Reviews

R.J. SCHONBERGER
Japanese Manufacturing Techniques
The Free Press, Macmillan, New York, 1982.

After carefully reading *Japanese Manufacturing Techniques* by Richard J. Schonberger one can understand the Japanese success story. The management technology portrayed is not indigenous to the Japanese people or culture. However the impetus for its implementation was due to the unique situation of very poor natural resources found in Japan.

Schonberger divides the book into nine lessons. Each chapter begins and ends with a quotation summarizing the goal of the lessons to be studied. The key message to be gleaned from this book is twofold. Stressed throughout is the Japanese emphasis for line personnel having complete authority and control over the manufacturing operation. Secondly, the Japanese keep the operation simple. They avoid overcontrolling the process by keeping staff in a support position. Additionally, labor is not specialized; it remains very flexible to be utilized where needed the most.

As the Japanese must import most of the raw materials necessary for manufacturing finished goods, they are subject to increasing raw material costs. Such an obstacle to manufacturing has conditioned the Japanese manufacturer to keep a tight check on material costs. Poor quality, in the form of re-work, defects, etc., and inventories are viewed as excesses in regard to material costs. Nested within this problem lurks yet another. Namely excess inventory hides defects. To combat the problem of too much inventory, the Japanese developed the JUST-IN-TIME method of inventory control. However, to implement such a plan requires numerous changes to the manufacturing process. For example, set-up time for machines must be of the order of minutes. This allows for small production runs and the resultant benefit of reduced inventory. Modification of equipment is costly but can be reduced if the machineary is of the same make. In addition, it appears to be more efficient to use several small machines as opposed to one large machine; and customize equipment to suit a particular need. Thus small production runs can be achieved as well as overlapped production (producing small lots and sending them to the next station right away). This allows JIT to function. Also, custom machines require very little or no set-up time. With flexible labor, each machine can be run easily by workers of different skills.

The process must be oriented for a minimum distance between work stations. It is important that parts can be passed to the next work station as needed. Close proximity facilitates this aspect. Also, having workers with more than one skill allows them to be moved, as needed, to other work stations. One worker can handle two or more work stations as others are called to help in trouble spots.

To combat the poor quality problems a method known as TOTAL QUALITY CONTROL was instituted. The underlying theme of TQC is: Quality at the source – Defect prevention. To achieve TQC requires several changes in the traditional Western quality control. First it is important to check quality on a process or step by step basis. This measure of quality should be easily accomplished and have a visible record. Second, quality must have priority over output. Workers must be allowed to stop production to correct a quality problem immediately. Lastly, there must be a continuous stream of quality improvement programs with the goal of perfection – no defects.

To implement such a program again requires changes from some standard practices of Western manufacturers. Quality control must be in the hands of the production line personnel. They must have the authority and, equally important, the responsibility for quality. Here output takes second place. The QC department becomes supervisory in nature. They are called upon for testing, i.e., non-destructive testing of materials, and for support in difficult problems. However, the line

foreman is considered the expert. Next in importance of changes concerns a policy of rigorous preventive maintenance. To the Japanese this means extensive 'housekeeping', less than full capacity scheduling and a daily checklist routine for each machine by its operator. As a result, machinery is pampered and not overtaxed. Personnel likewise are less prone to mistakes made in haste. The last change to make quality control easier concerns lot size. The smaller the lot size, the easier TQC can be implemented.

It is important to note that the author indicates that a JIT/TQC policy is suited for a repetitive manufacturing situation. Such a policy lends itself to a high volume, narrow product line manufacturer. The job lot manufacturer may be better off with a materials requirement plan if the operation is medium to low volume with a wide product line. (However, MRP has a no aspect of quality control, it is solely for inventory control.)

The author spends some time discussing the implementation of a JIT/TQC program into existing plans. He explains how a job shop process layout arrangement can evolve to an automated JIT/TQC operation. It requires focusing on a narrow product line and building high sales volume. (A Japanese technique for building sales volume is through a low profit margin.) A job shop can progress to a dedicated line operation. High volume can justify a single part model or model assembly being made on a production line basis. Small lots or overlapped production is recommended, with the goal of reducing set-up time. The next step would be a physical merger of the dedicated lines. Two possibilities exists at this point: Adjacency, which has the end point and the next start point adjacent; or, group technology with custom machine tools. Adjacency is straightforward. Group technology concerns one worker operating the work stations necessary to complete a sub-assembly, i.e., a motorcycle frame. The next evolution is to mixed model production. Instead of many dedicated lines, one production exists for all models. This is important as production can be in the same ratio as market demand. The last step is fully automated JIT/TQC production. Along the way each stage eliminates buffer inventory, quality problems, excess paperwork, excess equipment, need for storage, etc.

The author also discusses production line management. Briefly, the most important aspect is flexibility at all stages. Here the Japanese rely on the foreman to direct and correct line balancing problems. Thus line balancing is a constant state of flux, as workers are pulled off the line (to expose problems covered by excess labor or inventory). This flexibility built-into the system allows for more responsiveness to market changes and production changes.

The benefits of JIT can also be extended to the manufacturing firms' suppliers. The Japanese typically have few suppliers. They try to bring about a suppliers' dependency on the manufacturer. This fosters a long-term loyal supplier base, which, the Japanese feel, outweighs the short-term best price. What happens to the supplier is a production schedule that closely matches the buyer's demand. Small lot sizes of exact amounts can be delivered to the buyer. With steady production and steady orders coming in a supplier can operate on a JIT basis. Additionally, the Japanese believe more consideration should be given to freight distances. Suppliers should be located close to the buyer. This facilitates small delivery size, encourages communications, allows for quality and design responsiveness from the supplier, reduces shipping costs, and JIT benefits are enjoyed by all.

It is important to realize misconception exists in regard to the Japanese success story. JUST-IN-TIME constitutes an inventory control method. Coupled with dual-card kanban the pull system is put into effect for both conveyance and production of parts. Furthermore, a TQC program is necessary for quality, as JIT is cost effective rather than quality effective. Although occasionally it appears to be a fine line of distinction between the three systems above, they are in their own right separate and distinct. They are most effective when used together.

Another misconception exists concerning quality control circles. The author points out that the Japanese consider QC circles to be the last opportunity to ring out quality problems. They tend to be more along the line of morale boosters. QC circles are not the first step to better quality but the last step to be taken. (Originally QC circles were begun as 'study groups at a workshop level'.)

Re-inforced by the success of JIT/TQC the Japanese have become leaders in manufacturing. They are committed to a marketing and product design strategy featuring fast growth in market share with low prices, high quality, few models,

and quick production response. Additionally, they look for high inventory turnover, a stable yet flexible work force, capital equipment investment in small lots, and a long-term outlook.

One last comment concerns the book's appendix. It very aptly describes the kanban system. Most importantly it indicates kanban can not operate without JIT or high volume. Kanban is ideal for removing buffer inventory and thus exposing problems causing yet another round of JIT/TQC benefits.

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Derek BOK
Beyond the Ivory Tower: Social Responsibilities of the Modern University
Harvard University Press, Cambridge (MA), 1982.

Written by the president of Harvard, this book examines the social role of major universities today. In so doing, consideration is given to the evolutionary functions of the university, its varied constituency and the network of relationships with other institutions. Bok maintains that universities, in view of their significant intellectual resources and public funding [1], do in fact have a social contract with society, and thus should address social problems in appropriate ways. In his words (p. 309): 'The opportunities are legion and can be seized without slighting the importance of pure scholarship or displacing the more traditional modes of education'.

This book is organized as follows. Part I deals with the basic academic principles setting boundaries on university responses to social needs. These principles are 'academic freedom', 'autonomy', and 'neutrality'. Part II focuses on the impact of the foregoing principles on university actions with respect to such issues as racial inequality, scientific research, technological innovation, ethical standards, and Third-World economic development. Part III offers recommendations for

universities to promote social programs beyond the academic sphere.

Bok, in his discussion of the basic principles, refers to academic freedom in terms of the limits this concept establishes for universities to interfere with the latitude that scholars have to espouse their own views. Academic freedom produces benefits in Bok's opinion by fostering a free exchange of many different ideas. The second principle which the author analyzes is the autonomy of the university in regard to academic programs versus interference by government. The third principle pertains to institutional neutrality and the avoidance of ventures that could jeopardize that neutrality.

Bok argues that universities can respond to social problems through their academic programs – e.g., by enrolling minorities, by achieving research breakthroughs. He believes it is considerably more difficult for universities to justify divestiture of their stockholdings in various corporations [2], boycotts of suppliers, and issuance of position statements on controversial political issues – since universities are principally concerned with teaching and research. 'Universities can hardly expect to retain their freedom from social pressure if they insist on exerting their leverage as purchasers or stockholders to influence the behavior of other institutions in society' (p. 304). This represents a very traditional view of the role of universities, which is hardly likely to appeal to student and faculty activists who take the position that universities are afraid to practice what they preach.

To counteract the foregoing problem, the author urges university administrators to take the initiative and discuss key ethical and moral issues prior to their appearance in campus newspapers and emergence from student protests. Additionally, greater emphasis ought to be given to ethics and moral reasoning in our curricula. Universities should also make an enlarged effort to develop opportunities for students to assist the needy and handicapped. Above all, universities could be more creative in using their vast resources to deal with

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[1] Indeed, the university is a major business. See Clark Kerr, *The Uses of the University* (Hardvar University Press, 1963).

[2] For a succinct discussion on the use of university investments to further social purposes, see Bevis Longstreth and H. David Rosenbloom, *Social Responsibility and the Institutional Investor: A Report to the Ford Foundation.* (Praeger, 1973) pp. 48–55.

social issues. Bok makes several valid points in this regard. Without becoming embroiled in highly controversial, political disputes, universities could do much more even within the confines of teaching and research to foster social action. Nevertheless, his proposals would not serve to placate the activists.

An enlightening essay, this book delineates the social functions of major universities by considering how they should deal with selected controversial public issues. To sum up the author's views (p. 88):

...'[U]niversities have an obligation to serve society by making the contributions they are uniquely able to provide. In carrying out this duty, everyone concerned must try to take account of many different values–the preservation of academic freedom, the maintenance of high intellectual standards, the protection of academic pursuits from outside interference, the rights of individuals affected by the university not to be harmed in their legitimate interests, the needs of those who stand to benefit from the intellectual services that a vigorous university can perform...'

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M. NOWAKOWSKA
Quantitative Psychology: Some Chosen Problems and New Ideas
North-Holland, Amsterdam, 1983, 943 pp.

While publication of this large volume is worth noting, it is not for everyone. I do not feel qualified to judge the eminence of this author. Therefore, I will defer the critique of its value to a professional in the field and limit my review to certain general remarks which will include generous quotations from the book.

This prolific author tries to bring us at the frontier of knowledge in the field of quantitative psychology by venturing into wider perspectives, such as theories of observability, semiotics, knowledge structures, and action theory.

Nowakowska claims to go beyond the superficial, the uninspiring stereotypes of quantitative psychology. As a start, she brings new ideas to the

domain and application of test theory by analyzing the development of various types of knowledge representations, their interaction, substitutability, distortions, etc. She recognizes 'that computer testing opens up possibilities of new types of test research, including more contribution of experimentation, more stress on intermedial tests, based on the idea of semantic equivalence, and generally, more contribution of linguistic and perceptual aspects'. Nowakowska claims that when decision models of risk situations include ethical valuations of actions and decisions, one gets new types of interpretation and prediction of behavior, which 'allow to capture cognitive biases in decisions and to reconstruct these biases theoretically'.

She studies measurement theory where she introduces different forces of subjective time and its distortions, a topic thus far unexplored which allows the analysis of new aspects of structure and function of cognitive processes. Weaker forms of measurement dealing with linguistic measurement are considered along with measurement by analogy and by metaphors. 'The mechanisms of transportation which are basic in the comparison of attributes of stimuli, are used in dynamic models of perception and serve as a new starting point for possible development of measurement theory'.

Chapter by chapter we find, first, a presentation of the contemporary theory of psychological tests. Then the author deals with factor analysis as an example of a model in which arbitrariness of decisions affects the results. After dealing with psychological problems of construction and application of questionnaires, she explores the connection between test theory and the theory of fuzzy sets. The book continues with an outline of formal semiotics where the main concept of the theory is 'that of multidimensional unit and multidimensional languages, which allow parallel descriptions of strings of physical or mental actions'. The ideas of measurement theory are applied to a theory of time, which is based on a fuzzy relation describing the subjective perception of time. The theory of linguistic measurement is related to topics of perception, descriptions, verbal copies, and verification and representation of motivation. It is argued that 'action theory is in fact a theory of predecisional situations'.

The author presents models of group pressure and group choice which are essential complements to a model of social change. She closes the book

with an outline of application of action theory to educational psychology, claiming that her 'formal theory of actions is the first in the literature that connects psychological linguistic, logical and decisional aspects of behavior'.

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D.C. CLARKE
Language and Action: A Structural Model of Behavior
Pergamon Press, Oxford/New York, 1983, 318 pp.

This book contains a series of studies which the author has conducted 'to look for better ways of describing the structure of human action, the relation between key decisions and outcomes, and the forces that give shape to events'. His main plan is to develop a structural analysis of conversations and other action sequences.

He claims that 'the study of conversation structure should provide a more general theory of action'. The aim is 'to explore a different kind of social science, humanistic in spirit but rigorously formatted, which could provide the policy *science* to underpin the burgeoning *technologies* of policy such as operations research, decision theory, game theory, futures research, and systems dynamics. In this role language is crucial, both as a form of action on which to develop and test new methods, and as a source of linguistic techniques from which those methods will be derived in many instances. In looking towards a general science of action, or a morphology of complex events, there can be few precedents more attractive than the similarly motivated and very successful attempts of general linguistics to describe the architecture of natural language'.

The book is a detail report on a project involving studies of the structure of conversation. 'The idea of a structure implies that the object of study (in this case conversation, dispute, negotiation, argument) is a thing of many parts (which correspond roughly to the individual utterances, "lines", or "turns-at-talking" of different speakers) and

that the arrangements of parts to form the whole is not a haphazard matter, but a complex process in which some configurations may be allowed to occur more frequently than others. The former constraint belongs to the realm of communicative competence, and the latter to the domain of performance.'

Clark's main conclusions are concerned with the syntax of action, the hierarchical structure of human action, the desire to capture the interplay of parts of elaborate behavioral complexes 'in some kind of synthetic statement which is vigorous, complete, consistent, and coherent'.

The author engages at the end of his book in a discussion of particular interest to this reviewer. He compares two paradigms of science, one which is 'issues'- and 'theories-driven', the other driven by the processes of inquiry. These paradigms lead, respectively, to theory-linked sequence models and surface-linked sequence models. In the former, once a discovery is made, a related theory suggests the next process to be investigated, whereas in the latter, it is a related phenomenon or process which suggests the next step to take in the research investigation. Clark tries to differentiate between the 'surface levels of reality' of the physical sciences and of the social and behavioral sciences and argues that scientific inquiry in the two domains may have to be conducted differently. 'Philosophical imponderables' appear much earlier in the social sciences than in the physical sciences. He speculates that 'the relationships among known and new phenomena and known and new processes are such, that new discoveries are more likely to surface by searching new possibilities in the process domain by imagination or conjecture, after which it does not matter too much whether the phenomena predicted are novel or familiar'. Clark 'seeks to emulate the successes of the natural sciences'.

...'The role of theory in science is not just to provide the means to a greater end. The substance and purpose of science is in itself to develop and evaluate better, deeper, and more general theories. The collection and analysis of data has no part to play except insofar as it provides the means to that end.'

Clark extends his discussion to a consideration of 'mind' and the ways in which the properties determine its behavior. 'We need a way of considering what it *is*, in order to frame explanations of

what it *does* ...,' he states. He tries to model the cyclical interaction of conscious mental activity and the outside world of actions and likens the 'conscious mind' to 'the trace' which a sophisticated computer makes as its programs run, a record laid down on memory and available to be output, '... an internal monitoring function of the machine which may serve similar functions to consciousness, although it does not involve any self-awareness on the part of the computer'. He concludes by stating:

'We all have access to a certain part of our own psychology. The unaccessible parts that *it* controls are no problem. The real question will concern those parts of the system which control the accessible mind. They will be understood, as anything, by the study of the sequences and patterns of behavior over time which are their product and their hallmark'.

This is a carefully crafted book which contains the work of the author 'in a series of studies to look for better ways of describing the structure of human action, the relation between key decisions and outcomes, and the forces that give shape to events'. While this text will appeal to specialists in language and communications because of the detailed descriptions of experiments in conversation structure, it will also be of considerable interest to all those who seek to develop further the epistemology of the social and behavioral sciences.

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W. ULRICH
Critical Heuristics of Social Planning: A New Approach to Practical, Philosophy
Bern/Stuttgart, Verlag Paul Haupt, 1983.

If the note on the title page of this book which specifies that this edition consists of 800 copies is true, a very serious disservice to the scientific community of human systems management was committed.

This book is an important attempt to formulate the foundations of rational social science or of practical science for the planning of social systems.

As we all know, such science is lacking. As we propose solutions for our systems problems, we claim to hold the sacred truth, but fail miserably to deliver working systems. We design systems that fail and none of the problems facing humankind are nearer a solution. Poverty, war, delinquency, ignorance, colonialism, corruption, pollution etc. are still with us. Operations Research and, afterwards, Systems Theory offered to us the power of applying mathematical models to improve our decision making, but results to date have not been encouraging.

As Ulrich points out, the problem of 'rational' discourse remains unsolved. 'Philosophers have been unable to come up with a theoretically justified model of rational practical discourse that would also be *practicable*' ... 'Theoretical solutions refer to *ideal* conditions or standards of rationality' but have no way 'to transcend reason' itself and 'become practical'. Faithful to Kant, a theoretical solution refers to 'ideal conditions or standards of rationality' and never becomes the practical imperative. In spite of our best efforts, we have no science which copes with practical reality. Whereas reconstructionists, such as Sneed and Stegmüller, have been able to design a formal science to deal with theory, there is no counterpart that deals with praxis.

Ulrich makes a bold attempt to develop such a theory. After postulating that there is no epistemological basis for socially rational planning, Ulrich asks: 'How can we rationally identify and justify the normative content of our actions?'

In this book, the author first proceeds to reject Popper's objective knowledge, i.e., the notion of 'knowledge without a knowing subject' and then criticizes Popper because of his lack of discrimination between 'what is' and 'what ought to be'. He is also against Habermas' critical theory of society for not providing for consensus among participants, for not providing for values in theory and for the impossibility of making the formal structure of rational discourse (the ideal) relate to what is real (reality). Ulrich advocates the use of heuristics instead of epistemology to answer the question: 'How do we known that we know'.

Reason is *theoretical* if it secures critical understanding of 'what is'. It is *practical* if it secures critical understanding of 'what ought to be'.

The systems rationality of the systems *planners* must be reconciled with the social planning of *witnesses* who provide the sources of legitimation

to the systems design. The reconciliation between the complementary opposites of planners and witnesses is obtained through *the process of unfolding* which is a mediation process between the two parties. This process can take the form of *dis-illusionment* to show to the *experts* (planners) that what they call 'objective necessity' is just as subjective as what is advocated by the witnesses. Through the so-called unfolding or mediating process we want to emancipate the experts from their dogmatic premises and promises. The idea is to uncover deception and to enlighten and submit planners' arguments to critical argumentation. Whereas *systems rationality* (boundary judgments) is an a-priori concept which relies on internal standards of criticism, *social rationality* is a-posteriori, and relies on external standards.

By mediating (unfolding) the conflict of complementary opposites and questioning the rationality of the other, each side becomes the guarantor of the other through self-reflection and self-transcendence.

When all is done, what remains of Ulrich's cogitations? He goes through an elaborate discussion of Popper, Habermas and Kant to justify his 'dialectic turn', whereby reason transcends reason's own boundaries to become practical.

One has to be steeped in the language of Churchman and of Simon, to be able to understand Ulrich's ideas and turn of mind. One has to be able to understand the meaning of self-reflection, dis-illusionment, emancipation, enlightment and other concepts such as witnesses, the affected and the involved which are used throughout this text.

While not easy, the book is worthwhile because it reflects the work of a careful scholar. Ulrich is able to go back to the source and give us a faithful interpretation of German texts which are usually unavailable to us. Through his interpretation and presentation, we rediscover Kant and Hegel, and learn about their contribution to systems concepts and ideas.

Ulrich's book contains a wealth of ideas which will be discussed for a long time to come. He discusses at length the question of problem definition and of boundary judgments. He cleverly gives a very good justification for postulating a system's totality by stating that 'we cannot *know it,* but we can certainly *think* about it'. He justifies the systems idea by showing that propositions about

boundary judgments are *relative* because they depend on the designer's point of view, they are *a-priori* because they are not empirically obtained, they are *normative* because, through them, we can obtain a comparison of alternatives and they are *synthetic* because they cannot be obtained analytically or logically.

I may not thoroughly agree with Ulrich concerning his twelve categories or with their imputed roles. However, I appreciate his classification and his treatment of the difference between roles, between those who are the 'affected' and those who are the 'involved' and between those who are concerned with 'what is' and those who are concerned with 'what ought to be'.

One can question whether or why the clients provide the measures of improvement, or what is meant by what Ulrich calls the components and the environment, or again, who are really the affected and the involved. No matter – we must be thankful for Ulrich's effort to present this important piece of work which deserves recognition. More efforts are needed to justify our social actions. Ulrich must be congratulated to have initiated the dialogue. It is a difficult book to read because it tries to be erudite. However, it will reward the reader and, hopefully show the way toward what Stegmüller calls a 'theory of intended applications'. We need to combine the formal and the historical approaches, combine the formalism with the practice and show that science can progress in a theoretical as well as pragmatic mode.

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J.L. BENNETT (ed.)
Building Decision Support Systems
Addison-Wesley, Reading (MA), 1983

J.D.C. LITTLE and M.N. CASSETTARI
Decision Support Systems for Marketing Managers
American Management Association, New York, 1984.

The Bennett anthology is part of a series by Addison-Wesley on the current state of the DSS

art. This book is concerned with the design and development of DSS, consisting of articles primarily by people involved in DSS development, planning, and testing. In this book, DSS is viewed as a decision-making aid, intended to enhance the effectiveness rather than the efficiency of the entire decision-making process, including data collection, analysis of alternatives, selection of an alternative, implementation of the decision, and control. DSS generally consists of a model, database, a computer, and a user. A DSS lends itself to ill-structured decision problems in particular. While there are no articles in the book devoted solely to the behavioral implications of DSS, this theme recurs in several articles. Other principal themes include: the importance of the interrelationship between the design and use of DSS; the importance of DSS as a support tool and learning aid to assist humans, not to replace them, in the process of management; the importance of selecting relevant models for users' presumed needs; the importance of adaptability and flexibility in DSS construction.

The book covers considerable ground with regard to the metamorphosis of DSS and the issues underlying DSS applications. However, there could have been more attention devoted to the behavioral aspects of DSS. Users, in light of their natural resistance to change, may conceivably view DSS as a threat to their employment. Overcoming this problem involves on-going education. In the process of introducing DSS, continual training of users involved is imperative. Additionally, more emphasis should have been given to the distinctions between MIS and DSS. Is DSS just 'old wine (i.e., MIS) in new bottles?' Is DSS expected to be a passing fad or a long-term development? How can the 'value' of DSS be measured? Furthermore, the book could have focused more on specific applications of DSS in organizations. Accordingly, DSS has implications for the future structure and management of the firm. We have to escape from the classical, departmental view of the firm. DSS applications transcend traditional functional boundaries.

In their very brief monograph, Little and Cassettari focus on marketing DSS (MDSS), emphasizing the importance of such systems in providing marketing managers with a better view of the market place. Users do not simply want more data, but also analysis of the data according to the

authors. In the development of MDSS, as in other DSS, emphasis should be placed on changeability, a 'try-and-see' approach. The articles in the Bennett anthology also accent the theme of adaptability and flexibility as a characteristic of DSS in general. Little and Cassettari stress the need for organizational support, indeed an integrated firm-wide effort, in the development and utilization of MDSS. The authors foresee, in the future, large databases to be used in MDSS, significantly improved technological capabilities, and major changes in management styles.

In conclusion, the Bennett book constitutes an overview of DSS, in general, with some emphasis given to its evolutionary development and future, whereas the Little-Cassettari book is a primer on marketing DSS – its rationale, characteristics, and future developments.

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T. TINKER (ed.)
Social Accounting for Corporations: Private Enterprise Versus the Public Interest
Markus Weiner, New York, 1984, 177 pp.

This is a collection of four addresses on public-interest accounting from a symposium of the American Accounting Association in 1982. The contributors present direct challenges to maintain accounting theory and practice, being largely concerned with abuses in accounting and financial reporting, and how these abuses could be rectified.

The first paper – by Charles Lindblom, professor of economics and political science at Yale – is entitled 'The Accountability of Private Enterprise: Private – No; Enterprise – Yes'. In this essay, consideration is given to two arguments about corporate responsibility: (1) Accountability and control over corporations can be achieved through 'voting with dollars', i.e., consumer power. (2) Corporate management now realizes that it has a much broader constituency and a social responsibility. Lindblom emphasizes the importance of controlling the large corporation in view of its significant public role. The problem with the first argument, as Lindblom observes, is that it fails to allow

consumers to distinguish producers that affect the environment detrimentally from those that have no such effect. Nevertheless, it appears to the reviewer that buyer control over corporations can serve to stimulate such organizations to change their ways if they are found to be socially irresponsible. However, buyer control cannot be the only form of corporate regulation, as Lindblom asserts. The second argument stated above, voluntary corporate responsibility, is also weak, since corporate officials are often under considerable pressure to reduce costs. Accordingly, increased and better government regulation of corporations is necessary in Lindblom's opinion. Otherwise, corporate officials will wield too much power. While there is nothing earthshaking in this paper, Lindblom does contend that government regulation has generally been ineffective and inefficient because '[c]onstitutional protections of due process and of private property give the adversaries of public regulation a powerful tool with which to obstruct it...' For regulation to be effective, social disclosure is mandatory in the author's view.

The second paper – by Abraham Briloff, a professor of accounting at Baruch College in New York – is entitled 'Double Entry: Double Think: Double Speak', and represents a scathing, one-sided critique of recent abuses by accountants and management in financial reporting as well as the regulators of such reporting, the Financial Accounting Standards Board (FASB) and the Securities and Exchange Commission (SEC). While informative, this essay does not provide a balanced appraisal of progress made in financial reporting – e.g., the development of a conceptual framework or constitution of objectives, attributes, and elements of reporting. Critical of the standards promulgated by the FASB, Briloff argues that the Board 'is doing a lot of floundering, fussing with details that should be left alone and delaying unduly reaching final conclusions on basic issues'. Unfortunately, in light of the politics of standard-setting the FASB has little choice but to act in a timely fashion since it is essentially subservient to the SEC, which will step in if the FASB fails to take an appropriate stance on issues in financial reporting. Briloff paints a very dismal picture of the state of financial reporting today, yet at the end of his address contradicts nearly everything he previously asserted in this speech by saying that '... we [the accounting community]

still have an important reservoir of confidence and credibility with the public generally...'

The third paper – by Stanley Sporkin, formerly director of the Securities and Exchange Commission – is entitled 'Accounting and Realism', and deals with cases in which accountants have blindly adhered to generally accepted professional standards, to the point of failing to exercise adequate judgement in their work. Sporkin contends that accountants cannot ignore reality, substance rather than form, in financial reporting. There is too much emphasis on the 'cookbook', 'how-to' approach to accounting and auditing in Sporkin's view. He is entirely right, and this approach is also all too prevalent in university accounting curricula in the United States and abroad.

The final paper – by the editor of this volume, Tony Tinker, associate professor of accounting at Baruch College – is entitled 'Accounting for Unequal Exchange: Wealth Accumulation Versus Wealth Appropriation'. Tinker finds fault with the accounting profession for focusing its attention on the measurement, rather than distribution, of income and wealth. He contends that 'accounting not only needs a way of appraising "the bottom line", but ... "every line" to see whether the underlying transactions represent equal or exploitative exchanges...' Conventional accounting in Tinker's view omits a great deal of information by paying too much attention to the overall entity in question. In reviewing the other papers in this book, Tinker observes that '[a]ppeals for greater individual honesty and integrity by accountants are important but will be of little consequence without also addressing the socio-environment that galvanizes acquisitive and competitive behavior'.

This is one of the first books on social accounting to emerge in recent years. In light of the upturn in our economy, there appears to be a renewed interest in this subject today. The essays included in this volume provide a critique of modern corporate accounting policies and recommendations for fundamental reform. While the points of tangency among the essays are not as clearcut as they could have been, books of this kind on the broad issue of corporate social accountability should be encouraged.

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