

ness, it still cannot be denied that a clerk makes nothing directly that can be eaten, worn or otherwise used to sustain life, his chief product being apparently a number of marks made on paper. If this sinister growth continues for a few decades longer—say fifty years more—we shall all be under the painful necessity of making a living by writing each other's letters, for we shall all be clerks. We shall approach the condition of the inhabitants of that fantastic island on which all "made an honest but precarious living by taking in each other's washing."

Naturally this sounds absurd, and of course it is absurd. It cannot actually happen under any circumstances. But what can happen, nay, what is happening under our very eyes, is that profits in business are rapidly diminishing, and unless measures are taken to check this condition, they will continue their downward trend until they vanish altogether. In the next decade the keen competition now upon us will simply force attention to this ominous question.

The cause for this outrageous growth right now is the general apathy of business men regarding the subject of clerical work. Who is the office manager? In many cases there is none; in others, he is merely an overgrown bookkeeper, who is in charge of but a small proportion of the clerks, the remaining clerks being in charge of other executives—the sales manager, who cares nothing especially about managing clerks and is intent only on making sales; the factory manager, who despises clerks as "non-producers" and spends most of his time on production problems; the treasurer, who is interested in his financial statement but certainly not in clerks and clerical work. Where there is an office manager, is he ever called into the general executive council? He is not. Is his opinion sought on clerical matters? It is not. The office has been and still is the neglected Cinderella of modern industry. No one is interested in her. Perhaps a better, though more threatening analogy, would be to compare the office to a Frankenstein constructed by big business which will eventually devour its makers.

Recent Bulletins Exhausted

SALES of the December, 1924, issue of the Bulletin have completely exhausted our stock. A number of schools and colleges have recently placed "back orders" for binding which we

Fifteen years ago Harrington Emerson startled the business world by stating on the witness stand that the railroads of this country could save a million dollars a day. At the time his statement was pooh-poohed as extravagant, but today it is generally regarded as a conservative estimate. At present the clerks as an occupational group far outnumber any other single occupational trade in the country, agriculture excepted. This group exceeds by many hundreds of thousands the figures for each of the three next largest groups, the railroad workers, the miners and the iron and steel workers. Reduced to percentages, the figures given show that one person out of every ten earning wages is a clerical worker of some kind, and this percentage is steadily and rapidly increasing.

That it is possible to divert a large percentage of these workers to other occupations is evident from the facts already quoted. I shall not attempt to show here the tremendous possible saving of supervision, building space, fixtures, machines and supplies which would result from a countrywide saving of clerical waste. When we see on every hand the new and tremendously costly office buildings that are being erected, it is easily possible to visualize the waste there and in the accessories above mentioned which go with these gigantic structures. I shall confine myself, however, to the saving on the salary bill.

The three million clerks in this country probably receive an average wage of \$4 per diem, which means a daily wage bill of \$12,000,000. From the examinations we have made, I have no hesitancy in saying that the average office is not 50 per cent efficient, though I would not insist that all this loss is definitely recoverable. If, however, modern management methods are applied to the office and yield the same results that they have yielded in the factory—comparing the factory of today with that of twenty years ago—it is easily possible that half of this loss can be recovered, and this very conservative estimate means a saving of approximately \$3,000,000 a day.

should like to be able to fill. Any member who does not bind his Bulletins will be rendering an educational service by returning this number. Copies of the October, 1923, issue are also urgently needed.

A Control Chart for the Chief Executive¹

How Gantt Charts Visualize Standards, Progress and Achievements

By WALLACE CLARK²

Consulting Management Engineer, New York

THE purpose of reports should always be to serve as a basis for executive action. Since responsibility for the formulation and execution of policies in regard to the conduct of a business rests upon the chief executive, he cannot allow his decisions to be based on general impressions or the opinions of members of his staff.

When business organizations were small, an executive could base his control on facts secured from verbal reports. As industry expanded he found it impossible to keep informed as to everything that happened in connection with his business and he therefore had this information condensed and presented to him on written reports. However, the figures on these reports stood alone and there was no standard of comparison to show whether or not conditions were satisfactory; the reports therefore did not indicate where action should be taken.

In his attempt to secure some basis for action, the executive had these figures compared with some other period—the previous month or the same month of the previous year. This was obviously a step in the right direction, but it was only moderately effective, because the executive had to remember whether the period used for comparison had been normal and, if not, how far it had been from the norm.

Because this comparison was not dependable, reports frequently failed to indicate action until it was too late. This resulted in the drawing up of additional reports in the hope that if one failed to indicate a dangerous tendency the executive would note it on some other report. The confusion resulting from these overlapping and inadequate reports, combined with the entrance of industry into an era of smaller margins of profit, has necessitated a more dependable method of control.

¹A paper presented at a meeting of the New York Metropolitan Section of the Taylor Society, March 19, 1925. Reprinted, by permission, from *The Iron Age*, March 19, 1925.
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More Dependable Method of Control Developed

The distinguishing feature of the method developed to meet this situation is that reports make it immediately apparent that a certain figure is satisfactory or unsatisfactory by comparing it with a plan or a standard. The executive decides in advance what conditions or programs he will consider satisfactory and secures reports at regular intervals which compare actual conditions with those he has predetermined. He is thus left free to concentrate his attention on two things: (1) the cause of variation from the predetermined condition; (2) the action to be taken to bring conditions in line with his plan.

This has been a long step toward simplifying management and it has been applied to almost every phase of production and distribution as well as to transportation and governmental activities. The chief executive has welcomed this method and now has available reports which are definite and dependable. This new method has made it possible to discontinue these reports which overlapped or duplicated information. On the other hand, the fact that the new type of report is effective has stimulated its use and it has been applied to activities which were heretofore considered impossible to cover by reports. In sales organizations consisting of hundreds of men and plants employing thousands of workmen the daily performance of individuals is now being charted against standards or quotas.

But modern business is extremely complex and when all of its phases are adequately covered by reports the result is so voluminous that it is physically impossible for one man to read all of them, to say nothing of acting on the information they contain. The chief executive has, therefore, delegated to the members of his staff the task of interpreting these reports and taking the action they indicate. However, when this has been done he is face to face with another dilemma; he must see that the responsibilities he has delegated are properly executed and he has no information as to progress except what he can get from