Benign sacerdotalist or pious assailant. The rise of the professional accountant in British management

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Abstract

Matthews et al.’s *The Priesthood of Industry* [Matthews, D., Anderson, M., & Edwards, J.R. (1998). *The priesthood of industry. The rise of the professional accountant in British management*. Oxford: Oxford University Press] charts the encroachment of professional accountants into the realms of management in Britain. It is suggested in this review essay that the brand of economic determinism employed by the authors offers a partial explanation for that fundamental occupational shift. The functionalist and evolutionary foundation of Matthews et al.’s analysis invite a more critical interpretation of the accountants’ stratagem. A reading of *The Priesthood of Industry* also indicates several issues which require the attention of accounting historians. Among these are the shifting character of the professional ideology; responses to entrepreneurialism; the social derivation of professionals; the manner of jurisdictional capture; a fuller understanding of the inter-war climacteric; and the contribution or otherwise of accountants to British economic decline. © 1999 Elsevier Science Ltd. All rights reserved.

In 1875, Mr. H.J. Clarke of Trinidad wrote to the Secretary of the Institute of Accountants in London to inquire as to the possibility of his becoming a member of that august body. Mr. Clarke was politely informed that there was no prospect of his achieving that distinction because the Institute only admitted “professional accountants”. The Secretary explained that:

This term comprehends only accountants whose services are at the disposal of the Public in the same way as those of solicitors, and not those whose positions are official. Such as accountants to Railway Companies, Banks, Municipalities or Government Departments (Institute of Accountants, Letter Book B, p. 85).

This relatively minor episode illustrates the manner in which the emergent accountancy organisations in Britain constructed the ‘professional’ accountant as an independent, fee-earning altruist. Those accountants who were unable to exhibit these defining attributes were relegated to ‘commercial’ or ‘trade’ status. Contrast this with the fact that the successor to the Institute of Accountants in London, the Institute of Chartered Accountants in England and Wales (ICAEW), currently boasts that 55% of its active members are engaged in business.

Why then, especially after 1918, did large numbers of those trained as public accountants seemingly
depart from the founding ideals of their profession and assume positions in management hierarchies? This, after all, had been construed as an estranged territory associated with the salaried employee and profit-seeking. The result of the venturing of professional accountants into the realms of management has been the creation of the ‘in practice’/‘in industry’ divide within chartered accountancy. Questions have periodically been raised about whether the profession in Britain is essentially ‘convergent’ or ‘divergent’, given the assortment of occupational roles pursued by its members (Solomons, 1974, p. 88). This compositional feature segments the memberships of the chartered bodies, has engendered intra and inter-organisational discord, and led to a periodic questioning of the institutional structures of the profession.

In *The Priesthood of Industry* Matthews, Anderson and Edwards (1998) document the drift of accountants into management, such that they have become the dominant group of professionals resident in British companies. The book seeks “to offer a comprehensive history of the multifaceted role of the professional accountant in British business development from the pre-professionalization era down to the present day” (p. vi). As part of this remit the authors pursue other objectives. A precursor to documenting the rise of the accountant in management is an excursus into the emergence of the occupation of accountancy, its professionalization, and the changing clientele of public accountants. The treatment of these subjects serves as a useful, if uncritical, synthesis of the literature. The authors then offer a chronology of accountants in management during three periods: the nineteenth and early twentieth centuries, 1914–1939, and post-1945. Likely explanations for the phenomena observed by the authors are subsequently pursued. International comparisons emphasise the unique size and character of the accountancy profession in Britain.

*The Priesthood of Industry* (Matthews et al., 1998) represents a collation of material drawn largely from secondary sources, particularly business histories, works of biographical reference, and studies of the changing character of accounting practice. In the latter respect the authors owe a particular debt to Jones (1981, 1995). The analysis of the drift of accountants into British management is, however, based on more than the published literature. Original data is offered which not only quantifies the recruitment of accountants into industry but also provides valuable historical insights into the structure of the audit market, the growth of the accountancy profession, and trends in company formations and merger activity.

1. Economic determinism and the rise of the professional accountant

The basic thesis offered by Matthews et al. (1998) is a reassertion of the conventional view that accountants are both products and beneficiaries of the expanding corporate economy under advanced capitalism. The analysis emphasises the primacy of market forces in explaining occupational change. The authors contend that the industrial economy, and the enormous growth in the number of joint stock companies, resulted in the increased demand for the services of accountants. They show that in 1881 the combined membership of the professional organisations in Britain was 1470. Fifty years later that number had increased to 26,006, and by 1995 it was 233,620. Of pivotal significance to the profession was the growth of the corporate audit and its colonisation by accountants. During the inter-war years, when British industry responded to its diminished competitiveness by rationalising and implementing more complex management structures, it was accountants who were increasingly engaged as doctors of business. The rise of the professional accountant in management is also explained by Matthews et al. as a function of the systems of education and training provided by the professional organisations. For long, these offered the only available vocational preparation for a career in British management, if not necessarily the best.

The exceptional rate of growth of the accountancy profession (in common with the wider service sector), and the creation of new areas of work with maturing industrialism, is examined by Matthews et al. (1998) under a determinist banner: “we argue that, in the main, the history of the
professional accountant should be analysed as a provider of financial services in the market place, and therefore take the economic (even technological) determinist viewpoint as the basis for our study” (p. 10). Accountants are perceived as agents who respond to market stimuli activated by larger structural changes in the national and international economies. Thus, it was economic change which “shaped the environment within which the accountant subsequently flourished” (183). Of particular importance to the provision of opportunities for accountants in Britain was the advancing scale of business organisations, the increasing number of companies, corporate distress, and the structure of the capital market.

Explanations for the shaping of the institutions of the profession are couched by the authors in similar terms. Accounting firms emerged out of a process whereby individual practitioners coalesced in response “to the promptings of the market” for accountancy services (Matthews et al., 1998, p. 24). Further, “The existence of a critical mass of professional accountants in a large city in Britain was, of course, often the trigger for the establishment of a professional body” (p. 21). Matthews et al. subscribe to the traditional view that occupational association in accountancy was ultimately a product of industrialisation: “The chartered societies were... formed to protect and regulate the provision of the specialist skills which, by the second half of the nineteenth century, were in growing demand as the result of economic development” (p. 61).

The social and political phenomena which have impacted on the growth of the profession, shaped its organization, and facilitated the changing workload of its practitioners, are relegated to a minor role within Matthews et al.’s (1998) thesis of market-derived change. A similar causality was offered by leading accountants during the nineteenth and early twentieth centuries, most of whom were eager to emphasise the profession’s participation in, and contribution to, Victorian ‘progress’ (see, for example, Chatfield, 1978, p. 154). But industrialisation was not only an economic phenomenon, and the form of determinism utilised by Matthews et al. is a narrow one. Urban-industrialism fundamentally altered social structures and relationships in ways which also impacted on the growth and composition of professions. Of particular importance was the increasing wealth and power of the middle classes. For example, close investigation of the expansion of the Society of Accountants in Edinburgh during the late nineteenth and early twentieth centuries reveals the importance of rigid status distinctions and the aspirations of bourgeois parents for the upward social mobility of their sons into learned occupations. The rapid growth of the Society of Accountants in Edinburgh followed institutional changes (such as more rigorous examination systems) which enhanced the ‘professional’ status of the vocation, and made it a more attractive career option for the male progeny of the middle classes. The result of these social and organisational tendencies was the phenomenon observed widely during the late nineteenth century of the ‘upward pressure’ on, and congestion of, those professions which placed no formal limits on the number of entrants (Walker, 1988).

This raises the intriguing question as to whether or not those who trained as public accountants and subsequently moved into industry constituted an excess supply of individuals unable to achieve the desired status of independent practitioner. Matthews et al. (1998) concede that the transfer of chartered accountants from practice to industry in Scotland may have reflected oversupply. Indeed, during the 1930s the number of new recruits to the Institute of Accountants and Actuaries in Glasgow declined, and this was attributed not only to the inter-war depression but “to a prevalent view that the profession was overcrowded and did not have the attractions offered by other careers” (ICAS, 1954). Neither should it be overlooked that the inter-organisational politics contingent upon the diversity of professional bodies in Britain and the greater institutional resources and power which accrue from a large membership, has also encouraged occupational expansion.

When investigating accounting (and other) professionals it is important to recognise that we are referring to individuals, occupational groups, ideologies and organisational forms which operate in shifting social, political and cultural contexts, and that they are not purely responsive or submissive to
market stimuli. The focus of *The Priesthood of Industry* (Matthews et al., 1998) on the experiences of individual accountants in management illustrates vividly that growth and change in the occupation were often fashioned by factors more complex and immediate than the operation of economic laws. The book provides a succession of instances and assertions which depart from the primacy of market explanations for the growth of the profession, its changing workload and the exodus of accountants into industry. A number of non-economic factors are recognised as being important in shaping the occupational configuration. These include: prevailing attitudes towards state intervention, and the character of the resultant legislative outputs (on matters such as bankruptcy, companies and taxation) which generated opportunities for new accounting work and curtailed others; World Wars which encouraged the engagement of accountants by the state apparatus and enhanced the repute of the cost accountant (Loft, 1990); class and gender differences which impacted on recruitment patterns and career progression, as did shifts from elitist to more meritocratic bases of entry to the profession; prevailing attitudes towards business fraud and contemporary morality which encouraged the engagement of the professional accountant as opposed to the amateur auditor or record keeper; the late development of commercial education in British universities which meant that an accounting qualification was the most relevant credential for occupying management positions; and social networks and the acquisition of desirable personal traits which were important to accountants in gaining access to the upper echelons of management.

These wider phenomena transcend purely market explanations for occupational change, the character of the work conducted by professional accountants, and those who perform it. What is absent in *The Priesthood of Industry* (Matthews et al., 1998) is a more comprehensive explication of determination and influence, one that would offer scope for unifying these diverse and apparently contradictory causalities. Marxian historical materialism offers an obvious point of reference in this quest. Here the changing economic base is the foundation upon which the social institutions, politics, the law and morality are built, and reciprocal interactions between the base and its dependent superstructure may also exist (Cohen, 1978). The ‘social construction of markets’ as explicated by Dezalay (1995) is also clearly in evidence in the material presented by Matthews et al., and this frequently appears to offer more convincing explanations for the phenomena observed by the authors.

A reading of *The Priesthood of Industry* (Matthews et al., 1998) also invites consideration of a number of other themes, and suggests fruitful avenues for future historical investigation. The remainder of this essay explores some of these.

### 2. The changing character of accounting professionalism

One of the most intriguing aspects of the move of accountants into industry is the implications it has for the accountant’s claim to professional status and the character of professional values. Of particular interest are the changes that occurred in the vocation and in wider society which (apparently) removed the stigma attached to the engagement of ‘professional’ accountants in ‘business’ during the twentieth century. Matthews et al. (1998) touch on this subject in their suggestion that entrepreneurial behaviour among accountants during the Thatcher era may have compromised their professionalism. This is a tantalising issue which deserves greater attention.

Perkin (1989, p. 82) has described the middle class of the late nineteenth and early twentieth centuries as “riven” with status partitions and “petty snobberies”. Among the most fundamental of these were the distinctions between the professional and the business classes and, within the professional class, the critical division between the employee and the independent public practitioner. According to contemporary social mores, those qualified accountants who left the profession for industry crossed two boundaries into inferior statuses. The potency of the ideology which equated independent public practice with “professional” standing might help explain the efforts...
of the chartered institutes to frustrate the aspirations of the Institute of Cost and Works Accountants (ICWA) after the First World War to achieve equal chartered status. As Matthews et al. (1998) note, this division was also enshrined in a rule of the ICAEW which established that chartered accountants working in industry were prohibited from attaining the status of Fellow.

The developments charted by Matthews et al. (1998) concerning the rise of accountants in British management seemingly conflict with the supposed adherence of public accountants to the professional ideal. Indeed, given the potency of the ideal why did accountants move into industry at all? The evidence would seem to confirm that professional ideologies are malleable and subject to reformulation when the achievement of base objectives, such as the full employment of members or the preservation of an occupational monopoly, necessitate their modification (Walker, 1991; Walker & Shackleton, 1998). The diminishing scope for the newly qualified chartered accountant to put up his brass plate by the interwar years, as the supply of public practitioners reached saturation point in Britain, is likely to have demanded a relaxation of the strictures concerning the independent fee-earner.

The response of the professional organisations to bureaucratisation and rationalisation, and the excursion of large numbers of their members into realms distant from the core values which they espoused, deserves particular investigation. The manner in which industrial bureaucratisation and the professionalization of management made profit-seeking businesses a tolerable home for the independent professional requires the attention of historians. Also intriguing is the manner in which the accountant in industry seemingly accommodated the potential loss of ‘autonomy’, and submitted to the command systems of complex organisations in which they became salaried employees (Kumar, 1978, p. 217). What were the consequences of this displacement for professional identification? The emergence of a post-industrial ‘professional society’ in which meritocracy and the application of knowledge prevail, and the weakening of social distinctions between ‘independent’ and ‘employee’ status are likely to have been significant here. Also requiring further study are the consequences for professional legitimacy which arise when the accountant is employed in industry, having been socialised and instructed in a knowledge base acquired in public practice. As Robson and Cooper have contended: “Although claims to experiential knowledge are commonplace in British society, the extent to which accountants move into new areas of managerial practice may undermine claims to professional expertise, knowledge and status” (1990, p. 383).

Work relevant to these issues was conducted by Hastings and Hinings (1970) in their exploration of the professional/bureaucrat conflict in accounting and the complexities arising from the transfer of the professional into industrial employment. They concluded that “Chartered Accountants employed in industry would exhibit less attachment than do Chartered Accountants in public practice to four professional values (caution, exactitude, anti-theoretical pragmatism, professional exclusiveness) but no lessened attachment to the other two professional values (quantification and rationality)” (Hastings & Hinings, p. 358). This raises a wider question about whether the shift of accountants into industry has contributed to a deprofessionalization of accounting. Is it a component of the ‘death of the guild’ and the supplanting of the autonomous professional’s control over his work by the forces of capitalism? (Krause, 1996).

Hanlon’s work (1994, 1996), though subject to criticism (see Dezalay, 1997; Willmott & Sikka, 1997) is instructive here and suggests that the dominant ideologies of professionalism have shifted to accommodate such threats. He tracks the move from the traditional “individualistic professionalism” though the “social service professionalism” of Fordism and the more recent ascendancy of a commercialist paradigm under the Flexible Accumulation of global capitalism. The dominant professional ideology in accounting (and elsewhere) during the 1990s is accepting of the profit-seeking behaviour previously associated with ‘trade’. In relating how Jones identified a new commercial attitude in the large accountancy firms (the scene of the vocational preparation of most professional accountants) from the 1970s, Mat-
thews et al. may have identified the agency through which a new ideology has been inculcated, although the process through which this was worked out requires more detailed explication. It is also likely that there exists a significant community of practitioners who are resistant to commercialisation, and who perceive its intrusion as destructive of the founding values of the profession and perhaps to the very institution itself (Dezalay, 1995, p. 25).

The social origins of those recruited to the profession are potentially significant in answering some of the questions posed above. Matthews et al. (1998) provide some evidence on this subject but their reliance on published sources such as Who’s Who and Who Was Who skews the analysis to those luminary accountants whose fame and fortune merit inclusion in works of biographical reference. The emphasis in the book is on tracking the successful career paths and achievements of accountants who reached the apex of corporate hierarchies. This evidential base permits the authors to explore ‘routes to the top’, and to focus on those who achieved career mobility by ‘working their way up’. Not surprisingly, the less illustrious accountant in business is not very visible in The Priesthood of Industry (Matthews et al.).

Krause (1996, p. 79) has contended that class is central to understanding the professions in Britain. Clearly, class origins condition recruitment and occupational placement, particularly where there exist established status demarcations within a professional group (compare barristers and solicitors: consultants and GPs). Krause considers that the lack of engineers in British management is a function of the fact that 80% are from the working classes (Krause, pp. 110–111). The social origins of accountants who accessed management hierarchies (as well as those who did not), and their distribution among the pecking order of British companies requires study. Of importance also is the potential for class origins determining notions of ‘acceptable’ vocational pathways into management. Outside of Scotland before World War One, relatively little is known about the social origins of accounting professionals in Britain (Kedslie, 1990; Walker, 1988).

3. Jurisdictional capture

While Matthews et al. (1998) present accountants as “enthusiastic income maximisers”, and refer to “the nimble way in which accountants in Britain capture work”, the accountants’ rise to prominence is not attributed to the potentially more sinister dimensions of occupational behaviour such as monopolisation and jurisdictional capture. In their conclusion the authors refer to the “crucial importance” of the manner in which accountants have attempted to “chase and capture... whatever work they could turn their hand to” (p. 245), but this receives little attention in the main body of the book where the market-based explanation prevails. In exploring the changing workload of professional accountants the authors adopt a less than exhaustive analysis of how territorial incursions have been made. Abbott’s seminal work is absent. Armstrong’s major contribution to the debate on the rise of the accountant in management hierarchies — the inter-professional competition and the collective mobility project which attended that ascendancy — is limited to a discussion of his contributions of 1985 and 1987 (Armstrong, 1985 and 1987). An opportunity is thereby lost for illuminating these issues in greater depth. The authors consider that there are consistencies between Armstrong and their own market-based analysis, but they abstain from a discussion of the criticisms of the Armstrong thesis (Roslander, 1994). The Priesthood of Industry (Matthews et al., 1998) endorses a predominantly functionalist and evolutionary reasoning for the manner in which accountants made forays into new fields (such as management) and the conflicts which they encountered in this pursuit. The rise of accountants is attributed to “the demand placed by society on the value of the services that they supply” (p. 8). Their education and training is seen as rendering accountants most suitable for the performance of particular occupational roles. In return, accountants secured appropriate socioeconomic rewards and were employed to conduct more diverse tasks. Such explanations are in accord with functionalist explanations, whereby high professional incomes are seen to be legitimated
and explained by the valuable services which practitioners supply to the community. This, of course, is also how the accountancy profession has presented itself to the public (Walker, 1991).

For Matthews et al. (1998) new types of professional engagement evolved out of existing areas of work: “The move of professional accountants into auditing in the late nineteenth century is largely attributed to the growth... in the number and scale of limited liability companies, the consequent divorce between ownership and control, and the demand from ‘blind’ investors for information on the state and progress of companies” (p. 94). Thus change in the corporate economy ensured that auditing was bequeathed to the accountancy profession on the basis of meritorious claims. By contrast, other commentators suggest a less passive and more proactive effort by accountants to capture this market in the face of a debilitated legal profession (Maltby, 1999). The manner of territorial advances in tax, consultancy and management have yet to be the subject of exhaustive investigation. One important dimension of this which is apparent from Matthews et al. is the extent to which the incursions of accountants into management were founded not only on their display of expertise but also on the basis of networking and the exploitation of social capital.

Monopolistic behaviour is de-emphasised in The Priesthood of Industry (Matthews et al., 1998): “The accountant’s high income... owes nothing, and probably could or should owe nothing, to monopolistic rights, such as those granted to doctors and barristers” (p. 10). Market dominance has been achieved by accountants without conferment of monopoly by the state: “Fundamentally, therefore, accountancy’s place in the market is seen... to have been achieved in response to a real demand for its services” (p. 13). The adeptness with which British accountants constructed de facto monopolies on the basis of credentialism (which, in relation to the acquisition of royal charters, cannot be achieved without conferment by the state) do not feature sufficiently in Matthews et al. Other studies have revealed that credentialism was to prove an important tool in the quest for, and maintenance of, market dominance, and that it constituted a distorting mechanism in the operation of the market for professional services (Walker, 1991). For Matthews et al., credentialism was merely a way of marking out those whom the market had recognised as competent practitioners. Yet the extent to which organisational combatants fought so vehemently to gain equal privileges or resist their usurpation is suggestive of the manner in which market advances were furthered. The acquisition of credentials would appear to be as important as the possession of skills. Contemporary observers satirized the pecuniary motives behind the invention of nomenclatures in professional accountancy such as ‘CA’:

The “Chartered Accountant”

I’m a “Chartered Accountant,” it sounds rather loud,
As a “Chartered Accountant” I feel rather proud;
For a “Chartered Accountant’s” a noble degree,
As a “Chartered Accountant” confers £.S.D.

Just look at my charter of which I can boast,
On vellum illuminated and finely engrossed:
Though a splendid impression’s created by that,
There’s another, which seals it, as big as your hat.

Who invented the charter that seems to confuse,
A great many people, some think it’s a ruse;
But whoever’s entitled that honour to reap,
Invented a system uncommonly cheap.

There must be “something in it,” most people suppose,
From the great “Magna Carta” they think it arose;
And that I must be “some one” with a charter like this,
So they charter and license me “hand over fist”.

“By virtue” ’twas granted this charter you see,
Some virtue innate then, I knew there must be;
Though but trifling the sum for this virtue I paid,
It’s a virtue I find for increasing my trade.
The history of the professional organisations in Britain is replete with attempts to capture new markets and exclude competitors from within and outside the organised profession (Macdonald, 1985; Willmott, 1986). Further, the distribution of workload among the members of the various professional organisations has been coloured by the politics of differential status and the threat of jurisdictional incursions (Walker & Shackleton, 1995, 1998).

Other professional groups have periodically complained about the manner in which touting accountants have rigorously pursued new territories and not simply responded to an increased demand for their services. This was most notably the case among lawyers in the 1860s and 70s in relation to bankruptcy and liquidation work (Abbott, 1988; Sugarman, 1995). Although The Priesthood of Industry (Matthews et al., 1998) is primarily concerned with the rise of the chartered accountant in industry as opposed to the management or public finance accountant, the capture by public accountants of positions in industry to the exclusion of members of the ICWA is also worthy of greater attention. The competition between chartered and non-chartered accountants for dominance in industrial accountancy has been an important feature of inter-organisational politics, shifting alliances and efforts to secure rationalisation among the professional organisations. During the 1960s, for example, the ICAEW was determined to get on the “industrial bandwagon” to circumvent the growing strength of the ICWA (Walker & Shackleton, 1998). As Dezalay reminds us, diversification into new occupational domains is “inseparable” from games of inter-professional competition (Dezalay, 1995, p. 41).

4. The interwar watershed

One of the principal contributions of Matthews et al. (1998) is the attempt to quantify and chronicle the drift of accountants into management. The data presented by them suggest that the inter-war period was particularly important in this respect. The authors reveal that after the First World War the rate of growth in the membership of professional organisations slowed, while the presence of accountants on boards of directors increased, as did their appointment as company secretaries. As a result of these trends, the proportion of accountants ‘in business’ increased from 7% in 1911 to about 40% by 1939. Matthews et al. contend that “profound” changes occurred in the workload of accountants during the inter-war period. In accordance with their economic determinism and functionalism they consider that this shift was caused by the greater demand for accounting labour following the increasing scale and bureaucratisation of corporate enterprise, and that this was a function of the enhanced profile of accountants following their involvement in war work.

The exodus of accountants into industry during the inter-war period tracked by Matthews et al. (1998) was certainly noted by contemporaries. In 1929, the Professor of Accounting and Business Method at Edinburgh University observed that:

the training and practice of a professional accountant fit him for assisting the administrator of a business, and the demand for such assistance is growing. Openings of this kind are becoming more numerous. As in the professions of Medicine and Science, specialisation is becoming more common. Many young men train as accountants with the intention of going into commerce when they are qualified (Annan, 1982).

As mentioned above, the intriguing feature of the shift of accountants into business is its contradiction and apparent departure from the traditional professional ideal. Matthews et al. devote limited attention to this apparent transformation from 1914 to 1939, and their provision of quantitative data at 20 year intervals hides the precise timing of the movement into industry and commerce during the key inter-war years. As the authors recognise, there is also a dearth of data on the fee income of professional practices in this period. The advance of professional accountants
into work such as consultancy and the installation of accounting systems (though potentially important to the drift of accountants to industry) must be explicable by more than the evolution or ‘natural’ progression from professional engagements established in any earlier age. The importance of the inter-war period clearly merits a search for cogent and fine-grained explanations, as distinct from simply demonstrating the manner in which the rubicon from practice to industry was successfully crossed by a selection of noteworthy accountants.

5. Accountants, economic decline and the diffusion of the professional ideal in British management

Matthews et al. (1998) assert that accountants have achieved a hegemonic status in British management. Given their “formidable” impact in corporations since the inter-war period, the role of accountants in British economic development becomes a central concern. In their conclusion the authors address this question by relating the opinions of those who have perceived the accountant as an agent of caution and short-termism in management structures. They counter this by claiming that the accountant’s conservatism is largely mythical, and that there are many instances of accountants behaving in a more entrepreneurial manner. Although Matthews et al. are reluctant to offer firm conclusions on the issue, they do suggest that a market-based analysis holds some intrinsic clues. The high salaries awarded to accountants, and their increasing presence in British management, indicates that the services which they supplied must have been of value and a positive contribution to economic advance. From time to time attempts are made in The Priesthood of Industry (Matthews et al.) to assess “how good” accountants in industry have been in their performance of managerial roles. Chandler’s criticisms of amateurism in British corporate governance in Britain during the inter-war years are rejected in favour of celebrating the contributions made by individual professional accountants who applied their expertise to the advantage of several major businesses.

Matthews et al.’s (1998) caution on these issues, and their limited engagement in wider debates in economic and social history invites further inquiry. One notable theme of the book is the coterminal nature of the rise of the accountant and British economic decline. Wiener’s (1985) (much criticised) thesis that economic decline in Britain since the mid-nineteenth century was due to the dominance of an anti-industrial mentality and ‘gentlemanly capitalism’ is clearly of relevance to the subject of The Priesthood of Industry (Matthews et al.). However, the authors offer a short statement to the effect that accountants in Victorian and Edwardian Britain were not possessed of an anti-entrepreneurial spirit. This begs the question of what values accountants took into the boardroom when they supplanted the amateur-gentleman director? As the most significant professional group in British management, it is important to divulge the roles played by accountants in diffusing a ‘professional ideal’ in British board rooms. According to Perkin (1989), this ideology was more potent than entrepreneurialism during much of the twentieth century. Professionalism espoused altruism and public responsibility rather than the primacy of profit-seeking. Did the advocacy or infusion of prudence and independence by accountants place a brake on the free reign of entrepreneurial behaviour in British industry and commerce? Given that the professional accounting qualification was for long the only available training and education for British management, its subject components and the values it inculcated are of particular importance to broader historical debates.

6. Conclusion

The impression given in The Priesthood of Industry (Matthews et al., 1998) is of accountants flourishing under advanced capitalism and receiving high rewards for their contribution to its functioning. Issues of concern to the critical accounting community such as the proletarianisation of accounting labour (Johnson, 1977) and the “negativities” (Roslender, 1996) which attend the practice of the accountant’s craft in industry do not feature in Matthews et al. Although it is asserted that accountants occupy “an extremely
powerful position within society”, the manner of
the exercise of that power and its consequences are
not within the scope of the book. While The
Priesthood of Industry (Matthews et al.) is labelled
as an income maximiser, the members of this
priesthood are generally portrayed as benign
sacerdotalists as opposed to pious assailants. The
heavy reliance on anecdotal evidence often means
that Matthews et al. find it difficult to arrive at
substantive conclusions. At several points the
authors concede that their deliberations are tenta-
tive, speculative or impressionistic, due to a lack
of published data. At certain junctures it appears
that their evidential base is insufficient to support
such an ambitious remit. Individual biographies
are often used to illustrate major assertions, or the
authors revert to the inevitability of broad eco-

donomic trends as ‘obvious’ explanations for change.

This essay has attempted to reassert the ‘social'
in the history of accountants in British manage-
ment. The Priesthood of Industry (Matthews et al.,
1998) provides a valuable launch-pad for this
project. It is a work produced by, and largely for,
the business, economic and accounting historian,
and its often celebratory tone will find favour
among a practitioner audience. The book enhances
our knowledge of the history of the accountancy
profession in Britain, and its contents inspire the
pursuit of important themes which are outside its
remit. There is clearly room for a history which
locates the rise of the accountant in management
within pertinent socio-cultural contexts, and
which extends in scope beyond the illustrious
accountant to encompass a broader conception of
the professional populace.

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