

made no attempt to weight the main subjects in accordance with their importance. This fact should be noted.

With respect to each of these subdivisions the number of points which have been deducted from a perfect score is indicated in the summary following an examination. These deductions from each of the subdivisions of a main subject are totalled under that subject and then deducted from 100, the remainder forming the percentage rating on the main subject.

The general rating is then obtained by averaging the ratings for each main subject. It is admitted that this general rating is only approximate, for with our limited knowledge of any particular business which is examined by this method, it is not possible to undertake to give each main subject its relative weighting.

Proper weighting of the subdivisions within the subject is, however, given. The relative weighting of each subdivision is based upon years of careful study and experience, but I do not quote figures upon it here, as I recognize only too well that this weighting is not necessarily final. Only after we have had an experience in actual rating covering years and including hundreds of examinations will it be possible to announce authoritatively the relative importance of each subdivision. In the meantime I do not wish to subject the matter to premature criticism of details while it is in the early stage of development.

The basis and detail of the entire plan is covered in our Method of Rating book which we use as our standard practice procedure. The general method of making the examination and rating is as follows:

The field examiner goes to the office and begins his examination in a logical and sequential manner, with the aid of a carefully standardized questionnaire. This questionnaire is most complete and thorough—in extent it covers some fifty pages of typewritten matter—its purpose being to determine as far as may be possible the exact conditions on each of the 93 subdivisions. The same questions are asked of all offices.

Following this collection of data by information, there is a series of observations and measurements to be made: the lighting is measured; the space is measured; the filing cabinets are examined and measured, the filing material being examined and counted for accuracy and other qualities; the clerical output is measured; and so forth. Besides this, each clerk and executive supplies the examiner with certain other information required. The examination is most minute and thorough, and at its conclusion, the answers given by the executives are submitted to them for approval

and in some cases for signed verification.

The data secured by the field examiner are then brought to the office and studied in conference with specialists before the various items are rated. The rating of each subject involves the use of a definite formula as will be shown later. Judgment does not enter into the matter at any point—facts found are compared with standards and measured according to a predetermined procedure.

So far, the "patient" has been subjected to a thorough examination and his physical business condition determined. But, as the client has the same human curiosity as any other person being examined and wishes to know why he is rated as he is, a thorough explanation of the conditions found and the defects embodied in them is prepared.

This summary of findings takes up each one of the points studied, states the condition found, gives a comparison with the "Best Known Practice," explaining what that practice is, and offers where necessary, concrete suggestions for the improvement of existing conditions. This complete presentation furnishes a valuable and accurate picture of such conditions and enables the management to see just where the organization is strong and where it is weak.

To further assist the executive in visualizing and following through on all the suggestions given, a Checking Sheet (Fig. 1), is prepared on which each suggestion listed is given by number and restated in a condensed form. On this sheet he can make any written comment he desires and also mark down the name of the individual to whom he decides to assign the suggestion.

IV. THE VALUE OF THE PLAN

Experience warrants the statement that this plan possesses a great and constantly growing value.

First; it furnishes a measurement of present conditions (by a disinterested organization) in comparison with a definite standard which is known to be attainable.

Second; it provides a successful executive with the opportunity of proving his success to the management by disinterested testimony.

Third; if such an examination is made periodically it furnishes a definite measure of progress.

Fourth; the thorough nature of the examination invariably discloses waste even in a well-conducted organization, and such waste is usually discovered where its existence was not suspected by the management.

Checking Sheet for Suggestions			
Suggestion No.	Nature of Suggestion	Remarks	Assigned to
1	Improvement in lighting		
2	Noise in best location		
3	Suggested ventilation system		
4	To install two additional drinking fountains		
5	Recommended use of paper cups		
6	On cloakroom accommodation		
7	Towels in toilet rooms		
8	For reception of public		
9	Re-arrangement and "clean-up"		
10	Elimination of high desks		
11	For an additional table		
12	Similar equipment for similar work		
13	Renovating typewriter table		
14	Suggestion for form paragraphs		
15	Use of "Automatic Letter Writer"		
16	On filing material without pins		
17	Substituting method for pinning in files		
18	For guide boards in files		
19	Use of the "padding" file		
20	For a central file system		
21	For adjustable shelving		
22	For a location system in stockkeeping		
23	For order in stockkeeping		
24	Suggestions on notices		
25	For an adequate issuing system		
26	On classifying stock		
27	For a perpetual inventory		
28	For adequate messenger service		
29	For "visible index" customer list		
30	On O.K. system for credits		
31	For a computing machine method		
32	On proposed rate for types		
33	Use of automatic hand numbering stamp		
34	Customer's orders to be filed alphabetically		
35	Supplying pricing clerks with card file of prices and a computing machine		
36	To reduce the number of different tasks for one person		
37	To establish scheduling methods		

Fig. 1. Checking Sheet.

Fifth; the suggestions which we are able to offer serve to direct the attention of the management to the further possibilities of improvement along scientific lines.

Sixth; as the examination proceeds there is developed a psychological factor which has a most helpful effect on the morale of the organization from top to bottom. Defects which on the surface appear to be the fault of an individual, are by this examination often shown to be the fault of the organization. Employees are only too glad to have our defense of their position. Where favoritism exists, the examination shows up its effects glaringly. Executives of the right sort are eager to take advantage of the suggestions offered. At the conclusion of the work, the whole organization has received a powerful stimulant to improvement.

V. THE METHOD APPLIED

To explain the method I shall give an illustration of each step of the work, using as examples elements of three of the fifteen main divisions: I. Arrangement; V. Filing; XI. Control of Output. To cover the

whole subject would be impractical as there are a total of 93 subdivisions, and a finished examination usually covers over 20,000 words.

The information required for the rating is obtained in three ways: 1. By direct questioning. 2. By observation. 3. By measurement. The questions which follow are only a few necessary to explain the method. They are taken from the records of actual cases:

I. ARRANGEMENT OF OFFICE: ECONOMICAL USE OF SPACE

A. FIELD EXAMINER'S QUESTIONS AND REPLIES.

Are there any private offices which are unnecessary? *No.*

Should private offices be provided for any executives who do not now have them? *No.*

What is the total net area of the office, including stock rooms, vaults, private offices, etc. *23,903 square feet.*

State the area of:

a. Reception space	.....
b. Vaults	.....	600 sq. ft.
c. Stock rooms	.....	1,875 sq. ft.
d. Filing dept.	.....	3,000 sq. ft.

B. OFFICE RATING SHEET

a. No. of executives with private offices	.....	18
b. No. of executives with private offices who do not need them	.....	0
a - b	.....	18
c. No. of executives without private offices who should have them	.....	0
d. a - b + c	.....	18
e. No. of clerks last clerical payroll	.....	143
f. Allowance for storage space	.....	4,875
g. 100 d + 50 e + f	.....	13,825
h. Total net area	.....	23,903

Explanation: g equals the space required. Item d shows that there are 18 executives who require private offices or space equivalent. According to the best known practice, an allowance of 100 sq. ft. must be made for each executive. There are 143 clerks, item e, who require 50 sq. ft. each. Allowance in this case must be made for 4,875 feet of storage space. Therefore, the total space required is 13,825 sq. ft.

The total points allowed for Economical Use of Space, out of 100 points allowed Arrangement, is 22. Therefore the formula:

$$\text{Deduct } \frac{22(h-g)}{h} \text{ points if } h \text{ is more than } g. 9.5 \text{ points.}$$

$$\text{Deduct } \frac{22(g-h)}{g} \text{ points if } g \text{ is more than } h.$$

That is, we penalize them if they have more space than is required, or if they have less space than they need.

C. SUMMARY OF FINDINGS REPORTED TO CLIENT

The elements of the arrangement of a business office are based first and foremost on its conducting to the proper service of customers, whether these transact their business in person or by letter. This is the most