ibadah Haji & Kualitas Layanan Ibadah Haji untuk Ekosistem Berkelanjutan Ruangan Teater Lt. II Fakultas FEB UIN Jakarta	