

## K. ACCOUNTING

Every business of any standing keeps books of some sort and has at least the rudiments of an accounting system. But not every company makes the most use of modern methods of accounting. Unless the accounting is more than a mere historical record it is not functioning fully. Your accounting system should serve as a barometer.

## Questions:

- 1.... Do you have a statement of your net worth at least four times a year?
- 2.... Do you have a daily report of cash received from various sources, cash paid out for various purposes and balance on hand?
- 3.... Do you have a daily report of total sales classified by commodities or territories or both, compared with a corresponding period in previous years?
- 4.... Do you have a weekly (or more often) report of purchases classified by commodities?
- 5.... Do you have a weekly report (or more often) of overdue accounts receivable?
- 6.... Do you have a monthly (or more often) statement of profit and loss?
- 7.... Do you have a monthly (or more often) statement of quick assets and liabilities?
- 8.... Do you have a monthly (or more often) statement of expenses divided departmentally or otherwise classified and compared with a corresponding period in previous years?
- 9.... Do you have a weekly (or more often) forecast of cash that will be required?
- 10.... Do you have a weekly (or more often) forecast of cash that will be received?  
Total possible points ..... 50  
Your standing .....

## L. CLERICAL

The Office, though not a major department in most businesses, nevertheless furnishes clerical service to all departments. Business today is impossible without clerical service. The importance of the clerical function as a factor in the smooth working of business is not fully realized by many companies.

## Questions:

- 1.... Are all clerks under central management?
- 2.... Have you an active, up-to-date office manual describing routines?
- 3.... Is the work of more than 25 per cent of your clerks measured and individual outputs recorded?

- 4.... Have you standard practice in writing describing the methods for performing more than 25 per cent of the detailed tasks?
- 5.... Have you an up-to-date layout plan of your office?
- 6.... Are the major routines planned so that work travels from desk to desk, always in a forward direction?
- 7.... Have you a central filing department?
- 8.... Have you a central stenographic department?
- 9.... Have you established standards of output by scientific time and motion study for more than 25 per cent of your operations?
- 10.... Are clerks trained to their tasks by a functional instructor?
- 11.... Are there standardized ranges of salaries for the various clerical positions?
- 12.... Do you have any incentive plan of payment for output done, other than straight salary?  
Total possible points..... 60  
Your standing.....

## SUMMARY

To find the weak spots in your organization divide each item in column 2 by the corresponding figure in column 1 and enter the percentage figure in column 3.

To find how your organization as a whole compares with the hypothetical standard, divide the total of column 2 by the total points shown in column 1 and enter the percentage figure in column 3.

Subjects	1	2	3
	Total Possible Points	Your Standing	Percent of Possible Points
A. Organization .....	25	.....	.....
B. Personnel .....	35	.....	.....
C. Management of Facts..	25	.....	.....
D. Upkeep .....	20	.....	.....
E. Standardization .....	20	.....	.....
F. Purchasing .....	20	.....	.....
G. Planning .....	40	.....	.....
H. Transportation .....	10	.....	.....
I. Financial .....	50	.....	.....
J. Sales .....	60	.....	.....
K. Accounting .....	50	.....	.....
L. Clerical .....	60	.....	.....

Total possible points.. 415

## RELATIVE WEIGHTING

It is admitted at once that certain of the above mentioned classifications are of more importance than others but taking each classification by itself it is not impor-

tant what number of points are given. For example, the total number of possible points under organization is 25 and if your standing is 20 your percentage standing is 80. The total number of possible points under Clerical is 60, and if your standing is 45, your percentage is 75.

## IF ALL OF THE SUBJECTS DO NOT APPLY

Following the same reasoning mentioned in the preceding paragraph, if all of the classifications do not apply to your company, by taking those that do apply and figuring the relation between the total possible points and your standing you can determine your percentage just the same. It is not important that all of the twelve items be considered.

## REMEDIES FOR UNEMPLOYMENT

By J. D. HACKETT<sup>1</sup>

IN the BULLETIN of October, 1922, Mr. H. Feldman calls attention to the value of improved factory management in the reduction of unemployment, and also to the "remarkable effective provisions of the Huber Bill in Wisconsin," for unemployment insurance. He aims to show that the American tendency is wisely towards prevention of the evil while the drift of English policy is to relieve, rather than to prevent, unemployment by means of compensation.

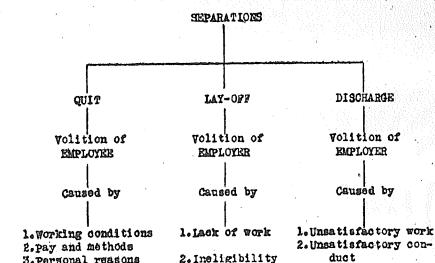
The control of unemployment, Mr. Feldman maintains, depends on regularization of the productive schedule in the individual plant, and he supports his contention by instancing quite a remarkable achievement in the Hills Brothers Company. No information is given as to the effect of this regularization on labor turnover, but one may assume that it is beneficial although turnover always exists to some extent. It may be presumed that the employer who sees the necessity of maintaining production is sometimes prompted to do so by his effort to improve labor conditions.

Centralized employment or personnel management is, of course, a necessity in the reduction of unemployment. It is now becoming general in well managed plants; its methods are crystallizing and we are thus coming to discern the nature and extent of turnover and the elements of which it is composed.

Before discussing "Separations" and their bearing on the problem of unemployment and insurance it will be necessary to determine what is meant by the term. A "separation" may be defined as a "cessation of em-

ployment by the individual, from whatever cause," involving no right of reinstatement as in the case of absence. There are three classes of separations constituting turnover-quits, lay-offs and discharges, each one of which bears a significant and different relation to unemployment insurance. These differences may be seen by a glance at the accompanying table:

TABLE SHOWING THE COMPONENT ELEMENTS IN SEPARATIONS FROM EMPLOYMENT TOGETHER WITH THE RESPONSIBILITY AND CAUSE



A "quit" is a voluntary separation from employment by the worker. A "lay-off" is a separation from work, at the instance of the employer, due to no fault of the worker. A "discharge" is a separation, at the instance of the employer, because of unsatisfactory work or conduct on the part of the worker. These distinctions have a vital importance in the whole question of unemployment insurance.

The Huber Bill aims to compensate a workman, provided (1) he has worked six months for one or more employers under the act; (2) he has made application in the proper manner; (3) "he is capable and available, but unable to obtain suitable employment."

The bill (House No. 278) introduced in the Massachusetts legislature, Jan. 5th, 1922, by Representative Shattuck, provides for "payment to employees during periods of involuntary unemployment," while Mr. John F. Fitzgerald, the Democratic nominee for Governor of Massachusetts, favors unemployment insurance, "because, through no fault of their own, people find themselves unable to go on with their work."

"Under the Cleveland Plan, each manufacturer guarantees to his regular workers who do not leave voluntarily and are not justifiably discharged, twenty weeks of work during each half year," according to William J. Mack, the Impartial Chairman of the Ladies' Garment Industry of Cleveland.<sup>2</sup>

<sup>1</sup> Consultant, on labor problems, New York.

<sup>2</sup> American Labor Legislation Review, March, 1922, p. 27.