

The labor turnover is then only the average rate at which workers separate from a force for all other reasons than laying off due to lack of work, whenever such a condition exists.

But when all is said and done, I cannot see that anything very valuable is to be learned from figuring the total labor turnover by any method, for it shows merely in a broad and superficial manner whether the labor situation is good or bad. So many different causes combine to produce the total effect which the rate of labor turnover measures, that it would seem as if the effect of each of these causes should be studied entirely apart from the others; and particularly so, as I cannot see that this would involve a great deal more labor and expense. Thus it would seem that separations due to such unpreventable causes as permanent disability, death, etc., should not be merged with those due to dissatisfaction on the part of either employer or employee; and also that separations due to this preventable cause should be studied in classes of employees grouped according to length of service, nationality, etc.)

F. S. CRUM¹: While studying the turnover problem for the Emergency Fleet Corporation last year, I didn't realize it was so mathematical;—otherwise I might not have attempted it.

I simply wish to emphasize a question which Mr. Barth has raised,—whether there is a law of normal turnover. I doubt it very much, whether for an industry or for a given plant, because the human element plays too large a part. It seems to me that the essence of the problem is to reduce preventable separations to a minimum by every possible means. The purpose of the records and the calculations is to give the manager information to that end. Even crude records, if they give reasons for separations, are greatly helpful.

While on my feet I should like to say that I believe that the formula proposed at the Rochester conven-

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tion and adopted by the Employment Management Association is theoretically wrong;—they figure turnover on the basis of attendance and not of payroll. It seems to me that payroll must be the basic factor. Of course the payroll should be cleared periodically. Moreover there are other things desirable and necessary to calculate,—for instance absenteeism,—and I believe that should be calculated on the basis of the payroll.

S. H. SLICHTER²: I am not a mathematician and would not venture to discuss Mr. Barth's mathematical argument. There are, however, two points I wish briefly to bring up. Like Mr. Crum, I question whether there can be discovered a law of normal turnover, there are such variations by cycles of prosperity and depression, by seasons, by industries, by regional conditions, by plant conditions, by occupations within each plant, or region or industry. We may in time accumulate data sufficient to give us a formula, but the progress of management during the period of accumulation may render it non-representative; also we must remember that the more dispersed the data the less significant the average and the formula.

With respect to the preference for replacements or for separations as the measure of turnover, my conviction favors the use of separations, even during periods of a decreasing force. The use of separations, for instance, prevents the management from hiding from itself the facts that jobs are becoming extinct; the necessity of replacing a man is simply a question of time,—not tomorrow, perhaps, but several months hence. Something is lost by losing a man. It is part of a manager's job to keep his eye on jobs necessary to be performed in the long run, and not to allow them to become extinct. Separations which require ultimate replacement are as important as those which require immediate replacement. And, if you stop to think, from the worker's or from the public standpoint, separations are much more important than replacements.

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MUTUAL RATING¹

A CONTRIBUTION TO THE TECHNIQUE OF PARTICIPATION

BY

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IN the very beginning I wish to make it clear that the particular technic of mutual rating that will be shown you is not the hypothetical working out of some favorite preconceived theory. It was developed under the stress of actual conditions to meet an urgent problem. It was avowedly experimental, and because it could not, under the circumstances, be carried to its logical conclusion, the results are by no means complete. Just because of the adverse conditions under which the experiment was carried on, however, the results achieved may be considered all the more significant. It remains for industry to grasp their significance, and follow the principles through to conclusive demonstration in various organizations.

The charts are reproductions of actual charts which were used, the only change being the substitution of fictitious for original personal names. Whatever I may suggest regarding the significance and philosophy back of these ratings, is the outcome of observation and study of the facts illustrated.

The Emergency Fleet Corporation was, as is well known, created almost out of hand. In the minds of many this meant an opportunity to become a model organization, especially in view of the recognized ability of a large number of the executives who were often referred to as a "galaxy of stars". The difficulty, however, proved to be the harmonizing of so many luminaries into a smoothly working constellation.

Within eighteen months the home office grew from less than one hundred to over forty-four hundred employees. The result was an aggregation, not an organization. One department of about fifteen hundred employees supplied the clerical service (stenographers, typists, file-clerks, messengers, etc.) to all the others. This service became unsatisfactory. Without my going into the causes, the other departments felt they were not getting what they had a right to expect, and the situation among the personnel was growing acute. Those at the head of the corporation wanted the right people

in the right places, but found themselves handicapped by an ignorance of the relative merit of various individuals in question. Perhaps some of you have faced a similar difficulty!

In the course of the effort to overcome these conditions, one branch by its own vote undertook this experiment in mutual rating. It was undertaken, I believe, partly in the hope of securing greater individual justice, but mostly from an instinctive desire for real participation, however crude the form might be.

"If the boss," they argued, "can't get at the truth about us, we'll do what we can to help. We know each other better than he does. Perhaps he won't agree with our judgment, or act on it, but at least he'll learn something and so will we!"

So the branch undertook to determine the relative standing of its members in certain qualities of merit, such as personality (ability and industry were added later). Every member of the branch was entitled to vote on every other member. The vote was taken by secret ballot, and the judgment expressed in percentage of the scale of 100. The average of all votes cast on any one person would be the collective judgment or "mutual rating." A tabulation of all the ratings would give a sort of "score card" in which each individual could find his name and relative standing in the list. Successive ratings would give each one a chance to improve his "score."

In the development of any technic, mistakes are quite as significant as successes. The form of the first mutual rating ballot is an example (Fig. 1).

NAME OF PERSON RATED	RATING %
TITLE	1 (AN OF HIGHER RANK
DIVISION	(CROSS) EQUAL
SECTION	(ONE) LOWER
BRANCH	
UNIT	
MUTUAL RATING BALLOT U.S.F.C.	
IN	MO. DAY
DIVISION	DATE 1921

FIG. 1

¹Paper presented at the annual meeting of the Taylor Society, New York, Dec. 6, 1919.

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