

ests involved in the business problem, and when these interests are weighted and controlled to converge to the line of the main business aim, then the organization in point of process is in balance with its business problem. Audit of process is therefore governed by the first principle of scientific management as stated by Taylor: to develop a science of the work to be done—the whole as well as of each element separately—to displace the old rule-of-thumb method.

At the same time the basis is provided for the cor-

rect personal balance, which we generally think of first when we speak of organization. Although this personal aspect may not appear to be strictly within the scope of audit of process, we hold that it is the first important objective, and we do not believe it inconsistent to point out in how far the correct process automatically solves the personal equation.

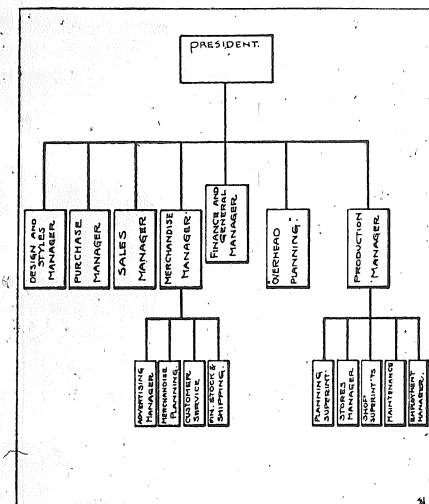


ILLUSTRATION NO. 2. WRONG ORGANIZATION.

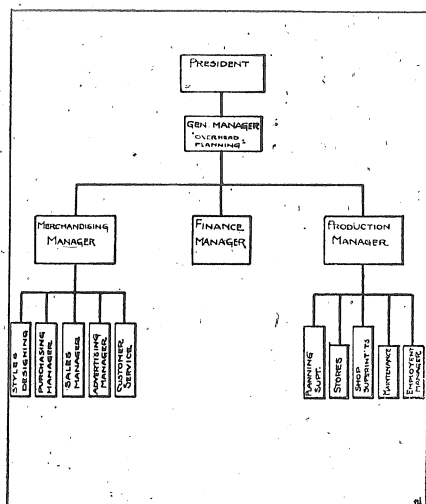


ILLUSTRATION NO. 3. RIGHT ORGANIZATION.

rect personal balance, which we generally think of first when we speak of organization. Although this personal aspect may not appear to be strictly within the scope of audit of process, we hold that it is the first important objective, and we do not believe it inconsistent to point out in how far the correct process automatically solves the personal equation.

The final emphasis is personal effectiveness! As each person in an organization constitutes only a part of the aggregate effort and his effectiveness in consequence can be measured only in relation to a single unified plan, it follows that where such a plan does not exist or is not obvious, the development of the highest personal effectiveness cannot take place. Where

anyone and aggravates the state of disorganization. This matter is especially serious because it involves injustice, waste of effort and heartaches. An organization in balance with its business problem does not waste valuable effort and ambition; on the contrary, it is potent to guard them and to stimulate them in the right direction. It has in it, therefore, the potency of growth like any healthy organism and is a source of happiness to all who are a part of it. This is suggestive of the second and third principles of scientific management as stated by Taylor: to select, train, teach and develop the workman scientifically, whereas in the past he chose his own work and trained himself as best he could; and to cooperate heartily with the

men, so as to insure all the work being done in accordance with the principles of the science which has been developed.

II. Balance Between Length and Frequency of Path

The balance between the organization and the busi-

ness problem is also the first step toward solving the balance between the length and the frequency of the path of process, as a realignment of the organization naturally affects the path of process when total interests are localized with all attendant functions. On the other hand the knowledge that the process in its entirety is right provides the justification for taking up the details and tying them into the general frame so far established.

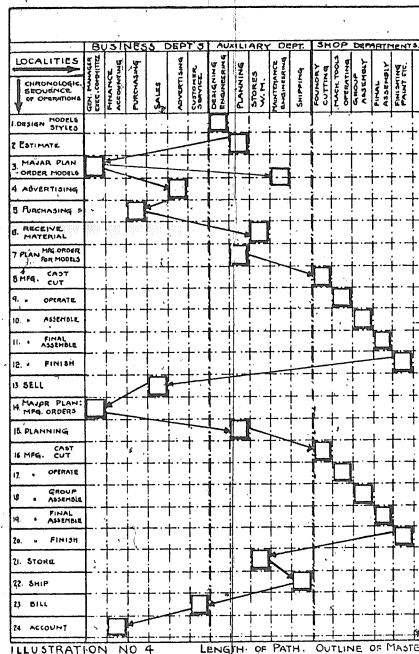


ILLUSTRATION NO. 4. LENGTH OF PATH. OUTLINE OF MASTER.

Every process has its path. The path is determined by the sequence of transactions or operations on the one hand and their location, on the other. For ex-

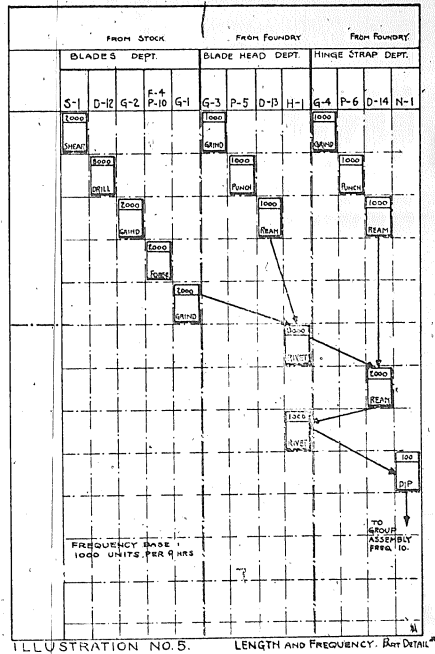


ILLUSTRATION NO. 5. LENGTH AND FREQUENCY. Bar Detail.

ample: the subject-matter of a decision of an executive committee to manufacture and sell 12,000 units of a newly adopted model goes to the sales manager, engineer, production manager, purchasing manager, plant superintendent, stores manager, production clerk, shop foremen, shipping clerk, the consumer,

The attempt to show every smallest detail in a single chart would be impracticable, but the general functions may be summed up from start to finish in