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Every Issue

Personal and Professional Governance in the Economic Crisis

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During the current economic crisis, bankruptcies are exploding in many business sectors, business news is bad if not frightening, confidence is low and fears continue to rise as difficulties persist. Six million jobs are estimated to have been lost since the employment peak in November 2007, and the recovery of these jobs is likely years off.

The crisis has given rise to political governance responsibilities, which are being addressed. Important personal and professional governance responsibilities have arisen. These must be addressed, and Financial Executives International — as well as its chapters — can assist.

Governance Responsibilities: Political, Professional and Personal

Political governance is being debated, and processes are hard at work. Both the Bush and Obama administrations have aggressively moved to address the crisis, and both have been criticized; but the criticism primarily concerns the direction of action, not the lack of action.

Little attention has been given to the personal and professional governance responsibilities within the crisis. These are deep-rooted, building on both economic principles and spiritual and philosophical teachings. Economics points out that individuals seek to maximize their economic well-being and, that maximizing one's financial well-being does not necessarily result in maximizing one's economic well-being.

Spiritual and philosophical writings, from the Tao Te Ching (of approximately 1000 B.C.) to Mother Teresa, teach that the maximization of the quality of one's life is achieved by reaching out to others.

Individuals can reach out on their own, but may be more effective reaching out as a member of an organization such as FEI. Such groups can reach out to members and nonmembers, as well as to the society at large.

Many professional organizations, such as FEI and its chapters, have committees that assist members in transition — those unemployed and/or those who have been informed that they will become unemployed. These committees become overwhelmed as the number of unemployed members increases.

One of its most important roles is ongoing personal contact. Losing one's employment is difficult — often devastating. Organizations and their members remind those struggling that there are people who care about them, and are there to help. They provide hope, an essential aid when facing adversity.

Networking events have proven to be useful. Combining the experiences of social contact and professional education is beneficial and enjoyable.

Seminars outside of approved continuing education requirements can be conducted on subjects comprising broad-based technical topics such as skill sets for considering career shifts.

Professional organizations such as FEI can reach out to other organizations, such as city and state government units. The synergies from combining the insights and experiences of those in the private and public sectors can aid the public sector in investigating courses of action.

The Experience of One FEI Chapter

Back in 1993, a small group of members of FEI's New York City Chapter met to discuss how their experiences and insights could be used to assist their city. Those were difficult times for the city, and the members' objective was to find opportunities to give back and to help improve New York as a place to live and work.

The chapter formed the Public Interest Initiatives Committee (PIIC), and during the next six years, multiple projects were undertaken with the New York State Comptroller's Office, the City of New York, Hunter College, the Archdiocese of New York City Catholic School System and others.

Projects for the comptroller's office included payroll and human-resource systems, the operation of internal controls, investment management issues, the updating of large-scale accounting systems and accident prevention and recovery programs. Perspectives regarding information technology, cost structures, outsourcing and enterprise risk management were shared with the city, Hunter College

and others. Projects for the Catholic School System included technology plans, enrollment-projection models, purchasing procedures, cash management and record-keeping.

PIIC had a clear view of its role, and required that the organizations' programs be well defined, have a relatively short timeframe and require the financial and related skill sets possessed by FEI's committee members.

The city benefitted as did the more than 60 members of the New York City Chapter, and many felt it was the chapter's most important work. As one member commented: "Applying elbow grease adds a powerful dimension for those involved. And that is especially true when volunteers can use the professional skills they have honed in the business world."

Here in 2009, political governance responsibilities are being addressed. Personal and professional governance responsibilities must be addressed. History's finest hours are those where men and women have stood together in the face of great difficulty. That time is now.

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