

Abstract

This paper, based on multiple journal articles, texts, and personal experiences, explores the history of the public's opinions of accountants from the days of the *New Testament* until present day. During her work in public accounting this past summer, the author encountered reactions to her and her work ranging from enthusiastic welcoming to gracious acceptance to intimidation to resentment. Research shows that these reactions have been typical for hundreds of years although they have typically been improving during recent times.

Biblical writers of the *New Testament* referred to tax collectors, the accountants of their day, as people less than professional and even undesirable. Moving on to more modern times, a 1947 survey showed that most respondents would rank physicians, dentists, teachers, engineers, and even lawyers well above Certified Public Accountants (CPA's) in terms of professionalism. These public opinions have improved for accountants in recent years, as reflected in a 1986 survey indicating that CPA's are ranked in the top percentages in terms of ethics and morality by up to 95% of respondents. Today, accountants are generally viewed as ethical and moral professionals, but there is still some concern within the profession that accountants are unnecessarily feared and resented by some members of the public.

Because there are still some in the business world who feel intimidated by CPA's or who resent being analyzed in their workplace, accountants today need to take measures to improve their reputations with the public even further. The author concludes this report with recommendations for better managing work ethics and styles to this effect.

A History of the Public's Perceptions of Accountants

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Introduction

"Close your eyes and think of accountants. (Stay awake, now.) Lois Etherington [a Simon Fraser University professor] admits the first image that probably comes to mind depicts 'an 18th-Century man' with thinning grey hair sitting on a stool, scribbling down numbers by candlelight" ("Conan . . ." 16). In addition, many may consider this cratchety old man a cheat, a thief, or a tyrant waiting to send more intimidated souls into a jobless despair. As accountants, we must understand and fight against these persisting negative stereotypes.

Purpose

As a graduating senior in accounting at The University of Tennessee, Knoxville, I have prepared this report to meet the requirements of the University Honors Program with the Tennessee Scholars Senior Project.

The stories and recommendations offered within this report are based on published sources found in the John C. Hodges Library of The University of Tennessee. Sources include texts (Brown's *History of Accounting and Accountants*, Abraham's *The Public Accounting Profession*, etc.) and recent journals (*Journal of Accountancy*, *Business and Society*, etc.). The purpose of this report is to relate the history of the public's perceptions of accountants and to present recommendations for improving this public image.

Scope

In this report, I will first discuss personal experiences relevant to this issue, including viewpoints as an accountant and as the worker managing under an accountant's scrutiny. I will then review historical accounts of public opinion of accountants, beginning in Biblical days and continuing through the 1990's. After presenting the history of the issues, I will briefly discuss the problems facing modern day accountants, and I will conclude with recommendations for better managing work ethics and styles to improve our public image.

Limitation

This report relies heavily on printed publications and externally-managed surveys. Before basing any major decisions on this report, an accountant should evaluate his own experiences and those of his colleagues within the context of his specific environment.

Assumptions

In today's society, accountants serve primarily as auditors and tax advisors, and many operate under the CPA status. However, in historical accounts, accountants fulfilled the roles of bookkeepers, tax collectors, and money handlers and changers among others. In this report, I must assume a broad definition of accountants which encompasses all of these various roles.

Definitions of Terms

AICPA: The American Institute of Certified Public Accountants -- This professional organization serves as the self-regulator for American CPAs.

CPA: A Certified Public Accountant -- Those seeking CPA status must pass all parts of a difficult and comprehensive four-part exam. Many states require 30 hours of college credit in addition to the four-year undergraduate degree and a specified level of accounting work experience.

Big Six: The top six public accounting firms in the United States -- reduced to six from the "Big Eight" of prior years.

The Author's Experiences

As a Client

Several years ago I worked as a student assistant in a university administrative department. My duties included the critical, if not mentally challenging, tasks of managing phone lines, typing documents and preparing spreadsheets and flowcharts, filing computer printouts, and managing the department's mail. After several months in this position, my co-workers and I were notified by the

department head that "the auditors are coming." These words seemed to create an immediate fear in those around me -- suddenly papers started rustling, neckties were straightened, and dust cloths appeared from the back of filing cabinets. The office was a casual and yet highly efficient one, but the mention of the visiting accountants created a tense, almost false, atmosphere.

During the auditors' visit, my co-workers were not themselves. We all forced a perpetually-too-busy appearance -- even if this meant typing and retyping a report from two weeks past -- and normal office conversation was limited to short, terse whispers. And when one of the accountants asked us for a piece of information or a copy of a document, we jumped -- much like a small child jumping to erase the chalkboards in hopes of winning her teacher's favor.

The two days encompassing the departmental audit seemed to last weeks. The normally low-stress office had entirely transformed to one of high stress and fear.

As an Accountant

This past summer, I was able to see the accountant-client relationship from the contrasting point of view -- as that of an auditor. My work as an intern for a Big Six public accounting firm entailed auditing clients' computer systems, including both general and application controls.

While all those being audited were pleasant during my visits to their workplace, some welcomes were less enthusiastic than others. My physical appearance left no doubt as to my status as a college student, and my auditing finesse gave strong clues as to my inexperience -- yet I was repeatedly surprised with how department managers and long-time employees of the client would approach me and my work with intimidation and hesitation. In contrast with my experience as a student assistant, I was now the one who caused people to organize their files and straighten their desks. It was most discomfoting for me to realize that the other members of the audit team and I stirred the clients' professionals to feel threatened by our presence.

Accountants in Biblical Days

This apparent fear and dislike of accountants reaches back into history as far as Biblical times. Matthew, one of Jesus's twelve disciples, wrote of accountants as

undesirable prior to A.D. 70:

Jesus entered the temple area [of Jerusalem] and drove out all who were buying and selling there. He overturned the tables of the money changers [the accountants of their day] and the benches of those selling doves. "It is written," he said to them, "My house will be called a house of prayer,' but you are making it a 'den of robbers.'" (Matthew 21: 12-13)

In this, accountants were viewed as thieves, as animals lurking in their den waiting to take advantage of the next lost lamb. This story makes it apparent that the money changers were neither trustworthy nor accepted by those of significant moral standards.

One Biblical chapter later, Mark wrote again of the dislike and distrust of accountants. In Mark 2, verses 15 and 16, he made association of tax collectors and sinners by grouping them together as people who were unsuitable for Jesus's company:

While Jesus was having dinner at Levi's house [the home of a tax collector], many tax collectors and "sinners" were eating with him and his disciples, for there were many who followed him. When the teachers of the law who were Pharisees saw him eating with the "sinners" and tax collectors, they asked his disciples: "Why does he eat with tax collectors and "sinners?"

These educated, presumably well-bred Pharisees were astounded and disgusted that the accountants were sharing a meal with Jesus, the greatest and most righteous man of all times.

Yet another example of the negative image held by accountants is related in the book of Luke, in which the story of Zacchaeus, a tax collector, is told. Many of us know this story as popularized by a children's Sunday School song. Luke's account is as follows:

Jesus entered Jericho and was passing through. A man was there by the name of Zacchaeus; he was a chief tax collector and was wealthy. He wanted to see who Jesus was, but being a short man he could not, because of the crowd. So he ran ahead and climbed a

sycamore-fig tree to see him, since Jesus was coming that way.

When Jesus reached the spot, he looked up and said to him, "Zacchaeus, come down immediately. I must stay at your house today." So he came down at once and welcomed him gladly.

All the people saw this and began to mutter, "He has gone to be the guest of a 'sinner.'"

But Zacchaeus stood up and said to the Lord, "Look, Lord! Here and now I give half of my possessions to the poor, and if I have cheated anybody out of anything, I will pay back four times the amount." (Luke 19: 1-8)

Zacchaeus was a wealthy accountant of his time, and, as evidenced by these verses, he was regarded as a sinner who habitually cheated others of their possessions. We have no way of knowing whether Zacchaeus truly cheated in this way or whether he was simply assumed to have done such due to his occupation, but we can be certain that he, like other Biblical accountants, was highly disliked by many.

Accountants in the United States

The 1800's

In the United States, the accounting profession as such did not take hold until the 1880's. Prior to that time, public accountants were few and far between, and public image was not of as immediate concern as it is today. However, there is a story told of a gentleman in Boston who began work in public accounting in 1847 -- the words written of him include that "for a year or two he was the sole representative of the profession in that city, and it was many years before it was regarded with much favour" (Brown 271).

The late 1800's were a time of significant change for accountants and the profession. With the founding of the American Association of Public Accountants in 1886, the first steps to professionalization were taken (Casler 5). In late 1894, the existing Institute of Accounts "drafted a Bill providing for the professional education of accountants, and for securing a professional title" (Brown 272). The

writers of this bill hoped to mold the public's image of accountants to a positive one, but their efforts were defeated with the defeat of the bill. Legal recognition of accountants as professionals finally came in the form of an 1896 New York act to "regulate the profession of Public Accountant" (272). Among other actions, this act established the title and requirements of the Certified Public Accountant status. These measures had some success with legally classifying accountants as professionals, but the public's perceptions of accountants had not yet changed with any significance.

The Mid-1900's

There is no doubt that the public image of accountants has improved since Biblical days. However, in the mid-1900's, negative perceptions continued to thrive. A 1947 survey completed for the AICPA by the Psychological Corporation indicated that only 27% of responding bankers, general businessmen, manufacturers, labor leaders, and investment analysts would label CPAs as "professionals" (Thompson 2). In addition, those surveyed "ranked physicians, lawyers, dentists, teachers, and engineers (in that order) above CPAs in terms of professional image" (2).

The negative image that was so pervasive in the 1947 survey had changed by 1959. During this year, Dun & Bradstreet surveyed the chief commercial loan executives of 100 banks -- and in this survey, "75 percent of respondents believed the CPA fit the concept of a 'professional man'" (Thompson 2). The perception of accountants as important in comparison to other professionals had also improved, as reflected by the agreement of 71% of respondents (2).

It was by no coincidence that the public's opinion had improved since 1947. A CPA public awareness program had been established by the AICPA, and, during this time, the CPA exam "became accepted by all the states, making accountancy the only major profession with a uniform exam for all entrants" (2). These two events contributed largely to improving the public's perception of the profession by lending additional credibility to those in the accounting practice.

The Late 1900's

The strides made for the profession during the mid-1900's seemed to fall flat during the early 1970's. An independent 1970 survey of the general public -- those indirectly affected by CPA work -- related that "only 23 percent of the women and 27 percent of the men in the general public regarded the CPA as professional"

(Thompson 2). As an additional blow, this same public largely regarded salesmen, electricians, athletes, actors, and even plumbers as being professionals. The validity of this survey has been questioned by some, but the problems indicated by the survey have been published as worthy of consideration.

A 1981 Wall Street Journal/Gallup survey indicated that public perceptions of accountants had improved once again. In this survey, chief executives of nearly 800 corporations "ranked [accountants] first in professional performance," and almost 100% of the respondents included accountants in the professional category (Thompson 2).

A 1986 survey conducted by Louis Harris and Associates for the AICPA supported earlier findings that the public image of accountants had grown in the positive direction -- but this survey also indicated that there was still much room for improvement. Seventy-five percent of the "knowledgeable" general public rated accountants positively in terms of ethics and morality, while 20% of this group gave negative ratings. A slightly gloomier picture was painted by the public as a whole -- 56% of this group gave positive ratings, while 21% gave negative ones ("How the Public . . ." 17). These results show that a majority of the general public does have some faith in accountants, but that much work needs to be done in terms of the one-fifth negative ratings.

Accountants Today

In the face of the negative images held by the public, Lois Etherington and Ron Davidson of Simon Fraser University offer that a more appropriate image of the accountant today "might be that of Superman, James Dean, or Lawrence of Arabia" ("Conan . . ." 16). These two conducted a standard psychological test on 224 practicing accountants and 89 accounting students -- through this, they found that "accountants [have] above-average intelligence . . . and are more dominant, abstract, enthusiastic, experimental -- nay, rule-breaking -- than the population in general" (16). However, as the article describing the survey points out, "the SFU survey didn't mention anything about trust . . ." (16).

The fact remains today that there are many members of the general public and of the business community who mistrust, dislike, fear, or are intimidated by accountants. These factors contribute to the problems faced by modern-day accountants.

The Impact of Public Opinion

Public opinion is of critical importance to members of the accounting profession. Most accountants are in the business of serving others, whether that be through audits, consulting, or tax form preparation services. The vitality of the profession rests on the public's faith in the services we provide, and this faith is affected by the trust, or mistrust, of accountants.

A side effect of a negative public image is the distortion it lends to the work of an accountant. When people are uncomfortable with their auditors -- for whatever reason -- they often tend to project a false appearance during their review (as did my co-workers during the audit of our department). The workers will assume the appearances that they think the auditor wishes to see, when in truth the auditor wants to see the business as it is from day to day. The discomfort that leads to false impressions ultimately leads to the distortion of an auditor's report. In this case, the client cannot truly receive all of the useful information the accountant might otherwise provide, and the accountant's reputation may later suffer from statements he made based on faked appearances. This process lends itself to an endless cycle of negative perceptions leading to less-than-perfect conclusions leading to negative perceptions.

Conclusions

In a society as competitive as ours, there will always be those who sacrifice moral, ethical, and professional standards in order to achieve their idea of "success." This same generalization holds true for the accounting profession -- there will always be those accountants who do business in a unethical or unprofessional manner, and the public will always see and remember at least some of them. But as responsible members of the accounting profession, we must ensure that the "good" professionals are not unnoticed and that the negative impact of the "bad" accountants on our profession is minimized. Some methods of earning and ensuring this positive public awareness are presented in the following recommendations.

Recommendations

In order to maximize the degree of positive public perceptions of accountants while minimizing any negative images, responsible members of the accounting profession should:

- (1) Avoid any appearances of unethical behavior, both inside and outside the workplace. If we want the public to perceive us as honest, hard-working, ethical professionals, then we must act as such. We must also carry this presence into our personal lives -- we all know what a personal scandal can do to someone's professional public image.
- (2) Strive for a higher level of community involvement -- by being involved in notable and worthwhile community projects, an accountant can do wonders for his public image as well as that of the profession.
- (3) Modify the style with which we approach the client. Strive to reach equal ground with the client to eliminate unnecessary fears and feelings of being threatened. Accountants must remain independent, true, but we can still be most effective through the establishment of trust and a certain level of friendship with those we serve.

In these ways, we can continue the improvement seen in recent years in the public's perceptions of accountants so that we can again be recognized for the "Supermen" that we are.

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