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The Accountant's Office Organization

BY E. G. LEE

Harmonious internal relationships in any commercial organization depend upon the existence of a spirit of coöperation, not only between the two main groups, employers and employees, but also between the members of each group. Any lack of harmony breeds discontent, inefficiency and disorganization. The value of coöperation is generally recognized, but the means to that end will vary in different organizations.

The importance of relationships of the personnel may be judged by the fact that they are among the most universally discussed topics in commercial literature today. The attitude of the old-fashioned employer was that the employee must do his way or quit, and the employee was left to learn how as best he could. But when the development of modern accounting analysis disclosed the high cost of labor turnover, executives began to look at the matter in a different light. Welfare and educational work has now become a well recognized activity in the most successful industries, and relatively large expenditures for such purposes are deemed justified.

Loyalty and efficiency are undoubtedly obligations devolving upon every employee. What is more, the employee cannot be happy and contented in his work unless he experiences a feeling of loyalty and respect for his employer. Happiness, according to great philosophers like Herbert Spencer, is the chief aim of human life. The best part of a man's life is given to his work, and if he can not find happiness therein, he is missing the best part of his rightful heritage. But the responsibility for loyalty does not rest alone upon the employee. The spirit of loyalty can be intensified through the development of proper sanctions, and efficiency can be increased through the creation of proper incentives. Loyalty can not be measured in monetary terms; therefore it can not be bought, but it can be inspired. It is a mutual feeling which results from a common desire to live up to the spirit of the golden rule.

Granted sound character on both sides, loyalty will exist in the degree in which there is mutual confidence and respect. Most personal troubles in this world have their inception in misunderstandings. The moment such misunderstandings occur in a

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commercial organization, trouble starts travelling in a vicious circle, aggravated by every revolution. Selfishness on one side breeds or intensifies selfishness on the other, and unimportant incidents are magnified into grievances.

In large organizations, case studies have been made, and the underlying causes of employee dissatisfaction have been classified with a view to their elimination. In smaller concerns accurate diagnosis is more difficult.

These considerations become important to us in the accounting profession when we realize that hardly any type of business is more apt to experience disastrous results from rapid labor turnover than a public accountant's office. The custody of the firm's goodwill is more than ordinarily in the hands of its assistants, because through them, to a great extent, immediate contact with the firm's clients is maintained. The character and permanence of an accounting firm's employees becomes a matter of importance, and no firm could afford to hire any assistant who would accept the position with the secret intention of merely using it as a stepping-stone to something outside.

It becomes a matter of serious interest to the employer, therefore, to determine what policy is best adapted to the securing and maintenance of a satisfied force and to the reduction of desertions to a minimum. When an accountant leaves the service of a large and well-equipped organization to start in business for himself, he is aware that he is doing so under certain handicaps. He can not expect to offer his prospective clients the same elaborate facilities that have been made available to him in the past, and it may be years before his net earnings will equal the salary he has relinquished. If his services are worth retaining, therefore, it ought not to be difficult to convince him of the superior inducements to be found within the organization.

The problem is largely a psychological one. Its elements are to be found deep down in the peculiarities of human nature. In most men of ability there is a latent desire for self-expression. The man who can find a way to express himself in his work is happy. He can almost make of his work a fine art. But, on the other hand, the employee who finds his personality submerged or unnaturally subordinated, is apt to become discontented and to lose some of his natural efficiency.

In a large organization men accept subordination more cheerfully than they do in small concerns where personal contacts are

closer, because in the larger and more complex organization there is of necessity a delegation of authority which gives men an opportunity to develop their executive ability in little spheres of their own. The employee of such an organization sees continually before him a ladder of promotion which it may be possible for him to ascend. In the small organization, on the contrary, the personalities of the employees are more apt to be dominated by one authority, without any gradation of responsibility. The employee in such an office is apt to feel that the firm is everything and that he is nothing, and has no hope of ever becoming anything more than a cog in the wheel. He thus becomes deprived of the incentive of ambition within the organization, and, if he is a live man, is apt to look outside for his future opportunities.

The situation becomes aggravated if the employee finds, upon experiment, that his suggestions for internal betterments are unwelcome or ignored, and, if that attitude towards him persists, he will utterly fail to develop that subtle sense of co-proprietorship which certain gifted employers are able to engender in their men and is such a potent incentive to superlative endeavor.

In manufacturing concerns, some of the greatest inventions have been the developments of ideas which originated in the minds of humble employees. With the higher class of average intelligence which should be found in a public accountant's employ, staff members should be capable of submitting suggestions from time to time which would prove of real worth to the firm, provided its members are men with open minds.

In the enumeration of employee incentives, reasonable continuity of employment must be considered as a prime essential. It is as important to the employee as to the employer. The only exception might be that of juniors on trial or temporarily employed during the rush season. No employee can identify himself with the interests of his firm unless he believes his position is a permanent one or hopes to make it so. Ambitious employees are better than dead ones, but their ambitions should be directed within the organization rather than outside. This is only possible where the organization affords opportunity for advancement. This does not necessarily mean a procession of salary increases, though conspicuous progress sometimes merits it in individual cases, and the necessity for adequate compensation should never be overlooked. But in public accounting work, the per-diem basis for fees places a limit upon the remuneration which staff

assistants can hope to receive. Even the heads of the firm can hardly expect to get rich in their chosen profession. They can not fail to realize, therefore, that there must be other compensations if their employees are to remain satisfied. Every employee appreciates an advance in prestige. If as the years go by he can look forward to a stronger voice in the firm's affairs, as increasing responsibility is delegated to him by those higher up; if he can progress from junior to senior, to supervisory or in-charge work, and finally become an examining accountant, with eventual partnership interest as the ultimate goal, the situation may be ideal—probably more than most men can hope to realize. But the wholesome effect of such a régime upon the morale of a staff would be incalculable.

A very important incentive to every worth-while employee is the reasonable opportunity to obtain a degree. The late Edwin J. Bishop, who possessed the confidence and affection of his men to an unusual degree, once said "I do not want a man on my staff who does not seriously intend to obtain a degree." When an employee feels that he has the goodwill of his chief back of him in this laudable aim, it goes a long way toward the promotion of good feeling between them. If, on the other hand, the employee gets the notion in his head, rightly or wrongly, that his employer is loath to see his staff obtain degrees for fear it will encourage desertion and increase competition, the effect must prove discouraging to the morale of the whole staff. It is important, therefore, that there should be frank understanding in the matter. Encouragement of educational work among employees on the part of the firm has been found to have a unifying effect. Staff meetings with frank discussions have been the means of dispelling many a prejudice.

The ideal condition, therefore, is one of mutual confidence, where the employee feels that the firm will do everything in its power to help staff members obtain degrees, and where the employee, on his part, looks upon a degree as a means whereby he may add one more element of prestige to the organization to which he is devoted, and of which he expects to remain a permanent part. This can only become true when the tests shall be not merely a technical facility in passing written examinations, but shall include also the recognition of faithful service ably performed.