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THE DISTURBED SOCIETY AND OUR PROFESSION

An accountant with an impressive record of active concern for and involvement in the affairs of society discusses some of today's most complex and challenging problems and suggests ways that accountants can act to resolve the dilemmas.

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There is an ancient Chinese curse which in effect says, "may you live in interesting times." If one believes in reincarnation, he would swear that every enemy of those ancient Chinese was reborn in the 1960s and 70s.

Certainly, these times are more than "interesting." They are the most crucial and perilous times for mankind since it was threatened with total extinction by the Biblical flood.

The Role of Women

They are also among the most significant, poignant and opportune times in history. Today many women have decided—and with good reason—that obtaining the vote fifty years ago and the progress they have made since then have not been enough. The struggle for equal opportunity for women—as we have seen in the past year—is accelerating. I predict that the rate of acceleration will increase.

But the success women have achieved to date, regardless of how anyone interprets it, has unquestionably placed the American women in business and industry at a crossroad. They can continue on the road they have been following in furthering their own careers, or they can take a fork in the road—I would call it the *right* fork—in capitalizing on their rising stature in business, industry and government to involve themselves meaningfully in the social problems of our times.

Despite the militancy which has come to the surface recently, many working women have for many years been quietly and deter-

minedly strengthening their positions through their abilities and expertise as well as their special insights and the other qualities which are unique to the feminine personality. The structure and the influence of the American Woman's Society of Certified Public Accountants and the American Society of Women Accountants confirm the degree of accomplishment that determined women have achieved. These organizations have helped to take the woman in business off the pedestal and put her squarely on her feet beside the men who are her professional partners. Women accountants have made a most meaningful contribution to the cause of equal opportunity for women because they have demonstrated that sex is no barrier to competence, sound judgment, professionalism and responsibility.

These talents should not be confined to business practice alone for they are critically needed in the public sphere. Indeed, women accountants have a special input to make to society today for they are in a key position to lead the way for new opportunities for all people. The special qualities and qualifications of women which are showing up more and more each day in the business world should now be devoted to help alleviate, if not solve, many of the major problems which make today's society so excessively "interesting."

This challenge goes to women accountants not as women and not even as business women, but as very special individuals whose training and experience can be put to work for the benefit of society as we would want it to be.

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In 1970 Mr. Linowes was a member of a State Department mission to India to advise on economic management problems. In the late 1960s he undertook a mission for the United Nations Industrial Development Organization in Pakistan, Iran, and Turkey to assist those countries with their economic development programs and also headed a mission to Turkey, sponsored by the United States State Department and the Turkish Management Association, to assist that country with its economic development program through the establishment of an accounting profession and the improvement of management standards.

Mr. Linowes is a former Vice President of AICPA and is serving now as Vice Chairman of the Institute's Trial Board. He is also Chairman of the Professional Advisory Board to the Department of Accounting, University of Illinois (his alma mater) and Chairman of the National Council, U.S. Peoples Organization for the United Nations.



The Accountant and Public Service

Every profession worthy of the name has a common attribute—the concept of public service. This concept is two pronged: to perform the function of the particular discipline well so that society may engage its services with confidence; and to assume a fair share of responsibility for alleviating society's problems—to “give a damn” about our fellow man, our environment and the future.

Recently, perhaps the most penetrating observer of our time, Dr. John W. Gardner, warned of “the danger of creeping disaster that overtakes a society which little by little loses a commanding grip on its problems and its future.”

We do have creeping disaster—strikes, campus riots, construction worker gangs, draft dodgers, murderers, drug users. Our pluralistic society which once was our great strength and pride is pulling apart at the seams, with group pitted against group. Viet Nam and Cambodia are ripping apart the fabric of American democracy.

By training and by practice, accountants, as consultants to management, help solve problems. We are well qualified to find answers and solutions and to design systems to aid and strengthen businesses. These same talents, employed through our organizations with their dynamism and authority, can play key roles in supporting and protecting our democratic institutions. We must not continue to shield ourselves in neutrality; we must involve ourselves wherever involvement is needed.

Such involvement requires that we speak out with dignity and force, that we take public stands on vital issues of the day—especially in those matters in which we are uniquely qualified.

The most casual reading of newspaper headlines will show that there is no dearth of issues which can involve us, and one of the most crucial is the much-discussed but little understood area of ecology.

As accountants, we are almost wholly oriented toward private property. Our past close association with business has given us common interests with those who are responsible for privately owned property. As a result, we have tended to ignore property which falls in the public domain. One of the major causes of pollution in our society is that people do not accept responsibility for things they do not own directly. No one directly owns the air, the water, the wilderness, and therefore these priceless resources are thoughtlessly polluted and destroyed.

In many ways, accounting epitomizes the

Establishment. We give credibility to what vested interests report and say. In the eyes of restless young people, we are the protectors and defenders of the status quo because the nature of our calling is to examine the past, attest to the credibility of its reports, and then help guide established institutions to plan, based on traditional measurement standards.

Who better than we can show the “now” generation that we care—that we also are restless for constructive change.

Changes in Today's Organizations

However, computerization has accelerated change at a rate that would have been incomprehensible a few decades ago. Institutions which were created and developed during slower-paced times cannot keep pace and are breaking down. Foremost among the casualties are organizations as we have known them in the 19th Century and early 20th Century.

In talking about business structures, John Diebold makes the point, “Today's business organization structure is a legacy of the first Industrial Revolution . . . We are in a position to build information systems that transcend the compartmentalized structure of business organization. Much of the difficulty experienced in putting these new tools to work in recent years results from the fact that their use clashes with our fundamental organization system, a problem not yet recognized by many organizations.”¹

An organization must adjust to indigenous needs and values of its own time or it will cease to have meaningful purpose. In its gasps for continued life, sometimes it becomes corrupt, professing to perform what it knows it cannot. *Society is burdened with a number of corrupt organizations.* They are all about us.

School systems profess to teach our children reading, writing and arithmetic, but all too often they do not.

City governments profess to administer urban areas in the best interests of the inhabitants, but all too often they do not.

Police departments profess to protect the life and property of our citizens, but all too often they do not.

These breakdowns are often the result of organizational decadence—environmental needs out-distance and overcome rigid organizations, making them obsolete.

This is what has been happening with our cities, which first evolved as independent oases of urban life in the midst of rural countryside

¹John Diebold, *Man and the Computer*, Frederick A. Praeger, New York.

or along a barren coastline. Institutions to govern such an environment were created and expanded over the decades. While these organizational structures became rigid, the surrounding countryside grew in population and in industrial facilities so that today the geographical boundaries of New York City no longer delineate any meaningful physical separation. The areas of Northern New Jersey, New York City and surrounding counties, and Southern Connecticut have become one massive megalopolis, while the governmental organizations originally created continue to try to maintain their separatism. It just cannot work. Economic and social realities in urban areas no longer fit within the prescribed antiquated local government organizations, resulting in what has been often referred to as the "crisis of our cities."

One form of organizational decadence is over-organization. This often develops when a particular function outlives its need while the institution for executing the function continues. Any new action which is undertaken as a replacement for the old function is implemented by the establishment of an entirely new organization on top of the one that was there.

When the disturbed youth of our campuses throughout the world attack the Establishment, they are expressing their disdain for calcified organizations which have long forgotten their purposes and do not know how to respond to the needs of our times. These institutions have grown huge by feeding on themselves—one division busily shuffling papers which another division self-importantly created, which in turn a third division neatly files away, all without current reason or purpose.

Sooner or later every function becomes obsolete. When an organization is permitted to coast along without critical self-analysis and redesign, layers of structure are created one atop another. This form of bureaucracy results because there is no clearly identified responsibility assigned to anyone for pruning back superfluous branches and sections.

Clearly fixing responsibility and authority for weeding out unnecessary or even stifling segments is at least as important as fixing the responsibility and authority for enlarging an organization when the work load requires it. In practice, the human propensity for expanding operations leads administrators at every level to usurp authority for building up their departments. No one wants to cut back an organization which he heads; the less he controls, the less important he imagines his job to be.

Another form of organizational decadence

is brought on by oppressive organizations. Oppressive institutions, those which surround their administrators with rigid limitations on their activity, create their own pattern for decay.

Today's despotism in our society is one of institution versus man. The constraints we feel come from duly enacted laws, traditions, and that large body of usage, social custom. More lasting harm to organizational effectiveness is done in the name of "this is the way it has always been done around here" than is commonly recognized.

A Blueprint for Effecting Change

Recognizing that these maladies must be reversed if society is to have the power to cure itself, what could we as members of the accounting profession—what should we—do about it?

I have suggested that we make our voices heard through our organizations but that is not enough. The complex and multiple problems cry out for action—action which accountants are uniquely qualified to provide. I would therefore like to propose that the American Society of Women Accountants and the American Woman's Society of Certified Public Accountants consider setting up a public service action committee to analyze the major problems that confront society—as well as industry—and to create prototype systems which can lead toward the solution of these problems.

There are five major areas in which we as accountants could logically and effectively involve ourselves through this public service action committee. Some of them relate to the organizational decadence which I have discussed.

Local Government

The first concerns the deterioration of the effectiveness of city government and the growing disillusionment and demoralization not only of city dwellers but increasingly of residents of areas surrounding our cities. As long as we refuse to recognize or act upon the fact that we live not in a city or a suburb but in a megalopolis, these problems will continue to multiply and to plague us.

I would suggest that such a public service action committee examine the most feasible way of setting up a super administrative agency to examine and master plan the problems of the megalopolis on a regional basis. Local political structures could be maintained, but the necessary resources should be focused to provide long-range solutions.

Entrenched Bureaucracies

The second project strikes right at the heart of the problems caused by entrenched bureaucracy. By using its management skills and organizational expertise, the committee could offer guidelines that will enable local governments—and industry groups as well—to recognize where beneficial change must take place, even if it means peeling away layers upon layers of entire organizations that no longer serve a useful purpose. Moreover, a means for periodic audits of the existing bureaucracy by outside observers could also be provided. All too often, the ills which afflict organizations develop gradually, unrecognized by the organization staff until it is too late. An impartial review by trained auditors could detect incipient decay before it had progressed too far.

Non-Profit Organizations

Third, educational and other non-profit institutions face the problem of having to meet the challenges of the seventies. Accountants could provide invaluable public service by helping to restructure these organizations so that they have the flexibility to cope with the rapid changes of today's fast-moving society. Entrenched power structures, rigid procedures, poor organization and out-dated goals all too often have hampered the good work that could be done here. The insights of the accountant are needed to guide these institutions out of this danger area.

Ecology

The fourth project involves the life and death question of man and his environment—ecology. If this seems to be overly dramatic, it is only because so much has been said about it and so little done. We know that the systems and techniques for restoring pure air and water exist. It would take auditing skills to review, organize and codify all the known systems that can be employed according to a) those that are now available to us but are not used widely enough; b) those that are too expensive to use now but which could be made less costly if they were used more widely; and

c) the general types of systems which have to be developed by science and industry. If we can thereby pull together all that is now known to fight pollution, we will have made a major contribution, not only to our nation, but to the world.

The Professional Person

The final point is the role of the accountant as a professional. The medical and dental professions have gone to great lengths to encourage their members to volunteer their services to the underprivileged through work in clinics. Members of the legal profession, through Legal Aid Societies, provide legal assistance to those who are unable to pay for such services. Accountants too can, and I believe should, volunteer their time on a regular basis for public service. Whether the accountants elect to serve with a public service action committee in any of the problem areas discussed here, or to assist minority groups to establish and maintain small businesses, or to advise low-income families on proper budgeting of their available resources, they would significantly enhance the status of the accounting professional and provide a vital service to their communities and their country.

A Challenge

Like every profession, that of accounting must depend upon the infusion of new blood to carry it on to greater heights. Yet, in the eyes of the under-thirty generation, accountants are the Establishment, the protectors and defenders of the status quo. It is time to show them that we too recognize the need for change in many areas—the kind of change that will improve our institutions and eliminate the stagnation that has been so discouraging to the young.

We have an important stake in our democratic society and we have an important obligation to help protect it. We cannot shield ourselves in a cloak of neutrality. Rather we can and must use our professional institutions as meaningful voices speaking out with force and dignity against the voices and acts of decay and evil.

"Every man owes some of his time to the upbuilding of the profession to which he belongs."

Theodore Roosevelt