

Accountability in an *iTaukei* corporation: The case for a Fiji provincial company

Abstract

Purpose - The purpose of this study is to obtain insights into the systems of accountability within provincial companies in Fiji, utilising the theoretical construct ‘accountability web’ (Gelfand *et al.*, 2004).

Design/methodology/approach – The paper examines the notion of accountability webs (Gelfand *et al.*, 2004) by case studying a Fiji provincial company. An in-depth case study was undertaken on the Lau province. The Lau provincial company is studied, in order to analyse its accountability systems. Data was collected through content analysis of the annual reports and other information available in the public domain. Semi-structured interviews were conducted with the company executives and other stakeholders of the company.

Findings - The study provides insights into the systems of accountability practised by the Lau provincial company. Analysis of the entity studied revealed accountability has been influenced by the power distance in society, high levels of trust placed on those in authority coupled with low self-accountability, the culture of respect and silence, and the lack of attention to detail and planning. This has resulted in weak accountabilities being provided to the provincial population.

Originality/value - No prior study of accountability in developing economies makes reference to Gelfand *et al.* ’s (2004) work. It is possible that accountability configurations that Gelfand *et al.* discusses are not necessarily found in the accountability webs that can be constructed in such societies. The provincial companies of other provinces have all attempted to engage in their respective provinces at some time in their operations. This offers opportunities for future research, together with additional analysis on the cultural configuration of indigenous Fijian societies and their corresponding accountability system

Keywords Accountability, Accountability Web, Fiji, Lau province, Lau Provincial Company

Paper type Case Study

Introduction

“From the most primitive tribal systems to loosely structured alliances to the most sophisticated production systems, social systems of any sort demand, at some level, general agreement about expectations and rules guiding behaviour...social systems can be defined in terms of shared expectations...Thus, accountability is at the root of viable social systems, and all the more so in formal organisations.” (Frink and Klimoski, 2004, p. 2)

This paper analyses accountabilities in a form of business entity unique to indigenous Fijian society, the provincial company established by one of Fiji’s fourteen provinces, in the context of Gelfand *et al.*’s (2004) definition of accountability and the theoretical construct ‘accountability web’.

Gelfand *et al.* (2004, p.136) argues that much of the theory and research of accountability in organisations has focused almost exclusively on western contexts such as United States and Western Europe in the context of agency theory, focusing on the principal agent relationship. Gelfand *et al.* recognise the potential for mutual accountability and influence in a given setting, allowing them to arrive at the following definition of accountability,-

“the perception of being answerable for actions and decisions, in accordance with interpersonal, social, and structural contingencies, all of which are embedded in particular sociocultural contexts” (p.137).

Gelfand *et al.* then develop the accountability web concept which takes on a cultural perspective and posits how characteristics of accountability are influenced by the dominant cultural dimensions [1] in a particular society. The high power distance that exists between the indigenous Fijian chiefs and the indigenous population and the communal cultural values of indigenous Fijian society (*see* Davie, 2007; Rika *et al.*, 2008) make Gelfand *et al.*’s definition of accountability and theoretical framework, an appropriate tool to analyse accountability in provincial companies.

To understand the context in which the Lau provincial company was established, a brief historical background is provided.

Subsequent to annexing Fiji in 1874, Britain established provinces as administrative units installing chiefs as *Roko* (provincial governor) or *Buli* (district chiefs) among the indigenous population to maintain an orderly society, training them as provincial administrators (Durutalo, 1997). This entrenched a hierarchical authoritarian social system, where orders

filtered from the apex to the base and obedience, with allegiance filtered back from the base to the apex (Durutalo, 1997, p. 7).

The chiefs were elevated to greater status and authority in 1945 during the reorganization of the Fijian Administration, which gave leading chiefs almost full command over Fijian affairs (Norton, 2002). This strengthened their authority as provincial/district administrators, and established the chiefly authority as an autonomous body within the government of Fiji. The chiefly bureaucratic and political elite were projected as the guardians of indigenous Fijian identity, culture and economic benefits in the face of the growing Indian population[2] (Durutalo, *op cit.*, p. 138; Norton, 2002, p. 108). The reinforcement of the chiefly hegemony through the creation of provincial councils created a recognised political and social aristocracy within the indigenous Fijian community (Davie 2005, p. 522), which served to establish them as a group where authority is above question. While the influence of this aristocracy has been eroded at the national level by the coup d'état of 2006, chiefs are still highly influential in provincial affairs (*see Rika et al.*, 2008).

The provincial councils' role has evolved from provincial administration to one of facilitating indigenous Fijian participation in commerce with the establishment of one, or more, provincial companies to operate as their commercial arm. Provincial chiefs have typically taken a key role in establishing these companies and in some cases assuming roles as company executives. In conventional terms, these companies have not been a success, with such companies typically reporting losses.

This paper case studies the Lau provincial company, which would appear to be the stand out exception. The Lau provincial company was established in October 1971 at the instigation of the province's paramount chief at that time[3], who established the company with the financial assistance of the province, to operate as an investment vehicle. However, as investment opportunities on Fiji's mainland are far more substantial than those available in the Lau group of islands, the provincial company's assets are located on Fiji's largest land mass. These include investments in financial and real assets, including hotels and a tourist facility[4].

The balance of this paper is structured as follows. The paper begins with an outline of Gelfand *et al.*'s accountability web theoretical framework. Then traditional indigenous Fijian society's cultural accountability configuration is discussed. Next, the role of the provincial councils in contemporary Fijian society and their need to establish provincial indigenous

population's participation in the money economy is briefly discussed. It also reviews the activities of the provincial company for the Lau Province, the only profitable provincial company. The next section provides an analysis of accountability within the company, applying the accountability web theoretical framework. This is followed with a discussion on the analysis of the accountability web in the Lau provincial company. Finally, the paper concludes that accountabilities in indigenous Fijian society are such that commercial entities operated at the provincial level are unlikely to contribute to the economic development of the province they supposedly serve and offers suggestions for further research.

Theoretical Framework: Accountability Web

Gelfand *et al.* (2004, p. 136-7) argues that one of the basic ways in which cultures vary is the nature of their accountability systems. Members of a social grouping develop cognitive maps of how various individuals, groups and organizations are answerable or accountable to one another.

Gelfand *et al.* employ accountability webs to advance the cultural perspective on accountability in organisations. The accountability web is a 'cognitive map' (Gelfand *et al.*, 2004) which "specifies the expectations and obligations among individuals, groups or organizations". They demonstrate that "cultural forces for accountability are found at multiple levels in the organisation: individual, interpersonal and group context, and to the organisation at large, which form a loosely coupled accountability web or system".

In describing the characteristics of an accountability web, the connections in the accountability web between the 'individuals, groups or organisations' [5] need to be determined. Relationships among the elements, the direction of connection and the strength of the connection between the elements must also be determined. Additionally, structural alignment, web alignment and organisational alignment are crucial in understanding the nature of accountabilities (Gelfand *et al.*, 2004).

Connections in an accountability web are defined by their 'direction of connection' and 'strength of connection'. Gelfand *et al.* propose three types of linkages between the elements in an accountability web, which can be either 'unidirectional' or 'bidirectional' between elements and 'self-accountability', wherein one evaluates one's own actions or decisions and compares them with their own internal standards (Gelfand *et al.*, 2004).

The second descriptor of how elements are connected in an accountability web is the ‘strength of the connections’ between the elements. This refers to “the clarity and pervasiveness of the connections” between the elements (*ibid*, p.140). The strength of the connection can be seen in the “clarity of the standards and expectations that are expressed” and the pervasiveness of the connection between two elements is a function of the number of rules and obligations that one element has to the other.

There is a strong connection between the two elements when the norms, expectations, and obligations are clearly stated and understood by both elements, and this leaves little room for deviation from expectations (Gelfand *et al.*, 2004, p. 141). Such a strong connection due to high clarity in expectations restricts the possibility for the individual to negotiate the terms of the relationship. On the other hand, when there is a weak connection, there is little clarity in role expectations and this “permits one or both elements to negotiate the terms of the relationship”, and so the “nature of the accountability relationship becomes changeable” (*ibid*, p. 140).

The extent that expectations bind the elements together reflects the pervasiveness of the connection. Gelfand *et al.* further argue that taking a cultural perspective on accountability illustrates the culture-specific aspects of organizational functioning, providing insights into the unique cultural configurations of accountability that exist within that organizational setting.

Structural alignment is the extent to which individuals and groups’ expectations and standards are explicated in formal organisational policies, rules, and procedures (Frink and Klimoski, 2004, p.7-8). Hence, where there is high structural alignment, the accountability webs of individuals and groups would be “perfectly consistent with expectations enacted in organisational policies” (Gelfand *et al.*, p. 141). However, in an organization with low structural alignment, Gelfand *et al.* suggest that “expectations of accountability are dictated in formal mechanisms and will not necessarily reflect the perceptions of individuals and/or groups”.

Web alignment relates to the extent that the accountability webs held by individuals and groups are similar to peer-level individuals and groups in the organisation (Bracci, 2009). Organizational alignment refers to the collective perception of who is accountable to whom and the strength and pervasiveness of the relationships / accountabilities (Gelfand *et al.*, p. 142).

For effective functioning aligned accountability webs are important between individuals; groups and the organization are important, especially where there is intergroup coordination and cohesion. Misalignment can result in conflicts, confusion and intergroup coordination and cohesion would suffer.

Furthermore, Gelfand *et al.* argue that the primary cultural dimensions influence the norms and values of social systems, which in turn shape accountability webs of individuals in a society. The three primary cultural dimensions Gelfand *et al.* focus on are: individualism-collectivism, cultural tightness-looseness, and hierarchy-egalitarianism (power distance), linking them to the specific aspects of accountability webs and coincidentally establishing a distinction between cultures.

Gelfand *et al.* argue that there are four basic ways in which individualistic cultures differ from collectivistic cultures, in terms of accountability webs, *i.e.* cross-level connections, standards of accountability and nature of reactions to breaches of conduct.

Firstly, in collectivistic cultures, an individual's accountability is to entire groups, "which provide much of the expectations and monitoring for norm compliance" (Gelfand *et al.*, p. 144). However for individualistic cultures, "accountability generally rests with specific individuals, both for organizational successes and failures". Secondly, there exist differences in the number of cross-level connections. In collectivistic cultures "the group mediates the connection to the organization for the individual" (*ibid*, p. 145), whereas; in individualistic cultures "individuals primarily have connections to their immediate supervisors through rational contracts specifying particular expectations". Another difference relates to "extraorganisational sources of accountability". Expectations from family members and the society at large that would be highly salient in collectivist cultures, but not in individualistic cultures. Consequently, cross-level connections would be fewer in individualistic cultures compared to collectivistic cultures.

Thirdly, the manner in which standards are communicated, perpetuated and integrated into individual accountability webs is another way accountability in collectivistic and individualistic culture is expected to differ (Gelfand *et al.*, p. 146). In individualistic cultures; there is direct communication of standards which are formalized and explicit in symbolic forms in the social context. However, in collectivistic cultures there is indirect communication of standards, which "tend to be informal and implicit in the social context" (p. 145). Gelfand *et al.* stress that this would mean that even though the same standard can

be applied in individualistic and collectivistic cultures, the way it would be communicated would vary and comprehension of the standards would be dependent on an understanding of the social context.

Finally, the differences in accountability webs for differing cultural systems will lead to differences in reactions to breaches in codes of conduct in an organizational setting. This is due to the differences in the type and perceptions of cross-level connections in organizations. As such, in collectivistic cultures, the group is held responsible for any violation to codes of conduct. In contrast, the individual is held accountable for violations of codes of conduct, regardless of group membership in individualistic cultures.

The cultural dimension of hierarchy versus egalitarianism is related to the direction of connections in accountability webs, which can be unidirectional or bidirectional. In hierarchical cultures, standards are predetermined, based on ascribed status and it is people with high-power positions that set standards to be obeyed by subordinates (*ibid*, p.148). On the other hand, in egalitarian cultures “standards are based on abstract principles that are mutually adhered to by individuals, regardless of status”. Therefore, in hierarchical cultures the direction of connections is expected to be unidirectional, whereas, in egalitarian cultures the direction of connections is bidirectional pertaining to mutual accountability.

Gelfand *et al.* (p.146) referred to cultural tightness and looseness as contrasting cultural systems relating to the degree to which “norms are clearly defined and reliably imposed”. Hence, the nature of accountability webs within organisations of tight and loose cultures is expected to be differentiated by virtue of the strength of the connection and the degree of alignment of the accountability system (p. 147).

Gelfand *et al.* further argue that in tight cultures order and predictability are important. There are clear social norms. This is strictly enforced with little tolerance for deviance (*ibid*, p. 146). Organisations in such culture “are more likely to enact processes to ensure expectations are delineated in policies, practices and procedures to create predictability and order” (*ibid* p. 147) through explicit mechanisms in individualistic cultures or implicit mechanisms in collectivistic cultures. Such cultures develop shared understandings of accountability (*ibid*, p. 148), resulting in “more alignment in accountability webs among individuals and their peers (horizontal alignment), individuals and their supervisors (vertical alignment), as well as individuals within and between groups (group alignment)”.

Conversely, in loose cultures where “standards are fewer and more ambiguous” (Gelfand *et al. ibid*, p. 148), behaviours are not closely monitored and there are less severe consequences for deviance. Consequently, individuals’ understanding of accountability are more likely to vary resulting in a lack of alignment between individuals and groups with respect to accountability webs. Gelfand *et al.* suggest that this results in lesser predictability and order in the organization.

Gelfand *et al.* argue that in actual cultural systems the three cultural components would exist in combination and must be simultaneously considered to understand and predict the accountability behaviour that would exist in an organizational setting. Therefore, even though in reality any culture can have numerous forms of accountability webs existing, Gelfand *et al.* argue, a combination of the three cultural dimensions would create a particular accountability configuration that can be expected to exist in that social context. Gelfand *et al.* consider four accountability configurations [6] that could exist in a particular culture. These include: an individualistic, loose, and egalitarian configuration; a collectivistic, tight, and hierarchical configuration; an individualistic, tight, and hierarchical configuration; and a collectivistic, loose, and egalitarian configuration. The nature of these configurations is summarised in table 1.

[Insert Table 1 about here]

Interestingly enough, no prior study of accountability in developing economies makes reference to Gelfand *et al.* ’s (2004) work. It is possible that accountability configurations that Gelfand *et al.* discusses are not necessarily found in the accountability webs that can be constructed in such societies. While the collectivistic, tight, hierarchical configuration would appear to be appropriate to indigenous Fijian culture this configuration may not be found in reality. This study explores that issue.

Locating Traditional Indigenous Fijian Society’s Cultural Accountability Configuration

Mataira (1994) and other studies (Bracci, 2009; Gelfand, *et al.*, 2004; Laughlin, 1996) have recognised that accountability should not be seen as a culturally neutral phenomenon. Hence, “in order to determine what it means for an individual to be accountable in any given situation, we must look to the norms of the community, and determine what obligations the individual members of the group have to each other” (Mataira, 1994, p. 32). As Mataira (1994) stressed it is important to understand the purpose of those relationships, the processes

by which information is exchanged or communicated, and the meaning attached to that information.

Gelfand *et al.* (2004) has provided a cultural accountability framework whereby cultural dimensions shape the important aspects of accountability. This section will illustrate the primary cultural dimensions in indigenous Fijian culture and Gelfand *et al.*'s framework will posit the appropriate cultural accountability configuration.

Cultural Dimensions in Fiji

A brief review of indigenous Fijian literature has been undertaken to explain the appropriate cultural dimensions in indigenous Fijian culture.

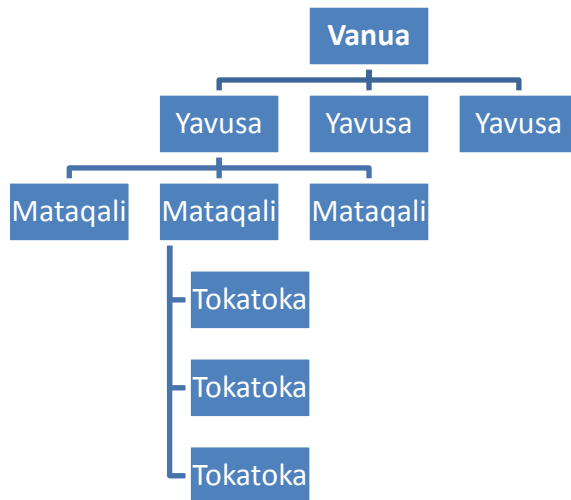
Collectivism

The dominant form of indigenous Fijian organisation is seen in its social structure (*see* Figure 1) and this defines relationships and obligations of individuals in the society. In a traditional Fijian village there are several 'Tokatoka' (extended family units) which are part of one 'Mataqali' (sub-clan). Several *Mataqali* will form to make a larger clan known as a 'Yavusa' (clan) and several *Yavusa* will belong to a certain land mass known as the 'Vanua' (confederation of *Yavusa* / tribe / chiefdom). Ravuvu (1983, p. 76) described the *Vanua* as:

"...the living soul or human manifestation of the physical environment which the members have since claimed to belong to them and to which they also belong. The people are the lewe ni vanua (flesh or members of the land) by which a particular Vanua (land in both its physical and social dimensions) is known to other outside groups. They are the social identities of the land, and also the means by which the land resources are protected and exploited for the sake of the Vanua, the people and their customs."

The classical indigenous Fijian social structure as illustrated by Ravuvu (1983, p. 77) is shown below.

Figure 1: *Classical Fijian Social Structure*



Source: Ravuvu (1983, p.77)

The various social groups who are subdivided according to blood and other kinship ties normally reside in a defined physical territory known as *Koro* (village) and a *Koro* may consist of several *Mataqali* (Nayacakalou, 1975, p. 21). The *Mataqali* is a collective unit, which collectively owns resources and is collectively responsible for its usage. Additionally, the *Mataqali* has a responsibility to the *Yavusa*, in terms of its specific role explained below and is directly responsible to the *Turaga ni Yavusa* (clan chief) or *Turaga ni Vanua* (paramount chief).

Hence, indigenous Fijian societies can be considered collective in nature, where it consists of a society which has a tightly knit social framework.

Large power distance / Hierarchical

In the indigenous Fijian social structure illustrated in *Figure 1*, each *Mataqali* has its own special role to play in the village society. Each *Mataqali* will be given a specific role and position in society, no *Mataqali* can have dual roles. Therefore, within a *Yavusa* there may be nine *Mataqali*(s) in these various roles: chiefs/leaders (*Turaga*); chief advisors and installers (*Qase ni Vanua / Sauturaga*); spokesmen (*Matanivanua*); priests (*Bete*); warriors (*Bati*); heralds (*Matake*); carpenters and craftsmen (*Mataisau*); and fisherfolk (*Gonedau*) (Seruvakula, 2000, p. 25-29).

As explained above the *Vanua* is made up of several *Yavusa*, however, one will be the *Yavusa Turaga* (chiefly clan), which will have several *Mataqali* where one will be the *Mataqali Turaga* (chiefly sub-clan) and will be predominant and head that *Yavusa* and *Vanua* as a whole. Similarly, within the *Mataqali Turaga* there are several *Tokatoka* of which one is the *Tokatoka* (chiefly family unit) will head that *Mataqali Turaga* and one member of that *Tokatoka* will be the *Turaga i Taukei* (paramount chief). It is the *Turaga i Taukei* who is the most prominent chief and will head the *Vanua*. However, other *Yavusa* and *Mataqali* will also have their *Liuliu ni Yavusa* (clan leader) and *Liuliu ni Mataqali* (sub-clan leader), but will all be subservient to the *Turaga i Taukei*. Qalo (1997) referred to such as the manifestation of ‘traditional authority’.

Therefore, it can be seen that in an indigenous Fijian society every individual is born into a *Mataqali* that has a specific role and position within that society. Only individuals born into the chiefly sub-clan can become chiefs and individuals born into the spokesmen sub-clan can become a spokesman. Hence, your birthright determines your status and role in society.

Cultural tightness / Strong uncertainty avoidance

Indigenous Fijian societies have tight cultural systems with social norms for various social situations, such as births, marriages, and deaths that are understood and followed by members of the society.

Seruvakula (2000, p. 43) explained

“...sa vakadeitaka makawa tu o ira na qase na vuda na sala vakavanua me yavu ni veitaratara ka i vakaukauwa ni veiwekani ena noda koro, tikina kei na veivanua e taudaku ni noda yavutu.”

Translated as

“...our forefathers from generations past have established firmly our traditional customs as a foundation to strengthen the kinship relations in our village, district, province and outside of it.”

Therefore as seen in *Figure 1*, Fijian social structure dictates the roles and interaction of individuals within an indigenous Fijian society. Seruvakula (2000, p. 30) stresses that each and every *Mataqali* role is considered highly and respected from the chiefly household, and if

the chief requires a task to be accomplished by one of the *Mataqali* according to their traditional role, he will send his spokesman with a *tabua* (whales tooth) or *yaqona* to the leader of that *Mataqali* to make known the chief's request. When the *Mataqali* has accomplished the chief's request, they will send word to the chief's spokesman, who will make this known to the chief and this will be met with a gift of appreciation from the chief.

Seruvakula (2000) explained that the *Vanua* represented by the paramount chief has authority over its members and any rebellion is not tolerated. Members who do not follow the decisions made by the *Vanua* in the olden days could be clubbed to death by the warrior clan known as *Bati*, or they may fall ill for no reason, or face an unexplained accident, or be chased out from within that *Vanua*. However, in modern Fijian society it is still characterized by "traditional authority, loyalty, obedience, reciprocity, and respect for authority" (Qalo, 1997, p. 111).

Accountability Constructs in Indigenous Fijian Societies

According to the accountability web framework by Gelfand *et al.* (2004), indigenous Fijian cultural accountability configuration is collectivistic/tight/hierarchical (*see* Table 1) and the following is to be expected:

- accountability to entire groups.
- many standards of accountability but they would be implicit, informal and indirectly communicated to society.
- low tolerance for deviance.
- high degree of monitoring.
- shared understandings of accountability.
- uni-directional accountability.

Background on the Lau Province and the Lau Provincial Company

The Lau islands lie in an arc some 150 to 200 miles east of Viti Levu, the main island of Fiji, and about 300 miles north-west of Tonga (Hooper, 1982). The Lau province comprises of fifty seven islands totaling around 490 square kilometers of which only 19 islands are inhabited, with a population of around 10,700 people living in the Lau islands and 57,485 Lauans[7] residing outside of Lau

(http://www.statsfiji.gov.fj/Census2007/census07_index2.htm).

Hooper (1982) explains that an understanding of the Lauan notion of chieftainship is essential to an understanding of Lauan society as a whole.

“The chieftdom of Lau has been an integrated unit under the authority of the paramount chief (Sau ni Vanua ko Lau) since the late eighteenth century... and recognize the authority of the Sau ni Vanua ko Lau[8] and participate in enterprises which he sponsors...” (Hooper, 1982, p. 47)

The Lau province has 13 districts (*Tikina*) and 72 villages. Each *Tikina* will have a number of villages and each village is further divided into *Mataqali*(s) (clans) and the *Mataqali* is further divided into *Tokatoka*(s) (extended family units). Each *Tikina* have their own chief and so does each village, however, the paramount chief for the Lau province is known as the *Sau ni Vanua ko Lau*.

Hooper (1982) explained that “...membership of exogamous clans is in most cases determined by patrilineal descent; children are born as members of their father’s clan...”

Hooper (*ibid*) in describing the interactions of groups of people in Lau noted that

“Honour and respect for elders is one of the fundamental codes of Lauan life and this is reflected in allowing precedence to elders, and especially to those who are leaders of their clans...this comes about naturally...” (p. 31)

“Forms of respect for the paramount chief are most marked, since he is the highest authority in the chieftdom of Lau...all minor chieftdoms recognize the authority of the paramount chief, the Sau ni Vanua, who resides at Tubou, Lakeba.” (p. 46)

Hooper (*ibid*, p. 33) further noted that it is not his intention to create an impression that

“...Lauan social life is restricted and rule-bound...”, however, these *“...are social graces that are learnt by all members of this society from childhood and their implementation is part of the natural flow of things...”*

“It is not a restricting convenience but an almost instinctive and therefore comfortable aspect of life.”

Lau Provincial Company

Fiji has fourteen provinces and each province has their provincial administrative office staffed by the *iTaukei* Affairs Board[9] (TAB), a provincial council, which comprises of provincial chiefs and elected representatives from the province[10]. With the growing need for economic development in the provinces, provincial companies were established, with the intention that the latter would look after the province's investments and supposedly contribute to provincial development.

To supplement central government finance to provincial councils indigenous adult males are required to pay a levy to contribute towards their provincial administrative office operating costs. This is payable whether an individual lives in their province of origin or not. In practice the burden of meeting the levy falls on those actually living in the province, collecting the levies from 'expatriates' proving to be virtually impossible. In Lau's case this can be particularly serious for the resident population, as the vast majority of its members live out of the province.

The Lau provincial company's share capital has been raised in a number of ways. It is by no means clear that shares have been assigned consistent with the contributions made by investors. The provincial council may have drawn on the levy in accumulating funds to provide equity for the company. Equity was certainly raised through communal fundraising activities and from statutory deductions, made from cash flows accruing to copra growers and communally owned plantations. The provincial council holds shares in the provincial company in its own right. Financial contributions to the council's funds would have facilitated this investment. However sufficient capital could not be raised within the province to sustain planned business activity. The provincial council itself made capital injections into the company by utilising an annual government grant of \$100,000 provided under a government funded Development Assistance Scheme (DAS). Instead of using these monies to fund village projects, villages were allocated shares in the company. Until the paramount chief's death in 2008 dividends accruing on shares held by the council were directly reinvested in the company. Dividends on all communally held shares have also been reinvested as a matter of course. Additionally, a number of shares are held by individuals from the Lau province.

Since 2007 additional capital has also been obtained from issuing 'B' class shares to Fiji's population at large. 'A' and 'B' class shareholders have identical rights to dividends, but B

class shareholders have no voting rights and are restricted to a single representative on the Board of Directors. The Lau provincial company has operated primarily as an investment vehicle.

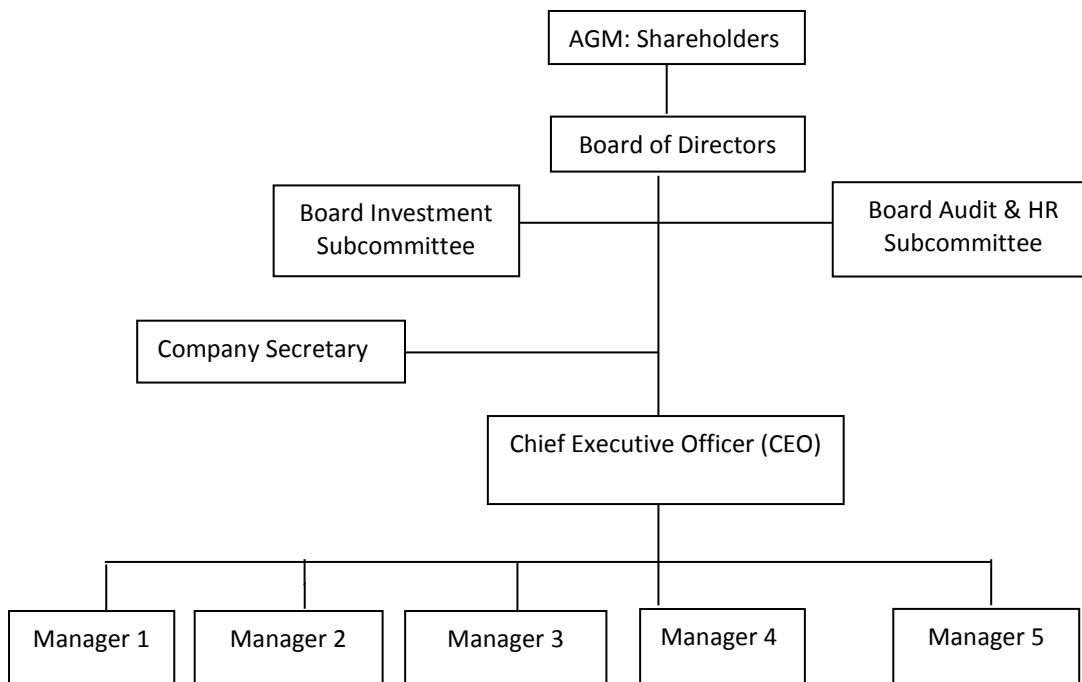
The company has twelve members in its Board of Directors[11], which is the maximum number of Directors as noted in the company's Articles of Association and the selection of the Board members as explained by the CEO is as follows

“Two Directors have like automatic seats which is part of the company's Articles of Association, which provides that a male and female heir of the founder get direct seats, and the Lau Provincial Council has a seat, than the second largest shareholder gets a seat, also two female directors chosen by the area they represent but elected at the AGM. B Class Director is nominated by the Board and approved at the AGM, so what has happened in the past is the larger Class B shareholders have put up names, this goes through the Board and Board nominates who to the AGM. The rest of the Board of Directors are elected at the AGM by the shareholders” ...” (CEO Interview Transcript, 2008)

Analysing Accountability Web in the Lau Provincial Company

The organisational structure of the Lau provincial company is illustrated below (*Figure 2*) to clarify the individuals, groups, and units that are part of the company's system of accountability.

Figure 2 *Lau Provincial Company Organisational Structure*



The accountability structure of the company follows from the above organisational structure, as confirmed in an interview with the company's Chief Executive Officer (CEO). This is where the Board of Directors is accountable to the shareholders of the company in the company's Annual General Meeting (AGM). The company's CEO is directly accountable to the Board of Directors, including the two Board subcommittees. Lastly, the five unit managers are directly accountable to the company's CEO.

At the organisational level, the external parties to which the company sees itself as primarily accountable to are the:

- Shareholders of the company; and
- Financiers of the company.

Shareholders, include the Lau Provincial Council (LPC) as well as shareholders from within the province such as *tikina* (s), villages, *mataqali* (s), family units and individuals.

The company's CEO in an interview explained:

“The company is accountable to shareholders including members of the province that are shareholders and our financiers ...”

Shareholders are seen as one and the same by the company, accountability to shareholders is mainly through the AGM and the disclosures provided in the annual report. Returns to shareholders (A and B classes) are primarily through dividends.

As seen from the *Figure 2* above, the direction of the connection is mainly unidirectional, that is, a one-way accountability relationship. That is the unit managers are accountable to the CEO without the CEO being accountable to them, and the CEO is directly accountable to the Board of Directors, without the Board of Directors being accountable to the CEO. The Board of Directors is then accountable to the company's shareholders. Additionally, the company is also accountable to the LPC during the annual provincial meeting and when the provincial administrative office makes its tours in the western and northern parts of Fiji, the company's team also accompanies them. Accountability in these latter cases, to members of the province, is primarily provided by the company CEO. The CEO is recognised by the *Tikina* representatives as the element to be held accountable for the affairs and performance of the Lau provincial company.

“...I believe this will be the CEO, because the Chairwoman[12] it will be quite hard to talk with her because of her status.” (*Tikina Representative 1 Interview Transcript, 2009*)

“This I believe is the CEO who runs the operations of the company.” (*Tikina Representative 2 Interview Transcript, 2009*)

Whereas, some *Tikina* representatives have a lot of respect for the company as it was established by the late paramount chief and feel it is not their right to question the affairs of the company.

“I cannot really say anything against who is to be held accountable in the company because our elders have always told us that the establishment of the company was by our late high chief. He established and saw to the operations of the company, we as members of the province are grateful for his foresight and the people who are now running the company. The beneficiaries are the different Tikina(s) and individuals who have invested into the company, who are given the freedom to invest their money

in their own provincial company.” (Tikina Representative 3 Interview Transcript, 2009)

Below is a discussion of the lines of accountability between the important elements in the company, identifying what are the standards and expectations that bind them together and if such standards and expectations are clearly stated and understood.

Board of Directors to Shareholders

The Board of Directors is accountable to the shareholders of the company in terms of the performance and operations of the company. Accountability is provided to shareholders via the AGM and the company’s annual report, as required under the company’s Articles of Association.

“The basic expectation is from shareholders is to get their dividends back...In a nutshell, the expectation at the end of the AGM is that they have a profit somehow and then they have some dividends declared. Basically every year there has been a 10% dividend declared and paid up no matter what profit we make...” (Finance Manager Interview Transcript, 2011)

The annual reports reviewed, for the years 2007-2010, meets statutory requirements with respect to the financials and governance. However there are no / minimal voluntary disclosures. Such narrow, economic, hierarchical forms of accountability as practiced by the Lau provincial company may actually lower any sense of responsibility towards the wider community (Butler, 2005; Messner, 2009).

Furthermore, the quality of accountability has been compromised to the extent that annual reports have not been produced and AGMs not held on a timely basis, the company’s AGM for the year ending 31st December 2007 held in August the following year. For the year ending 31st December 2008 it was held in September, 2009. Furthermore, Lau provincial company did not follow the rules[13] of calling an AGM in 2010 to discuss 2009 financial results.

“...last year the company announced to the public the week prior to the AGM...however, companies must announce 30 days prior to the AGM. Hence, in the last AGM most members from the province did not make it to the AGM. In this year’s (2011) AGM for 2010 financial results, prior notice was given and most representatives from the province were present to ask questions concerning the company finances...” (Trading Facility Officer Interview Transcript, 2011)

Accountability is also provided to its stakeholders[14] through the annual Lau Provincial Council meeting. The Lau provincial company since its inception has always provided a presentation to the Lau Provincial Council and their presentation as mentioned by the CEO

“... is basically a financial update and then it talks about the upcoming developments, and usually members of the provincial council have opportunity to ask questions on how the company is progressing and some of them even give their views on certain developments or certain proposed developments...” (Lau provincial company CEO Interview Transcript, 2010)

From a review of the Lau provincial administrative office 2009 annual report, it was noted that the company CEO presented the prospectus of the company during its visit to the western division of Fiji and stressed the need for all the people of the Lau province to individually or collectively purchase shares in the provincial company. Similarly, during their tour to the northern division of Fiji in July 2009 an issue was raised by the members of the province living in the northern division of Fiji.

“...if the assets strength of the company is over \$32 million, why is the province facing the greatest challenge of transporting people and cargo in and out of the islands.” (Lau Provincial Council, 2010)

The CEO’s response was

“...the company has no intention of going into shipping business and also the board does not approve of this business venture...” (Lau Provincial Council, 2010)

This was also highlighted in an interview

“...we don’t have any interest at the moment of providing non-economic returns to the province. We definitely will not go into shipping. On a social corporate

responsibility side we probably will look at some projects to assist the province with other partner donors, probably in two years' time.” (Finance Manager Interview Transcript, 2011)

In interviews and observation of the LPC meeting, it was observed that *Tikina* representatives and chiefs just have praise for the company and are satisfied with the reporting that they receive and in some instances are overwhelmed by the complexity of financial reports.

“I know the benefit it provides to us and to the province. The company has assets like no other provincial company and provides a good rate of dividends we benefit from. It is our responsibility as members of the province to invest in the company if we are to reap the benefits.” (Tikina Representative 3 Interview Transcript, 2009)

“Yes, the financial affairs of the company are normally explained well to the members in the meeting and we always get written reports from the company...” (Tikina Representative 1 Interview Transcript, 2009)

“...the company discusses its affairs at the provincial council meeting; both the CEO and Chairwoman will be there, members are happy to get clear explanations from them regarding the operations of the company.” (Tikina Representative 2 Interview Transcript, 2009)

“The information that is provided to us as reports from the company is normally all aggregated together ... It is in the provincial meeting that such information is explained by the CEO, then we are able to clearly understand the information provided...It is when we take this information to our Tikina that we face a big problem, as this depends on the education and knowledge of the Tikina Representative. If we the Tikina Representatives are educated and able to grasp the financial information disclosed we are able to explain it clearly as well to our Tikina members, otherwise than the Tikina Representative will just not be able to transmit this information back to the Tikina in a manner for the Tikina to understand it.” (Tikina Representative 4 Interview Transcript, 2009)

Additionally, the company is giving poor accountabilities to the province, where Class A shareholders are not getting adequate information. The majority of Class A shareholders have decided to reinvest their dividends into the company over the years in line with the advice given by the former paramount chief. However, the company has not reflected these

changes in the share capital of Class A shareholders. Thus, provincial shareholders reinvested without knowing the terms of reinvestment.

Additionally, an interview with an official from the Trading Facility through which the company shares can be bought and sold revealed that

“...shareholders from the province have requested the company to provide the annual report in the Fijian language similar to that of Fijian Holdings Limited[15], as they could not understand the complex language of the current annual report.” (Trading Facility Officer Interview Transcript, 2011)

Hence, the Board of Directors have a moderate connection to the shareholders, as accountability is only provided to shareholders on an annual basis through the company’s AGM and annual report, as stated in the company’s Articles of Association. However, currently the timeliness of disclosure to shareholders is determined by the Board of Directors, in terms of when the AGM is held and annual reports to be provided to shareholders. Annual reports are provided only in the English language with complex terminologies that cannot be understood by the provincial shareholders.

Challenges to accountability within the company include the traditional custom of respect and not asking questions, for “to ask a question is to doubt” (Qalo, 1997, p. 116). Traditional authority has dominated in decision-making without providing the necessary accountability. There is reluctance by the board of directors to address and expose limitations that existed in the company. As Qalo argued this was tolerated, in order not to lose face.

Chief Executive Officer to Board of Directors

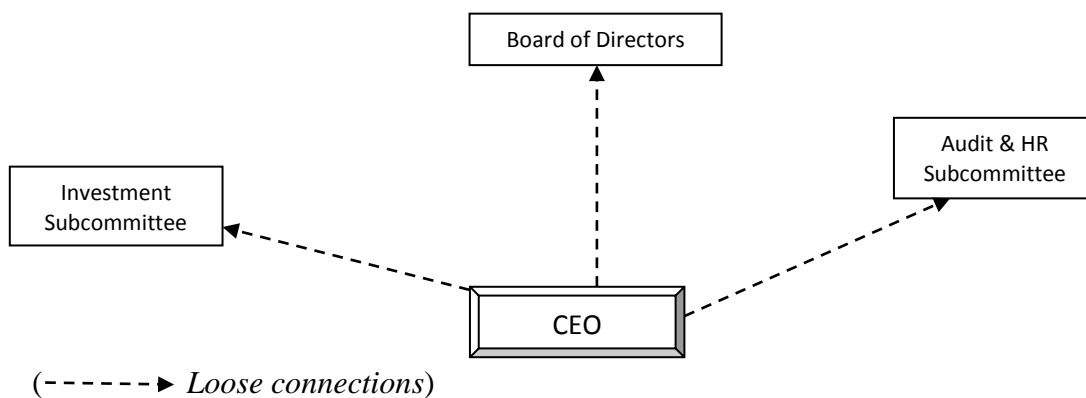
One of the Board of Directors main responsibilities is to draw up the company’s Corporate Plan, which is for three years and this sets out what the company will achieve within the three-year period. It is from the Corporate Plan that the CEO’s performance targets are determined and this is assessed annually by the Board of Directors.

The CEO is fully accountable to the Board of Directors for the operations of the company as a whole, as well as to the two subcommittees.

“...we also have two Board sub-committees, to the Investment Subcommittee quarterly we submit like an investment performance report, for them to assess how our investments are doing and if there are any issues basically I have to answer to it. There is also an Audit & HR subcommittee; we have to provide monthly reports for them to see how we’re tracking in terms of our performance targets.” (CEO Interview Transcript, 2010)

“...the subcommittees are really like the so-called engine rooms, for they usually go through the investment proposals, the financial reports and they report to the full Board.” (CEO Interview Transcript, 2010)

Figure 3 CEO’s Accountability Web



The CEO has to report to the monthly Board meetings, and ad hoc subcommittee meetings. This was mentioned by the CEO (Interview Transcript, 2010)

“...on a monthly basis basically we have Board meetings and we submit management reports and the various papers that go with the Board meeting...Basically I submit reports to them when they meet and we’re assessed on whether we are on track or not and why we’re not on track...but reporting line is basically to the Chair of the company.”

In the company’s annual report and confirmed by the CEO in the interviews, the CEO provides the following to the Board of Directors

- Management updates
- Financial updates
- Business investments update

- Other issues that may arise in the company

However, the Finance Manager (Interview Transcript, 2011) explained

“...to be honest the board was given very limited information. The board requested for financials but they were never produced, hardly given, when it was given it was just in a nutshell no details, no analysis, so the board was quite in the dark on what was happening.”

“...There were few questions raised but no follow-ups because at the end of the day there was a lot of trust. If you look at this company, the first ever CEO of the company after his retirement, his son was appointed as CEO. There was a lot of trust put on him. There was no monitoring on the activities of the CEO or on his reports to the board.”

In terms of strategic and operational decisions for the company, the Board of Directors still has the autonomy of making the decisions, as explained by the CEO (Interview Transcript, 2010) in the two interview excerpts below:

“I went to the Board with a proposal to further delegate cheque signing, that I only sign off on cheques above a certain amount, and I got told that you have to sign every cheque as a second signatory, so in other words they expect me to be their eyes and ears. You know I was thinking with the volume of work it might make it easier and efficient, if I’m not here.”

“By way of every investment decision that is made by the company, the decision is made by the Board, I merely recommend, so by way of control there’s still a bit of control at the Board level but for most of the investments, recommendations are made and then decision made by the Board whether to invest or not, there’s healthy discussions and debates on certain investments and proposed investments.”

However, further follow-up interviews with the company revealed that the CEO was not providing the correct information to the Board of Directors to base their decisions on. This is as the CEO has complete autonomy in preparing the reports for the board of directors and he also was in full control of the operations of the company.

“The previous CEO was providing weak accountabilities to the board. He provided a good overview but he provided the overview of the company operations in such a way, as not to be questioned. The board were always been given financial conditions that was always good. Therefore, the board had a difficult task on knowing what was happening. Thus, the content of the monthly reports that were being provided were not good for the BOD to base their decisions on. The board was in the dark on a lot of dealings the company was doing...” (Manager Finance Interview Transcript, 2011)

Also highlighted is the fact that even though there were subcommittees in place to monitor the operations of the company, there were no explicit standards on accountability and the CEO was able to negotiate his accountability to the board of directors and the subcommittees.

“There were vague standards of accountability and he (CEO) decides what to report to the board and in what format.” (Manager Finance Interview Transcript, 2011)

There is a unidirectional connection between the former CEO and the various elements of the Board of Directors to which he is accountable. The strength of the connections can be said to be weak, as there is little clarity in the role expectations of the CEO by the Board of Directors. The high level of trust and the autonomy to make decisions in the company given to the former CEO without being questioned, allowed him to negotiate his accountabilities to the board and the shareholders of the company.

“The company owned by the provinces, the culture is such that the board hardly questions those in power and those in power have abused it to a lot of extent...”
(Finance Manager Interview Transcript, 2011)

The CEO is entrenched in an individualistic, loose, hierarchical cultural accountability configuration. This is as the CEO takes on the roles expected from the Board of Directors for the CEO to perform. The standards of conduct and accountability are implicit and vaguely defined for the CEO. However, as the CEO had full autonomy in the operations of the company and insufficient monitoring, this led to lack of responsibility and manipulation of reports to the board of directors.

Unit Managers to the Chief Executive Officer

There are five managers in the company who all report directly to the CEO daily. The five managers have different responsibilities according to the units that they are in charge of and are all fully responsible for the operations of their individual units. The CEO (Interview Transcript, 2010) explained that the managers

“...send in excel reports everyday where its uploaded into our system and then our finance person downstairs then will just go through the reports and then every so often the officer does a spot check at the hotels, apartments ...the daily reports are mainly financial reporting, but like for the Hotels, the manager also provides a report about the occupancy, staffing, to keep tabs on what is going on.”

The CEO has significant control of the operations of the hotels, as highlighted in an interview with one of the hotel managers.

“Shareholders from the province (A-Class) can get corporate rates to the hotel rooms; however, this must be approved by the CEO. They normally directly ask the CEO and the CEO will tell us what to charge.” (Manager 1 Interview Transcript, 2011)

Hence, there is a unidirectional connection between the managers and the CEO, and the strength of the connection is strong, as managers understand their roles and responsibilities of managing their units, which is clearly stated in their employment contracts. Additionally, the manager is connected to the CEO through a number of expectations, such as the daily reports, random spot-checks and interpersonal communication norms.

Chief Executive Officer to Financiers

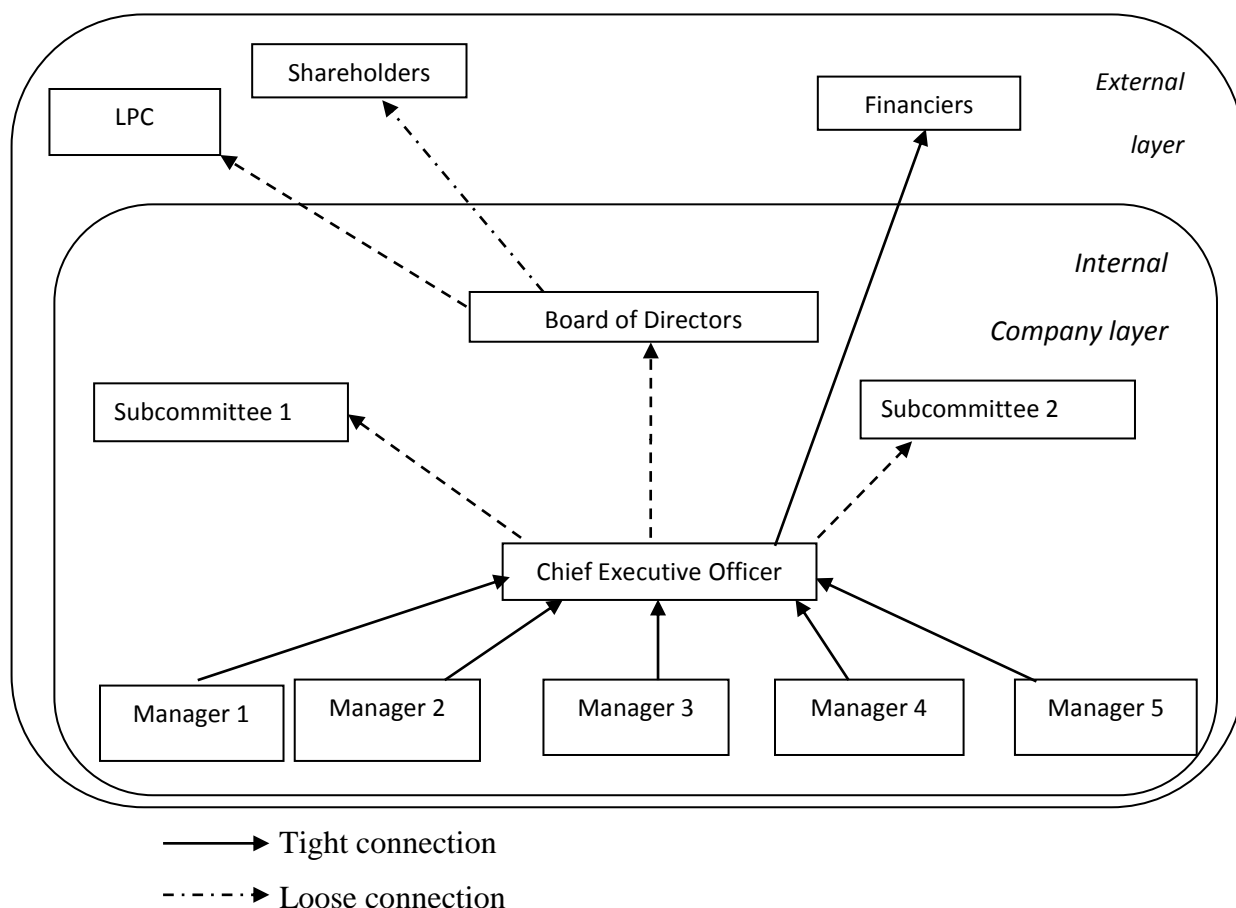
The CEO is also accountable to the company’s financiers due to commitments they have made. The financiers and the CEO have a strong connection, as the CEO understands that in order to maintain a good relationship with the financiers; he must meet their reporting requirements.

As explained by the CEO (Interview Transcript, 2009)

“...we have certain commitments that we need to live up to, like to one of our financiers we have to provide quarterly financial reports but again that’s just their own reporting structure and then we meet on a quarterly basis for me to update them how the company is performing, another is annually, but in terms of reporting structure I think it’s more just a formality for them to see that the company is on track and in a position to meet its payments and commitments to the bank.”

Constructing Accountability Web in the Lau Provincial Company

Figure 4 *Accountability web in the Lau provincial company*



The accountability web of the company (see Figure 4) shows a hierarchical form of accountability with the CEO being accountable to various parties on the affairs of the company. There is weak upwards accountability from the CEO to the Board of Directors and

its various committees. The board of directors has placed a high level of trust on the former CEO, not monitoring nor questioning the reports and activities sanctioned by the CEO.

Accountability to shareholders is in accordance to the company's Memorandum of Association, through the AGM and the annual report to the shareholders. However, since 2008 the AGM has been held late (September) and the company had not given appropriate notice to allow provincial shareholders to be present on one occasion. Recognizing, that the provincial council was an initial investor and is a major shareholder in the company, the company also makes a presentation at the annual provincial council meeting. This is the only form of communal accountability provided to the province. Owing to financial considerations this meeting is held on Fiji's mainland, with the resident population usually represented by Lauans who have emigrated to the mainland. Accountability of the company to resident Lauans is therefore nominal at best.

Whittington (2008, p. 145) explained from the agency theory perspective, management has the scope for free action and needs to be monitored by the shareholders. Hence, the management presents the financial accounts to the AGM and shareholders can use such information to monitor and enhance the performance of management. However, Jones and Dugdale (2001) argue accounting must be first accepted as a useful language and a relevant analytical tool, only then can it be called forth in systems of accountability. Hence, for the case of the Lau provincial company the majority of the shareholders resident in the province do not find accounting a useful or relevant language and are not able to understand the financial accounts nor able to monitor or enhance the performance of management.

The forgoing analysis indicates that the cultural traits of the Lau province should call for an accountability configuration that is collectivistic, tight and hierarchical. However the company depicts an individualistic, loose and hierarchical cultural accountability configuration, internally and externally. The locus of accountability is with the self, supervisor, and the organisation; the standards of conduct for the CEO, unit managers and Board of Directors are vague and implicit. Unit managers are accountable to the CEO; the CEO is accountable to the Board of Directors; and the Board of Directors is accountable to the shareholders. However, without clear explicit standards of accountability for the various elements, accountability between the elements will be open to negotiation.

The hierarchical culture within the company is prominent as the late paramount chief is the founder of the company and was the Chairman and currently, his daughter is the

Chairwoman. It can be seen that the late paramount chief made the decisions concerning the company. These included decisions

- on the investment of provincial development funds into the company.
- the selection of the board of directors.
- to reinvest the LPC dividends into company.
- that two directors of the company are from the founder's family.

Bracci (2009) highlighted that where there is autonomy without accountability, this may lead to lack of responsibility in the organization. For without providing accountability, nobody is able to question the responsibility of the CEO in the proper use of resources or achievement of objectives. Hence, in the company there were appropriate structures in place for the CEO to report to, however, as there was no monitoring on the CEO's performance or reports, the accountability provided to the board of directors was misleading. This is a result of the high level of trust placed on the CEO, which has led to the "...use of communal forms of accountability, where expectations are left ill-defined and ex-post probity and legality forms of reporting are likely to be accepted (if needed at all)." (Laughlin, 1996, p. 230)

The accountability web frameworks of the company was first developed through the founder and further developed by the Board of Directors, and the Chair. The company considers itself just like any other company that is only accountable to the shareholders in the annual general meeting but also considers the interests of its founding shareholders and reports to them as well in their annual provincial council meetings.

However, the challenges to accountability within the company include the traditional custom of respect and not asking questions, for "to ask a question is to doubt" (Qalo, 1997, p. 116). Traditional authority has dominated in decision-making without providing the necessary accountability. There is reluctance by the board of directors to address and expose limitations that existed in the company. As Qalo (1997) argued this was tolerated, in order not to lose face and authority. Velayutham and Perera (2004) found there tends to be a low degree of accountability in collectivistic and large power distance societies. Such societies have a preference for confidentiality and restrict disclosure of information to those closely involved with its management and financing (Qalo, 1997).

Conclusion

The province assisted the Lau provincial company financially in its formative years, by channelling funds to it, through the copra development fund, harvest of pine plantations, the government development assistance scheme to the provinces and provincial festivals (fund raising activities), the decisions being made by the late founder and former chair of the council, together with other Lauan elite, whose judgments are considered above question in the Lauan culture.

The company's vision and mission statement outlines the company's explicit objectives, which includes:

"...aspire to become one of Fiji's most successful investment companies."

"...being the preferred investment choice for the people of Lau."

The company's strategic goals include "enhancing and protecting our shareholders". The company's CEO states that the company only operates for the benefit of its shareholders and the province will get their returns in the form of dividends.

Given Lau is a maritime province, the population may have looked to the provincial company to provide shipping services, operating wharves, investment in agriculture and fishing activities, building ice plants and the like.

As a consequence of weak external accountabilities the provincial company has not been directed to operate in this manner. Instead of operating to promote economic development in the Lau province, the provincial company has actually drawn resources from the province and invested them elsewhere. Central government monies allocated to provide development assistance in the province has also been redirected to the company. The directors representing the A class shareholders all live on Fiji's mainland, so although the majority of Class A shareholders reside in the province, they are effectively disenfranchised. Accountability provided to Class A shareholders residing on Fiji's mainland has enabled these parties to challenge the direction the company has taken, but to date with no real success. These shareholders have however received some incidental benefits over and above their dividend payments being able to access accommodation at the Company's hotels at discounted prices and through living in the economy that the company has invested in. Only since 2008 have dividends from the Provincial Council's shareholding been used to sustain its activities. With cuts in central government funding to the provinces it is by no means clear that their

dividends have been channelled to development work, or simply used to sustain the provincial council's administration. It is impossible to escape the conclusion that the company has retarded economic development in the Lau province rather than enhanced it.

The literature shows that accountability is central to providing effective functioning within entities, as it ensures the discharge of responsibility by those in charge (Bracci 2009; Velayutham and Perera, 2004). Accountability of the company follows an individualistic/loose/hierarchical configuration, that is accountability from the unit managers to the CEO to the board of directors to the shareholders. It is based on agent principal relationships found in developed western economies. However, there were weak connections between the elements, as there is little clarity in role expectations permitting the CEO to negotiate the terms of the relationship with the board, changing the nature of accountability. Additionally, the processes of accountability in the company were implicit and there was no monitoring of the performance and reports of the CEO. The board had placed a high level of trust on the CEO creating the potential for value conflict. This is as high trust leads to the use of communal forms of accountability where expectations are ill-defined (Laughlin, 1996). Ultimately this led to the dismissal of the CEO of the provincial company.

The company's individualistic/loose/hierarchical accountability configuration results in operations based on the decisions of the elite few, without being questioned on how resources have been utilized or the achievement of objectives. Without change in the accountability configuration may perpetuate the company's failure to provide returns to its shareholders through either distributable dividends or services can be expected to continue. The established accountability configuration has allowed the company to operate in the interests of management, to some extent the interests of the provincial council administration and certain parties with high social status within the province.

Indigenous Fijian culture, however, still influences accountability, especially the large power distance in societies (*see* Davie 2005, 2007), the high levels of trust placed on those in charge coupled with the lack of self-accountability, the culture of respect and silence, and the lack of attention to detail and planning (Qalo, 1997) all promote weak forms of accountability. Strong forms of accountability can be practiced by communities. This requires explicit, unambiguous documented procedures to be established. Additionally, such standards of performance and accountability have to be monitored with consequences for deviance established, in order to be taken seriously. Similarly, Ratuva (2002) recommended that the

economic feasibility and credibility of such indigenous owned companies needs to be facilitated by a clearly defined system of constant monitoring and a transparent reporting process (*ibid*). Reconstructing accountabilities can impact favourably on the efficiency and effectiveness of the provincial administration system and the commercial arms of the provinces. If prevailing cultures impede such a transformation the Fijian administration may be obliged to conclude that provincial development cannot be delivered by companies established and influenced by provincial councils.

While this conclusion is drawn from an analysis of one province and its related company, it must be born in mind that all other provincial companies have been consistently unprofitable [16].

Companies set up by the other provinces have all attempted to engage in their provincial economies at some time in their operations. This offers opportunities for future research, together with additional analysis on the cultural configuration of indigenous Fijian societies and their corresponding accountability system. Future research can explore how changes in indigenous Fijian societies have impacted, or failed to impact on the nature, forms and processes of accountability. Additionally, further studies can be undertaken on the other provincial companies to identify how cultural factors impact on internal and external accountability and their effect on the efficiency and effectiveness of such companies.

Notes

1. That is referring to the primary cultural dimensions of ‘individualism and collectivism’, ‘cultural tightness and looseness’, and ‘hierarchy versus egalitarianism’.
2. The Indo-Fijian population first came to Fiji as a result of the economic imperatives of colonialism. This necessitated the import of indentured Indian labourers to Fiji between the periods 1879 to 1916 to extract profit from the sugar plantations (Ghosh, 2000).
3. Who was also prime minister of Fiji during this period.
4. Individual shareholders of the provincial company could benefit from discounted rates when staying at the hotels.
5. Hereinafter, referred to as ‘elements’.
6. Gelfand *et al.* (2004) locates eight different accountability configurations but discusses only the above four.
7. These are the individuals from the Lau province who have migrated from the islands and are now residing outside of the Lau province in the rural and urban centers of Fiji.

8. Also referred to as the 'Tui Nayau', who is the paramount chief of the Lau province. The latest holder of this title was the late Ratu Sir Kamisese Mara. The successor to this title has not been installed since the death of the late paramount chief in April, 2004. Extended vacancies of this kind are commonplace in Fiji.
9. The TAB is responsible for the Fijian Administration, which includes all the provinces in Fiji.
10. A provincial council shall be made up of *mata-ni-tikina*(s) (*Tikina* representatives); *Tikina* chiefs; women's representative; youth representatives; and urban dwellers representatives (Fijian Affairs Provincial Councils Regulations, 1996).
11. Numerous attempts were made to interview the board of directors but the author was referred to the former CEO and when the former CEO was relieved of his role, the author was referred to the Finance Manager.
12. The current chairwoman is the daughter of the late paramount chief and also wife of the current President of Fiji.
13. Fiji Companies Law Section 135(1) (a) 'Length of notice for calling meeting'.
14. The provincial council represents the interests of the province and majority of provincial members invest in the company through their monetary contributions to the provincial council.
15. FHL (2012) was founded in 1984 to accelerate indigenous Fijian participation in the economy. It operates as an investment vehicle. Its shareholders include Provincial Councils, which were allocated shares to be paid for from initial dividends, other Fijian institutions, *Tikina* and village groups, Fijian co-operatives, individual Fijians and family companies. FHL is quoted on the South Pacific Stock Exchange restricted list. That is to say, its shares can only be held by indigenous Fijians.
16. Another provincial company is the subject of a separate study. In this case serious shortcomings in accountability between the company and the provincial population were also found.

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Appendix

Table 1: Cultural dimension and impact on accountability web

Cultural Dimension	Characteristic of accountability web
Individualism	<p>Locus of accountability forces is at the specific individual level</p> <p>Little number of cross-level connections</p> <p>High self-accountability</p> <p>Formalized and explicit standards, communicated directly to individuals</p> <p>Individuals are held accountable for violations of standards</p>
Collectivism	<p>Locus of accountability forces is at the group level</p> <p>High number of cross-level connections</p> <p>Extraorganisational sources of accountability highly salient</p> <p>Informal and implicit standards, indirectly communicated to society</p> <p>Groups held culpable for violations of standards</p>
Loose	<p>Fewer norms, standards</p> <p>Unclear norms, standards</p> <p>Standards are proposed and interpreted</p> <p>Less monitoring of norms, standards</p> <p>Less severe consequences for deviance</p> <p>Divergent understandings of accountability</p> <p>Low structural alignment</p>
Tight	<p>Many norms, standards</p> <p>Clear norms, standards</p> <p>Standards are imposed and received</p>

	Monitoring of norms, standards Severe consequences for deviance Shared understandings of accountability High structural alignment
Egalitarian	Prevalence of bidirectional connections
Hierarchical	Prevalence of unidirectional connections

Source: Adapted from Gelfand *et al.*, 2004 (p. 144)

Glossary of *iTaukei* words

<i>Buli</i>	a Fijian administrative official who was in charge of <i>tikina</i> or district affairs during the colonial era
<i>iTaukei</i>	indigenous Fijian
<i>Koro</i>	an indigenous Fijian village, where there may exist various <i>tokatoka</i> , <i>mataqali</i> who may all be part of a <i>yavusa</i>
<i>Lauan</i>	an indigenous Fijian with paternal links to the Lau province
<i>Mataqali</i>	a sub-clan which is composed of one or a number of extended families (<i>tokatoka</i>)
<i>Ratu</i>	a title given to a male chief in parts of Fiji only
<i>Roko</i>	(i) in the colonial era this is a title given to the holder of a chiefly office (ii) an administration official in charge of a province
<i>Tikina</i>	the subdivisions/districts within one province which is usually based on pre-colonial <i>Vanua</i> structures

<i>Tokatoka</i>	extended family group traced patrilineally
<i>Tui</i>	king
<i>Turaga</i>	title given to the headman which can be a chief or a commoner holding some important post e.g. <i>Turaga ni Koro</i> (village headman); <i>Turaga ni Yavusa</i> (the leader or headman of a clan) etc.
<i>Vakavanua</i>	following traditional protocols
<i>Vanua</i>	all the resources i.e. human and non-human in a defined boundary; <i>Turaga ni Vanua</i> – may refer to the chief within a defined boundary or all adult titled males within a defined boundary
<i>Vola ni Kawa Bula</i>	a listing of all indigenous Fijians according to <i>tokatoka</i> , village, <i>vanua</i> , <i>tikina</i> , <i>mataqali</i> , and province
<i>Yavusa</i>	is a clan which is the largest kinship group within the context of a <i>Vanua</i> ; within a <i>Yavusa</i> there may be more than one <i>mataqali</i>