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Social Responsibility and the Professional

How members of the New York regional office staff helped minority businessmen learn more about accounting and financial management through participation in a special educational program of the Federal Government Accountants Association and the Office of Minority Business Enterprise of the Department of Commerce—and what the benefits were.

Business as an institution exists primarily because it is sanctioned by society. It is therefore inevitable that the business community and its professional members will fall into step with society's expectations. Adam Smith, in his "Wealth of Nations," believed that, as each businessman pursued his own self-interests, the public good would be served. While no one can deny that the public good has certainly benefited from business, neither can anyone deny that certain segments of society have not always fared as well as others and have indeed suffered.

Fortunately, however, social commitment, or the tangible expression of concern for society's many problems,

is a growing phenomenon among members of today's professional community.

Although initially undertaken out of enlightened self-interest, rather than pure altruism, companies today have come to accept social commitment as a valid organizational component. Many large corporations not only are supporting socially constructive programs at an increasing rate but also are regularly lending employees to such projects.

GAO—A Professional Organization With Social Responsibilities

GAO is an organization of profes-

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sionals whose responsibilities have been well established by law. Its specific responsibilities relate directly to the service it must provide to the Congress. As professionals, however, the staff of GAO assumes collateral responsibilities to the communities which comprise its work environment.

The execution of any responsibility required by law or organizational mandate is, for the most part, guided by well-defined policies and procedures. For social responsibilities, however, requirements and guidelines rarely exist. So, whether the professional recognizes these responsibilities and carries them out depends on what both the organization and the professional perceive as their social roles.

An organizational awareness of the importance of social responsiveness is an absolute requisite for participation in socially oriented projects, whether by an organization or its employees. In other words, a climate for social concern must exist.

Historically, GAO, by virtue of its responsiveness to the priorities of congressional concern, has consistently maintained a keen awareness of those problems which confront society. This kind of awareness, because of the orientation of many of GAO's assignments, grows in GAO's professionals as they carry out their daily responsibilities.

It is widely held that members of the professional community are generally most able to recognize the need for social programs. With this belief goes the theory that, given the encouragement of an organization, the professional not only will want to par-

ticipate in such programs but will be skillful and resourceful enough to carry them out. An organization like GAO makes significant community service contributions by encouraging its multi-talented manpower to participate in socially oriented programs. However, the extent to which social responsibilities are carried out depends almost entirely on the initiative and desire of each individual professional.

Nature of Socially Oriented Projects

The numbers and types of socially oriented projects run the gamut of social priorities—health, the aged, ecology, counseling, and job training, to mention a few. The activity the professional chooses to participate in depends in many respects on the organization the individual works for and, more importantly, on the individual's particular skills. These activities may include participation in almost any form of social service sponsored by a public or private nonprofit organization that is willing to accept such help.

Involvement in social projects may bring the professional into contact with closely knit religious, fraternal, or philanthropic organizations. Or, it may engage the professional in voluntary participation with loosely organized, civic-oriented programs operating principally for the benefit of the community at large.

Regardless of the type of sponsorship, such projects have characteristics which almost always cause those involved to feel that something that was

lacking, but necessary and essential, has been put back into the world around them. The feeling of making a personal contribution to society as a result of one's efforts commonly pervades an individual's involvement in such undertakings.

FGAA's Social Project

Minority businessmen have traditionally considered basic accounting one of their most needed skills. To meet this need, at least one of the large CPA firms has sponsored accounting programs carried out by members of its professional staff.

Last year, members of GAO participated in a similar project, sponsored by the Long Island chapter of the Federal Government Accountants Association. Chapter members, recognizing an opportunity to provide an essential service to their community, applied for a grant from the Office of Minority Business Enterprise to finance a social project. The project's objective was to enhance the business skills and acumen of businessmen from the Long Island area.

The FGAA program was designed to provide instruction in basic accounting. Financial statement preparation, ratio analysis, budgeting, merchandise control, procurement, contracting, and other selected aspects of financial management were included. FGAA's program, like that of the large CPA firm, emphasized the translation of academic principles into real work situations.

Program Logistics

Through a local economic develop-

ment organization involved with small businessmen, the project coordinators, Don Mulhern of the Department of Transportation and *Herb Larson* of GAO's New York regional office, obtained lists of minority and small businessmen from the Long Island area and then asked them if they were interested in attending classes in accounting and financial management. The response was good. About 25 men and women, all blacks, said they wanted to participate.

FGAA provided the program curriculum. The coordinators obtained all other materials locally and supplied them to the students. Arrangements were made through a local county-based training center for classrooms in which to conduct the program sessions.

Staffing the Project

Once the project's logistics were set, the coordinators made inquiries, through FGAA, for instructors and counselors.

Members of FGAA, including GAO staff and professional members of other agencies, were solicited. Those who responded were evaluated and selected for the positions of instructors and counselors.

This selection was one of the most important elements of the program. It is essential that a person's participation in these projects be motivated by a desire to respond to social needs. Program leaders must be more than just capable. The president of a major corporation actively engaged in such programs indicated that the critical ingredient in such projects is people with talent, dedication, imagination,

determination, and competence.

The two instructors selected for the teaching phase of the program were Lester Lord of the Federal Aviation Administration, Department of Transportation, and myself. We both were qualified, experienced accountants, with records of achievement and recognition in the field. We had advanced training in the profession and prior professional teaching experience.

We were to teach by giving lectures exposing the students to selected aspects of financial management.

Members of GAO's New York regional office—*Ronald Parker, Bob Murray, and Al Gendler*—were selected to be counselors along with several members of other agencies, *Paul Trapani*, a recently retired 20-year veteran of our New York office, also lent his expertise and many years of experience to the counseling efforts.

The counselors, providing one-to-one assistance to the students, hoped that the businessmen could practice what they had learned during classroom sessions when they returned to their respective places of business. The importance of their counseling was realized when the businessmen came back to a session with problems they had encountered in applying classroom theory in their work. Counseling also helped the students conform their current accounting and bookkeeping practices to the principles of proper accounting.

The Program

The program consisted of 2-hour sessions twice a week for about 2

months. The classroom meetings, though basically instructional in character, provided ample time for frank and open discussions.

The students were encouraged to discuss any problems they were encountering—especially those problems related to financial management in the business environment. Some of the problems were the types generally confronted in the day-to-day operations of any business, large or small. Significantly, however, many problems tended to be exclusive to the small minority businessman.

To provide the group with as many sides and solutions to the problems as possible, the instructors and counselors encouraged and generated very informative discussions. The participants found that these discussions added a very important dimension to the instructional phase of the program.

At one session the students were invited to bring their financial records to class. Each businessman was assigned a counselor to go over the books and discuss the techniques used in keeping them.

This session was extremely valuable to both the teaching team and the students because it helped complete the transition from accounting theory to actual accounting practice and gave the teaching team direct knowledge of its own effectiveness. Furthermore, it gave the businessmen a chance to review, in a fashion structured for maximum learning reinforcement, what was presented in class.

The students said that this particular exercise gave them a better understanding of their records. Some even

admitted that the manner in which they or their accountants were keeping their books was no longer a mystery. The differences between expenses and liability accounts, between asset and income accounts, finally became clear.

Some students who brought their books to this session realized for the first time where they stood financially, and many discovered the relative health of their respective businesses. For the first time, many of them had books, records, and financial statements they could understand and use.

Two other sessions of particular significance were lectures by representatives of the Internal Revenue Service and the Small Business Administration.

Some Problems

Some of the pitfalls encountered during the 8 weeks were typical of this type of instruction, especially because of the heterogeneous participant profile.

The students' schooling, for example, ranged from the primary school level to the college level. Therefore, the instructors and counselors had to pay careful attention to communication techniques, including language, attitudes, and teaching speed.

The technical aspects of financial management, difficult for most to comprehend, had to be carefully tailored to be understood. It was expected that some of the students would be unable to completely relate to the jargon and terminology used during some class sessions. Therefore, the instructors had to be alert to adverse reactions to the class material.

The businesses the students were engaged in were diverse. As could be expected, some were relatively successful and had large revenues and some were not so successful. Therefore, instructors had to constantly exercise caution in discussing and illustrating accounting principle applications.

The program participants included a beautician, a barber, an interior decorator, a mortician, an electrical contractor, a retailer, a trucker, a limousine service owner, a maintenance contractor, a watchmaker, and a nursery school operator. The instructors had to be careful to use examples which were relevant to all, regardless of the type of business and whether it was successful. While one may imagine that business problems are business problems regardless, the importance the students assigned to these problems depended a lot on the relative health of their individual businesses.

Another hazard encountered during the program was class absences—students' business hours often conflicted with the class sessions. This caused a loss in continuity between sessions for some students and often imposed a burden on instructor and student alike. The instructors had to set aside a period before each class to review past lessons, and those who missed sessions had to be certain to make them up.

It did not take long for the teaching team to become sensitized to all these problems. After the first couple of sessions, neither team members nor students were reluctant to explore and discuss the effects these obstacles were having on the learning process. As soon as these elements were recog-

nized, immediate and generally successful steps were taken to lessen their impact.

Program Benefits

It is generally recognized that in some way every participant in a social program benefits. Some say that doing something in the social area tends to energize an entire organization and that the revitalization spreads easily to all the organization's activities. Those volunteers who share in program guidance and instruction discover a welcome opportunity to discharge a recognized professional obligation and the addition of yet another dimension to their professional careers.

Employers have also benefited because they have had an opportunity to observe their employees in difficult and challenging situations. In some instances, employers have observed an increase in employee morale.

Easily the most important aspect of these programs is the benefits the

students themselves receive. Not only have these programs imparted technical knowledge not otherwise available to these individuals, but they have often stimulated an interest in additional learning. Students have often expressed a desire for additional similar training and sometimes have even gone on to take university-level courses.

The FGAA-sponsored program in which GAO participated reflected concrete evidence of student success. Many of the students expressed a sincere interest in any followup programs FGAA would run. As to whether or not the students absorbed the course material, it was their consensus that at least some of them had become better businessmen.

Our major concern, however, is not necessarily the extent that the organization, the professional, or the student benefits from these programs. Of major importance is the fact that the community itself has woven all three inextricably together and is unquestionably richer for it.

A Mechanization Principle

There is nothing excellent, brilliant or economical in employing higher levels of mechanization than are needed. A yearning for the prestige of owning a computer may prod a department into getting one when an abacus could handle all its needed calculations.

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