

Rate's Signature		Department				For Month of				192							
<p><b>GUIDE TO RATING:</b>—Every Department has a "Best in the Department." Let that choice one in the Department represent your maximum rating; then, rate downward to the least qualified in the Department, making each element of each individual stand out in the rating according to the strength of that element in the person.</p> <p>Each rating should be seriously made according to your own best judgment, as promotions in positions and salaries will be determined entirely upon such ratings. Selling percentages, Errors, Constructive Suggestions, Etc., already known to the management will be taken into consideration by the office.</p>																	
MONTHLY RATING REPORT		QUALITY 25%				QUANTITY 25%				EXPERIENCE 25%				CO-OPERATION 25%		RATING	
Number	NAME	Thoroughness and Accuracy	Neatness in Work and Appearance	Courtesy	Initiative	High Total Percentage of Quality	Indicate in one column hereunder your estimate of Employee's ability to accomplish the proper amount of work, considering the conditions and duties of the month.				Knowledge of Ideas and general store system (of salesperson) or of non-selling duties (of non-selling employees).	Adaptability to work in other departments	High Total Percentage of Experience	Willingness	Ability in Work and Attendance	High Total Percentage of Co-operation	Do Not Write in this Column
		Maximum 10	Maximum 5	Maximum 5	Maximum 5	Maximum 25	Excellent 20	Good 15	Fair 10	Poor 5	Maximum 20	Maximum 5	Maximum 10	Maximum 15	Maximum 15	Maximum 15	
Recommendations, Suggestions, or Remarks:																	

Fig. 4. Rating Plan, Used to Determine Base Rates and as a Guide to Promotions.

Time recorders were installed, making not only a twenty-five per cent saving in timekeeping costs, but furnishing a payroll which could be checked and audited perfectly; this had not been possible to such a degree before.

One old-fashioned method of control was eliminated and a new system instituted, with a saving of \$75,000 a year.

A daily expense and sales budget was inaugurated which enabled the management to know from day to day what sales and expenses would be for the month and season.

Records of absences and tardiness and monthly ratings by departments were instituted. Whereas formerly there were nearly ten per cent of lates, this has been reduced to one-half of one per cent. Absent time formerly cost the store \$1,500 a week; it now costs about \$125.

By careful records of employees' errors and analysis of the probable cause, the average percentage of errors was reduced from about three per cent to seven-tenths of one per cent, a very low rate indeed. These records are published monthly in the company's house organ by departments.

A control conference board was established in the Superintendent's office, through which all new projects are cleared and a definite follow-up system carefully maintained.

#### 4. THE BANK

Although all banks have a very precise control over money and securities, there is one condition peculiar to banking which does not exist in any other line of business. The biggest and most influential men in the

bank are primarily interested in finance; not in methods of detail operations. It is true that the handling of the details of finance are very important, but the volume of transactions expressed in money is so overwhelmingly greater than the cost of handling these transactions, the responsibility so keen and the tension so great, that it is not surprising that office management has not been given the attention it has received in other types of organization.

The work we have done to date in this bank has to a large extent dealt with physical things. While we have devoted a certain amount of time to clerical operations, we do not feel that this work has progressed far enough to enable us to speak of it as definitely accomplished. Nevertheless, we shall suggest a number of lines for possible work; some of these have been commenced and gratifying progress made; on others we are merely outlining what our analysis in this bank and experience in other institutions show is distinctly possible.

Nearly all of the banks whose organizations we have been privileged to examine have not been functionalized. There are usually a number of officers not definitely assigned. It is an open question whether or not they should be; but in the opinion of the writer there is no question whether some one officer should be assigned to what has been called administration, or the general supervision over all clerical operations.

This function should be subdivided into administrative control (the establishing of internal policies and standards), and office management (the charge of the direct performance of routine in accordance with those policies and standards).

We would suggest the establishment, first, of divisional executive reports similar to those used in the department store. It is likely that in the beginning no one controlling unit, such as the transaction in the department store or the order in the factory office, could be found; but certainly divisional control units, such as *the item* in the bookkeeping division, or the *letter or square inch* in the stenographic division, could be found. Certainly the crudest kind of an output record would show up startling differences in individuals. Analysis of actual conditions would then show whether those with the high records are exceptional persons. Another thing these records would show, is whether the force in a division is adequate to handle the work given. The divisional head, studying these reports as he makes them out, will not be likely to ask for additional help if by their aid he himself discovers short cuts or improved methods.

Some banks have budgets of operating expenses. From a study of these budgets we have seen that there are great opportunities for improvement along scientific lines. When a budget is indefinite it ceases to have much value. The more finely a budget can be divided (within reason), the more likely it is to result in reduction of expenses.

There are some activities in trust department work which can be planned through a planning department corresponding exactly to a factory planning department under the Taylor System. A trust department does a great many things such as to collect rent, dividends, interest, and so forth. Why not establish a central planning section, make all of the activities to be performed on any specific trust, a part of a master work order and give assignments as they are due to be performed? When the activity has been completed this assignment can be returned to the central planning section and checked against the master work order.

#### 5. SPECIAL FEATURES OF CONTROL IN THE OFFICE

In each office mentioned control is really, in the early development stage, but in each the work has progressed far enough to show the necessity for some reliable basis for control. That basis is standardization.

There are few offices which permit of planning in one central room; therefore, rather than forego the advantages of planning, it has been our practice to establish planning sections, first in the main divisions of a business, later loosely combining them in one central planning conference board. The actual planning

remains with the individual sections, but the conference board finally passes on all standards and the manner of establishing them.

In none of the three offices mentioned will it be possible to have central planning of the same kind as is found in most factories operating under the Taylor methods. In the factory office the planning will be divided into at least two sections. In the department store it is at present divided into three, and may later be extended to four. In the bank there will be at least two, and possibly three, divisions of the planning.

### III. STANDARDIZATION THE BASIS OF PLANNING AND CONTROL

#### 1. STANDARDIZATION PROGRESSIVE

Standardization is never complete. Standards established in one division demand standards in another. So the work goes on, growing more and more perfect. The standardization covered in this paper includes policies, methods, equipment, and tools; but naturally the work has not progressed far enough in each office to show examples of standards in each of these things in all offices. The fact that it has been possible to standardize them, however, is sufficient to establish the fact that standardization is of great value in office work.

It may be assumed that standardization in the office is accomplished in practically the same manner as it is in the factory. First, an analysis is made of conditions; this shows imperfections in the method. Second, a better method is devised; this may or may not involve extended research and investigation. Third, the new method is made standard practice, described in writing and taught to the workers.

#### 2. STANDARDIZATION IN THE FACTORY OFFICE

Thus far the work has not progressed far enough in this office to cover much standardization. Most of that is yet to be done. The standardization of credit policies, which is now in process, however, will have a far reaching effect not only upon the volume of work to be performed, but upon the business methods of the company. These policies as they are formulated have not only the approval of the credit manager, but also of the sales manager and the general manager. Thus the credit policy becomes a company policy; not merely that of the credit manager, as it is in most companies.

One standard was adopted which in some larger companies would have had a startling effect. A study was made of all matter about to be filed. In the old