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Reviews

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REVIEWS

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Commit to Quality by Patrick L. Townsend with Joan E. Gebhardt, John Wiley & Sons, Inc., New York, 1986, 189 pp., \$19.95.

Many books have been written on achieving quality in industrial organizations, but Patrick Townsend's *Commit to Quality* is unique in its focus on the service organization. Tom Peters, well-known co-author of *In Search of Excellence*, says in the "Foreword" that *Commit to Quality* "is to my knowledge the **sole** analysis which deals specifically and exclusively with a service industry."

"The good news," writes Townsend, "is that not only is it possible to achieve quality in a service industry, it is also possible to measure it."

Although one can easily become entangled in the look-alike titles used to describe the teams and process, *Commit to Quality* is an exciting account of how quality is being achieved and measured by The Paul Revere Insurance Company of Worcester, Massachusetts, through a process it calls "Quality Has Value."

Formally launched on Friday, January 13, 1984, The Paul Revere's Quality Has Value process generated annualized savings of \$3,250,000 in 1984 and \$7,459,531 in 1985.

Quality for The Paul Revere, however, means more than the bottom line. "Quality in Fact" and "Quality in Perception" were identified as two distinct types of quality. The company's objective was not just superior service, or Quality in Fact; The Paul Revere recognized the need for the customer to perceive and believe its service to be superior. The company labels this latter concept Quality in Perception.

"Customer" as defined by The Paul Revere Company means any person to whom a service is provided. This includes the ultimate user of the company's services, but

it also includes the user of any service within the organization. "If each person in the linked chain of quality treats the next person as a valued customer, the inevitable result is quality, in both senses of the word," contends Townsend.

The Paul Revere was not a struggling organization groping for survival when it instituted its Quality Has Value process. It was a successful, profitable company, seeking "to better its competitive position and to build the morale of its employees."

The Quality Team approach apparently grew out of the idea of the well-known "quality circle" concept developed in Japan and adopted by industries in this country; however, Townsend clearly believes the Quality Team approach to be superior and devotes considerable space to distinguishing between and comparing the two.

The Quality Has Value process uses a non-voluntary approach. (From its inception at The Paul Revere, everyone — from the president to the most recently hired employee — became a member of a Quality Team.) These teams have not only the capability of identifying areas they feel need change but the authority to make the needed change as long as it meets the goal of Quality in Fact or Quality in Perception. All employees can be involved in the decision-making process. This was a revolutionary approach for The Paul Revere but one Townsend believes to be essential to the success of the quality process.

To alleviate fears of loss of employment, management assured employees from the start that no one would be terminated because of the quality process. (If a job is eliminated, the employee will be offered another job "at the same or higher level within the company.")

The enthusiastic involvement of the employees is inspiring. They are encouraged to use their knowledge and talents to better the services and the working environment of The Paul Revere and then are rewarded for doing so through awards, recognition, and celebrations.

Patrick Townsend was hired by The Paul Revere as "Manager — Organization Development" and became director of Quality Team Central, a key role in the Quality Has Value process.

Townsend has a comprehensive understanding of Maslow's hierarchy of needs. He recognizes that people are reaching upward to higher levels of needs, but he also realizes that the lower levels of needs must be met. Using this knowledge, he and his team designed a varied and flexible plan of awards and recognition to express gratitude and, at the same time, to motivate employees. ". . . As long as a company insists on including human beings on its payroll," he says, "saying thank you will be necessary if superior performance is to be sustained . . . For some, the thank you will be heard in the gift; for some, it will come in the presentation of the gift; and, for still others, it will come in the publicity announcing the award of the gift."

The spectrum of rewards ranges from gold awards to a plaque which entitles the recipient to park in the parking area closest to the building — an especially prized award during the winter months. Bronze, silver, and gold awards are given to team members when they reach predetermined goals based upon the number of ideas actually implemented. Participation ran so high during the first year that new goals were set for "Double Gold Teams," and before the year ended one team reached "Triple Gold Team" status.

But could this momentum be maintained? In 1985, the second year of Quality Has Value, not one, but 12 teams became "Triple Gold Teams." More awards were added until finally one team earned "Septuple Gold Team" status. Townsend's enthusiasm is so contagious that one wants to ask, "How are we doing in 1986, Pat?" For the long-term, however, the question of whether the momentum can be maintained waits to be answered.

In two years, The Paul Revere has become "a strong company, a better place to work" because of the Quality Has Value process. The company has increased profits, and it has accepted, utilized, appreciated, and rewarded the ideas and talents of its employees. It is exciting to visualize the new self-worth and higher visions and goals that have resulted.

Commit to Quality is written about a service organization, but it is relevant for all organizations. It is written by someone who clearly understands and believes in the Quality

Has Value process — a process the author believes to be adaptable to any organization willing to make the commitment.

Tom Peters says of *Commit to Quality*: "Read it for its philosophy, read it for its practicality, and then get on with it."

Gaylah R. Cantrell

Information Technology and the Accountant by J.G. Carr, Gower Publishing Company Limited, Gower House, Croft Road, Aldershot, Hants GU 11 3 HR, England, 1985, \$89.95.

Information Technology and the Accountant presents the results of the twelve-month Information Technology Accountancy Study jointly sponsored by the Chartered Association of Certified Public Accountants and the Department of Trade and Industry in Great Britain. Although the study was conducted in Great Britain, its observations can be applied equally well to situations in the United States.

The study sets out to examine the effect of information technology on such issues as:

- The role of the accountant, both in the present and in the future
- Emerging opportunities for accountants
- Changing employment patterns
- Implications for professional education and skills training

The study consists of an analysis of current technology, case studies of leading organizations and a broad-based survey of individual accountants. The existing scene is thoroughly explored through these means, and ways of adapting to change are presented.

The data developed by the study teams has been organized under three main topics: Organizational Studies, Membership Survey, and the Technological Future.

Organization Studies

Case studies are used to investigate the extent to which different industries are utilizing modern computer technology to enhance the efficiency and productivity of office procedures.

According to the study, one of the most interesting trends in employ-

ment patterns in the 20th century is the rise in the number of information workers. Information workers are "those whose primary occupational task is the production, processing, or distribution of information or the infrastructure support for those tasks." Information workers are generally known as "office workers." Although the number of office workers has continued to rise, it appears that very little evidence of any significant improvement in office productivity can be discerned. The team concludes that to remain competitive, companies must bring the growth of office staff under control. It is believed that providing more information technology support will result in increased office productivity and fewer employees.

Membership Survey

As part of the study, a postal survey of 344 Certified Accountants, representing every section of the profession, was conducted. In this section of the book, the results of the survey are presented in a series of tables in statistical fashion. In addition, this section examines how effectively accountants in all areas of the profession are dealing with the information technology revolution and how the accountant envisions his role and function in the 1990's.

The membership survey revealed that while accountants recognized the importance of an understanding of information technology in their work, only 49% felt their current understanding of computer hardware to be sufficient. The difficulty of obtaining the necessary knowledge and skills was emphasized by survey participants, and this response indicated that programs to provide education and training in these new areas are of critical importance. Recently-trained accountants already have, and will continue to have, a real advantage over older accountants in this area.

The Technological Future

This section of the study examines the future technological scene in terms of hardware, software, applications and patterns of implementation. Along these lines, among the more interesting conclusions reached by the study team are the following:

1. Presently, almost 50% of the

British workforce can be categorized as "information workers." By providing information workers with more information technology, it should be possible to quadruple office productivity by the 1990's.

2. Since the typical accountant spends 81% of his/her time on information-related activities, gains in productivity of up to 18% for professionals using information technology have been predicted.
3. The following trends will continue to grow in importance:
 - a. Price/performance ratio of equipment will continue to improve. Hardware will become more compact and reliable. Software will be easier to use.
 - b. Personal computers will proliferate, and the level of computer skills in the general population will continue to rise.
 - c. Improvement and expansion of communication facilities will lead to more flexible working arrangements, including the possibility of working from the home.

This study provides a useful overview of the relationship between the accountant and information technology. While industry is beginning to understand and profit from the enormous potential of the technology, many individual practitioners are lagging behind. Obtaining the necessary education and skills is crucial for older members of the profession, for a new class of professional accountants is emerging. These "systems accountants" combine accounting and computing skills, and their services are already much in demand. The study is important reading for those who are seeking to understand the current situation and attempting to prepare for the future.

An abridged version of the study, *Information Technology and the Accountant — Summary and Conclusions*, has been published in paperback form for those who find this format more convenient.

Susan S. Ebersole