

assistance given to bring out an improvement on these points.

With a view to making all ratings with full fairness and justice to all, each one is given to understand that if he feels that his rating on any subject is not what it should be, he is perfectly free to call the attention of the Rating Committee to it, stating his views on the matter. If he can convince the Committee that his performance on a given point has not been correctly appraised, a correction of the error will be made. However, a note is made of each such case, and a particularly high standing will be expected on such a quality in future periods.

Determining Ratings

When the rating memoranda are received each one is marked with the symbols of the rating elements which will be affected by it. If more than one element is covered, a cross index is made of the several elements, each referring to the serial number of the memorandum. These memoranda are then filed under the name of the individual addressed and in order of the symbols affected. Before filing, the memoranda should be looked over by the Superintendent or some other official to keep in touch with the current happenings, so that immediate investigations can be made where advisable.

When the Rating Committee meets, all of the memoranda on each element of a person's performance are gone over and carefully weighed. On the rating sheet, in the column for this individual and on the line for each element, is then entered the percentage of perfect performance under these elements. The rating sheets are then turned over to a clerk to calculate the deductions from 100 per cent which each of these element ratings constitutes. These deduction percentages are then entered in the column following the first ratings.

For instance, on an element which is valued at 20 points, the rating has been 75 per cent, or in other words, a loss of 25 per cent from perfect on that element. We therefore take 25 per cent of the 20 points, or 5 points lost on this element. When all deductions have been so calculated, the number of points to be deducted are totaled and are deducted from 100. To this is added the credit points of such items as cannot be deductions, such as years of service, and the total becomes that individual's rating for the month.

Rating Bulletins

When the ratings have been finally closed, they all are listed on a bulletin in the order of the standings,

mimeographed, and a copy sent to each one rated so that he can see his relative standings. No one wants to have his name appear at the bottom for long, and we almost invariably see him boost himself into a higher rating the following month. The moral stimulus, in my observation, is much greater than the financial stimulus in a very large number of cases.

Bonuses

It is not absolutely necessary to have a bonus attached to the rating, as the comparative standings and their bearing upon advancement and salaries has a very salubrious effect. However, it is a very great advantage to have everything which those rated may do, have a direct money value, and to have their manner of handling their affairs reflect in the amount of their bonus each month. It aids in making all activities work more smoothly and harmoniously, and is more effective in increasing the efficiency of those rated.

The establishing of the amounts in bonus which the ratings will represent is largely a matter of policy with each concern, to be determined by the management, taking into consideration local conditions, the grade of help, and so on. The ratio of 100 per cent bonus to the individual salaries should also vary somewhat with the different functions and responsibilities, as also with the range of salaries paid for such functions. Care should be taken, however, to see that the amount of the bonus is sufficiently large to really act as an incentive for the efforts which we expect to be exerted.

In some cases the bonus for a 100 per cent rating for instructors, gang bosses, inspectors, storekeepers, receiving and shipping clerks, truck drivers, etc., may be sufficient at 20 per cent of their monthly salary, but in other cases around 33-1/3 per cent may be more equitable and productive of results, which I have usually found it. The rate for those with less responsibility, such as assistants, move men, mill-wrights, etc., might be 10 to 15 per cent less, but as stated before, should be dependent upon the extent of the duties of each and the responsibility involved in such duties. On the other hand, with lower salaried employees, such as tool room attendants, tool messengers, balance of stores clerks, etc., whose duties nevertheless require such accuracy and involve possibility of frequent errors if carelessness creeps in,—in these cases, a bonus as high as 50 per cent of the regular salary is not out of place, and the amount of money involved as bonus is not more than sufficient to really be an incentive for unusual care and alertness.

The bonus I believe is best paid to the workers by depositing monthly in a savings account, from which it will be turned over with interest to the employee at the end of the year.

Prime Requisites

In applying such a plan of performance ratings as this, there are several considerations which I believe to be of the utmost importance for its successful and smooth working.

First: Before attempting to do anything whatever is the way of rating, there must be established standards of detail duties, responsibilities and accountability for everyone in the organization, with copies of this standard practice in the hands of or available to all affected. We must also have an organization chart on which is portrayed in graphic form not only the relations and accountability of the different individuals and departments, but also the functions and duties which they are called upon to perform.

Second: In the matter of issuing the memoranda which form the principal basis for the ratings, it must be operated jointly by the employees and the management, so that everything that transpires can be appraised, not merely the occurrences that a chief executive may see.

Third: Employees must be made to feel that they are not "butting in" or tale bearing when they call attention to a neglect or error which may come to their attention and which affects the business even indirectly. In fact, they should be made to feel that their rating will be higher if they do call the attention of the proper party to such matters, and in a helpful and cooperative way, free from any super-critical or condemnatory slant. However, they must also realize that if these negative qualities do enter into it, their ratings will be lower than if the matter were not broached.

Fourth: It should be realized by all that cooperation by every one in the organization with all of the others and with the policy and plans to be followed is absolutely necessary to the conduct of a profitable business, that therefore in the ratings, the various subdivisions of cooperation will be given considerably more weight than other items, and that any uncooperative, disagreeable or vindictive attitude in bringing up a matter will be penalized heavily.

Fifth: The plan must be "sold" to the employees who come under its operation, and they must be given to understand clearly that it is now a permanent feature of the business, not something to be given a "fair trial," in which case it is pretty sure to fail.

Sixth: The management of the business must assume much more responsibility than under the traditional type of management, in the establishing and maintaining of standards of sub-executives and workers, and in demanding continuous alertness in the strict rating of all performance free from the laxity which might otherwise gradually creep in. The management is also called upon for more efficient performance on its own part, carried out on the "exception principle," and embracing the policy of *servicing the worker*.

These requisites are listed, not in the order of their importance, but in the order of their usual sequence of planning the actual activities incident to the putting of them into effect. From the standpoint of the importance and the sequence of educational effort preceding the inauguration of the plan, I believe it should be started in the reverse order.

Servicing the Employee

Eighteen years ago, in seeking the advice of Mr. Taylor and in discussing with him the application of the principles outlined in his then recently presented A. S. M. E. paper on "Shop Management" and in his previous "Piece Work System," to the operation of the plant of which I was then manager, I recall very vividly his insistence and emphasis (as he could emphasize so well) on "servicing the worker." He so often urged then and later that one of the first fundamental duties of the management is to *serve the worker*, and this *serve the worker* he so drilled into me as well as others who came in personal contact with him, that we do not easily forget it. The principle of serving the worker calls for checking the performance of the sub-executives in their actually serving the workers thoroughly and promptly. We must also to a high degree of performance serve our sub-executives in the matter of policy, decision and action, much more than has often been the practice in the past.

Of what use is it to expect a large output if indecision or changeable policy on the part of the management has held up ordering material or tools which have to be received before parts can be made, which are required for assembly of the complete product? As a consequence, the workers "stall" around and try to appear busy, when they realize that some one higher up did not look ahead far enough or thoroughly enough or soon enough or follow up closely enough to provide them with the means for carrying out their job. The worker is quick to recognize this lack of preparation, and even after the delayed items are received, the worker often fails to see why he should worry or