

12-1932

## Profitable Employment of Idle Time

Norman Loyall McLaren

Follow this and additional works at: <https://egrove.olemiss.edu/jofa>



Part of the [Accounting Commons](#)

---

### Recommended Citation

McLaren, Norman Loyall (1932) "Profitable Employment of Idle Time," *Journal of Accountancy*. Vol. 54 : Iss. 6 , Article 3.

Available at: <https://egrove.olemiss.edu/jofa/vol54/iss6/3>

This Article is brought to you for free and open access by the Archival Digital Accounting Collection at eGrove. It has been accepted for inclusion in Journal of Accountancy by an authorized editor of eGrove. For more information, please contact [egrove@olemiss.edu](mailto:egrove@olemiss.edu).

## The Profitable Employment of Idle Time \*

By NORMAN LOYALL McLAREN

Idle time has always been a major profit consumer in public-accounting organizations. The minute that the clientele of the independent practitioner increases to such a point that he can not handle the practice alone, there is added to his duties the laying out of work for others. I can well recall the observation of one of my aunts when I was a small boy. She said to my mother: "Your husband is in a most unusual business. He seems to be worried all the time, either because there is more to do than his office can handle, or because there is not enough work to keep the men busy."

I can remember also a conversation that I had with an old Scots C. P. A. at the first accountants' dinner that I ever attended. This gentleman had been a "free lance" in New York for several years. He had also served on the staff of a number of prominent practitioners in the good old days and he was relating some of his experiences to me. The one that sticks most vividly in my memory was his account of his brief service as a senior accountant on the staff of a well-known firm. He told me that after he had worked day and night on an important assignment for a fortnight after his employment, he finally found a breathing space and looked forward to a few days' rest in the office. On the first day the office manager addressed him somewhat as follows: "Mr. Blank, it is the policy of this firm to require that the members of the staff improve their minds during idle periods by study in the office. Our partner, Mr. John Doe, is the author of a number of outstanding books on auditing. If you have not a copy of these books in your library, I can arrange to see that you obtain them at a reduced price." My independent Scots friend replied: "Sir, your suggestion is an insult to my intelligence and to my twenty years of professional experience," and proceeded to hand in his resignation. Revolutionary changes in audit technique and office organization have taken place in the last twenty years, but the idle time problem is still the bugbear of nearly every practitioner. The ancient adage may well be amended for use by accountants to read, "Satan will find mischief still for idle time to do."

When I undertook the preparation of this address it became apparent that before presenting any definite conclusions it would

\* An address delivered at the annual meeting of the American Institute of Accountants, Kansas City, Missouri, October, 1932.

be well to draw on the experience of fellow members in various parts of the country. Our able and coöperative secretary was kind enough to select a list of firms and individual practitioners who might be asked to supply the required information. As the program committee had suggested that the assigned topic be broadened to include related phases of office management, the questionnaire, as finally submitted, was a rather formidable document. I judge from the responses that a few of the addressees regarded the whole proposition somewhat as the nonconformists must have looked upon the Spanish Inquisition. In the main, however, the replies evidenced a spirit of unselfish service, and I wish to take this opportunity of thanking everyone who responded.

More than 70 replies were received, of which about 50 per cent were from the Atlantic states, 35 per cent from the middle west, 10 per cent from the south, and 5 per cent from the Rocky mountain and Pacific coast states. Forty per cent of the responses were from New York, Chicago, Philadelphia and Boston, and the remainder were widely scattered. Comparatively few responses were made by the large firms with offices in various parts of the country. This has been the only disappointing feature of the attempt to present a symposium of the views of practitioners. It is a self-evident proposition that the larger firms have had more practical experience with respect to some of the matters covered by the questionnaire than their fellows whose practices are limited in scope. I have been able, however, to obtain additional data that seem to make the picture reasonably complete and I now present the consensus of our fellows' opinion with respect to the problems contained in the questionnaire, or what one of my friends likes to call the "commonsensus" of opinion.

#### STAFF COMPENSATION

Most firms employ staff members on a monthly basis and pay staff salaries monthly or semi-monthly. The plan of weekly payment of salaries is not followed generally in any section of the country. Additional compensation for overtime work is paid in less than twenty per cent of the cases covered by the replies. Fifteen years ago extra remuneration for evening and holiday work was not unusual. The trend toward the elimination of overtime compensation is one of the evidences of the marked change in the relationship between principal and staff member.

A wide divergence of opinion is indicated in the matter of

## *The Profitable Employment of Idle Time*

---

---

bonuses. Almost exactly one-half of the responding firms pay no bonuses. The remainder is again divisible about equally between the organizations that recognize meritorious services by special compensation in the discretion of the partners and those that make a periodical distribution to all employees determined by the application of a fixed formula. It is interesting to observe that the difference of approach to this problem does not appear to be governed materially by the size of the staff nor by local usage.

### WORKING TIME AND CHARGEABLE TIME

The working time required of staff members is usually 7 hours a day on week days and  $3\frac{1}{2}$  hours on Saturday, although in a considerable number of scattered cases the working day is either  $7\frac{1}{2}$  or 8 hours; likewise 7 hours a day is considered a full day in computing charges to clients in about 75% of the reported cases. In most instances where the two bases do not coincide, the differential is attributable to the requirement that staff members must report to the office for one-half hour or more each day before undertaking field assignments.

Almost invariably clients are charged for traveling time on out-of-town assignments that fall within the working day, but it is not customary to make a charge for the time so consumed on Sundays and holidays except in unusual circumstances.

### TIME RECORDS

Let us now review the various methods of reporting and recording staff activities. A large percentage of firms require weekly time reports. A few exact such reports daily, bi-weekly or monthly. Practitioners are almost unanimous in utilizing loose-leaf time-sheets for the recording of staff activities, as contrasted with diaries in booklet form. The size and composition of time records vary greatly, but the most popular seem to be letter-size sheets which provide for the recording of the total hours devoted daily to each assignment together with the particulars of the work in reasonable detail. On the reverse there appears a time summary form and a separate table for the listing of expenses. The inclusion of the expense and time data on the same sheet avoids a multiplicity of office records and also provides an incentive for staff members to file time reports promptly. As a general rule time that is not chargeable to clients is indicated in the weekly report as "idle time" or "unassigned time" without further detail.

#### STAFF CONTROL

Naturally enough more thought is given to the control of staff activities as the size of the organization increases. Thus we find that periodical pre-scheduling of the probable time demands of clients is unusual where less than ten staff members are employed, but if a larger staff is maintained it is customary to prepare a budget of probable requirements on a monthly basis. Again, if the staff is small, the employment of temporary men during the busy season is rare, but as the volume of work increases the procedure is general. Likewise the borrowing of staff members from fellow practitioners when engagements are secured that overtax the capacity of the regular staff, and the lending of staff members to fellow practitioners when they are similarly situated is confined principally to firms that employ less than twenty-five permanent men. Some of our members question the propriety of such an arrangement, but there is much to be said in its favor.

We come now to the views of our membership with respect to the advisability of changing periodically the seniors assigned to recurrent engagements. Theoretically, an added measure of security is provided if a policy of rotation of seniors is followed. Most practitioners appear to have found, however, that this advantage is offset by other practical considerations. About two-thirds of the correspondents appear to consider rotation of assignments impractical, and half of the others believe in the plan but do not follow it. But at the same time it seems to be the aim of most firms with substantial practices to arrange the duties of the chief assistant to the senior in charge in such a way that he will be qualified to undertake full responsibility when the occasion arises or, as an alternative, to have two qualified seniors familiar with the details of the important engagements.

In the great majority of cases men are assigned both to new and recurrent engagements chiefly on the basis of availability and familiarity with the work. The extent of partners' supervision of field activities of the staff is naturally dependent upon such varying factors as the ratio that the number of resident partners bears to the size of the staff, the degree of responsibility delegated to supervising seniors, the ability to avoid excessive peaks in the busy season and the type of work that constitutes the bulk of the practice.

OFFICE DUTIES AND "IDLE TIME"

After the completion of the field work the senior in charge turns to the task of preparing the report. The maintenance of a separate report department charged with the duty of drafting or reviewing reports is rare. Almost invariably the first draft of the report is prepared by the man in charge of the field work. It is customary for a partner to review the rough draft and make whatever changes are necessary. Some firms require that the rough draft be composed at the client's office, but the more general procedure is for this work to be performed in the accountant's office after the field work is completed. Meanwhile the assistants have finished their duties and have returned to the office. And now the villain of our plot stalks across the stage in the person of that detestable character "Idle Time."

No serious consideration need be given this bugbear with reference to the period between December fifteenth and April fifteenth, if we are to deal with the average practice which is dependent primarily upon an audit clientele to maintain its economic existence. If idle time is a substantial profit consumer during the busy season, it is safe to predict that the practice stands about as much chance of surviving as a business presently engaged in the manufacture of equipment for miniature golf courses or knee-length bathing suits. We can also set apart for later discussion the favored few, as rare as overtime in June, whose practice consists principally of monthly audits, and the equally fortunate minority who include among their clients a goodly proportion of adherents to "the natural business year." But what of the run-of-the-mill firm in the slack season? Let us assume that if temporary men have been employed they have been released at the close of the busy season, so that we are giving thought only to the most advantageous direction of the permanent staff.

In most larger organizations the office manager or partner in charge of assignments keeps in close touch with the progress of the engagements and adjusts his schedule of work-in-process and future assignments from day to day to guard against slack time as far as possible. But the time comes when the important year-end reports are signed, sealed and delivered, and gradually the staff room assumes the appearance of a New York subway train at five o'clock. The assignment schedule is milked dry and the partners

are reasonably certain that barring miracles no new engagements of sufficient size to make a dent in the office army of unemployed are likely to materialize for several weeks. What steps shall be taken to relieve the nervous and financial strain?

It is evident that most of the responding firms follow the policy in normal times of maintaining their permanent staffs intact throughout the year, even though such procedure may entail the absorption of a substantial sum in salary costs that are not offset by charges to clients. The responses show clearly, however, that except in rare instances no consistent effort is made to regulate office time in a manner that will be profitable directly or indirectly. In general, the control of idle time is confined to encouragement of study and discouragement from disturbing others. Approximately half the responses indicate that the men are required to remain in the office between assignments unless they are excused to attend to personal matters or for other special reason. Varying degrees of leeway are found in the remaining cases, ranging from the requirement that employees on temporary leave must communicate with the office hourly to the allowance of several days' leave of absence at a time during slack periods. Many firms follow the practice of giving additional vacations in inactive seasons which are charged against the overtime credit built up during the winter months.

#### IDLE TIME REMEDIES

We now have before us a composite picture of the average commercial and industrial practice with particular reference to the direction of staff activities, and the next step is to survey the various means that may be employed to secure direct and indirect benefits through more effective control of office time. But before doing so we must recognize that no regulatory program will be effectual unless the staff's reaction to it is favorable and the active coöperation of staff members is assured. And in considering how that assistance may be enlisted to the greatest advantage it will be well to reflect upon the type of person who is attracted to our profession and is most likely to succeed in it today.

Not many years ago members of accounting firms who held college degrees were in the decided minority, and staff members who boasted of more than a high school education were still more uncommon. In the gone-but-not-forgotten era of "holler and check" the typical senior was a more or less dissipated son of the

old country with an aptitude for simple arithmetic, a good memory, a well developed bump of curiosity and a high degree of skepticism. These attributes, coupled with more or less book-keeping experience, constituted his principal professional equipment. He was reasonably content with his lot and he was seldom ambitious enough to tackle the C. P. A. examinations. More often than not the junior owed his job to the fact that someone had decided that his talents were being sadly wasted in his capacity of bookkeeper's assistant or ledger clerk. The rate of mortality among juniors was high, but those who have survived include many who by dint of natural ability and perseverance have become leaders in our profession.

But today, largely as a result of the development of constructive accounting in the post-war period, a different type of man comprises the mainstay of virtually every accounting firm. Our profession is deeply indebted to many universities and accounting schools throughout the country for their contributions to our advancement by way of constantly improving curricula, designed not only to provide an adequate theoretical background, but also to furnish the student who has selected accountancy as his vocation with the proper cultural equipment. I believe, however, that a tendency exists today to over-emphasize vocational training at the expense of a thorough foundation in English, history and the classical subjects generally. The inability of most rising young accountants to write a good report must be attributed in large measure to a poorly balanced education which lays undue stress upon technical studies. Nevertheless, a decided improvement in professional equipment is evident in the post-war additions to our ranks. And of equal importance with the improved technical ability of the staff member is his mental attitude toward his job.

H. G. Wells' masterly work on modern economics, *The Work, Wealth and Happiness of Mankind*, contains an illuminating chapter entitled "Why people work." In it he divides all workers into three classes, which he designates respectively, the peasant, the nomad and the priestly or scholarly type. The principal interest of the first type, be he farmer or city dweller, is not in his work but in the fruits of his labor. His ambition is essentially the acquisition of property. He is the typical money grubber. The second type, which includes a large part of the so-called ruling classes, is made up principally of the aristocrats,



the soldiers and the adventurers. The nomad despises work, but revels in taking away the property of others; innately he is a free spender and gambler. Finally, the scholarly type, originally represented by the priest, is more or less detached on the one hand from the acquisitive complex of the peasant and on the other from the raiding and lording tendencies of the nomad. This group embraces the professional man, the technical expert and the scientific worker.

Until comparatively recent years public accountancy drew most of its personnel from the peasant type, but as the occupation gradually blossomed into a full-blown profession it was natural that it should attract more and more men of the student type. The greater interest of these men in their work and their greater capacity for development undoubtedly accounts for the relatively youthful senior of today as compared with the middle-aged senior of the early part of this century.

I have suggested that any program looking to the minimizing of unproductive time must depend for its success upon the full coöperation of the staff. If we accept the premise that our personnel is represented, in the main, by the student type of worker, it follows logically that satisfaction with his job will depend more upon providing interesting and constructive duties than upon the offering of special incentives. Assuming a fair salary scale and the opportunity of reasonable advancement, with the ultimate possibility of a proprietary interest, it would appear to be almost as demoralizing to the staff man to fail to encourage useful occupation of office time as it is to the pocket book of the principal. It seems to me that this is a very important consideration which is overlooked by firms that send unassigned men away from the office at slack times and leave them to their own devices.

I wish to make it clear that I am not referring to leaves of absence granted to men who are worn out after a trying engagement, or to week-end vacations in mid-summer. My reference is rather to the practice of what may be called colloquially, "shooing men out of the office." Is it not more logical to attempt to find useful tasks that will keep the men in the office? It has been suggested in a few of the responses to the questionnaire that there is little excuse for much unproductive time as distinguished from non-income-producing time. As one of the correspondents writes: "There are state laws to be studied, civic bodies looking for temporary research men, books to be written or reviewed, periodical

literature to be briefed for staff perusal, financial statistics available for special studies, C. P. A. problems to be devised and polished off, and corporate reports to be scanned for new ideas." In addition there are working papers to be reviewed on recurrent engagements that are to be started in the near future, working papers to be reclassified and supplemented in cases where engagements have been completed under pressure of time, audit reports to be studied that cover phases of business with which the staff member is unfamiliar, informal meetings to consider changes in tax and corporation law and other new matters affecting the practice, and similar undertakings that will broaden the faculties of the employee and in most cases be of direct or indirect benefit to the firm. Two or three responses contained the suggestion that idle time may be devoted to the compilation of supplementary data relating to the business of clients, and that no charge be made for this service. In my judgment the idea is unsound because it leads clients to expect something for nothing. I know of no precedent for such a course in law, engineering, architecture or any of the other professions.

In order successfully to direct the program outlined it is apparent that one partner or an unusually capable office manager should assume the responsibility of guiding the energies of the staff. To assist him in securing control of such activities I suggest that instead of requiring the staff to record on their time sheets unassigned office time merely as "idle time" or "unproductive time" they should be instructed to enter instead the detail of what they have actually done during slack periods. The adoption of this device would make it possible for the man in charge to lay out a general or specific plan of action for each staff member and to obtain a satisfactory check upon results. I have no doubt that through this medium unexpected talents and special aptitudes would be disclosed in many organizations. Furthermore it is probable that examples of commendable diligence and gross indolence that might otherwise escape detection would be brought to light in this manner.

I believe that every staff man with the right stuff in him would cooperate fully in such a program if its purpose were made clear to him. And if the idea has any merit there is no better opportunity to test it than the present, for in these uncertain times changes are the order of the day. Obviously the ultimate success of the plan in any office would be dependent upon the initiative, interest and

industry of the person in charge of its direction, but surely the assumption of this duty would not be unduly onerous. In offices that maintain an unusually large force the assignment of the job as one of the principal functions of a qualified man might well return handsome dividends.

#### INCREASING PRODUCTIVE TIME

There remains for discussion the important question of how non-income-producing time may be minimized. The constructive suggestions on this point contained in the responses to the questionnaire may be summarized as follows:

1. Staff men may be placed on leave of absence with clients who have need for special services during the summer and fall.
2. Accountants, individually and collectively, should continue to encourage the adoption of the natural business year.
3. Concerted action should be taken by practitioners in the matter of obtaining recognition of the exceptional qualifications of certified public accountants to act as trustees of estates, trustees in bankruptcy, receivers, arbitrators and business counselors.
4. Principals and seniors should be alive to the possibility of reorganizing the service rendered to calendar-year clients to the end that a portion of the work may be done at slack times.
5. As large a part of the practice as possible should be built on the basis of monthly or continuous audits.

All these proposals except the first are sound and practical. The first may well be criticised for two reasons. The farming out of staff men is not in keeping with established professional standards. The device is not likely to react favorably upon the members of the staff. The sense of security and loyalty to the firm that comes from unbroken association with it is certainly not apt to be enhanced if the employee is shifted about in this manner. He is likely to feel like the famous Irishman in the old poem that ends, "Off again, on again, gone again Finnigan."

Despite the efforts of our profession to bring about the more general adoption of the natural business year, little progress has been made in persuading commercial and industrial organizations to change from the calendar-year closing. The obvious advantages of the fiscal-year plan need not be repeated here, but it is evident that many trades and industries which would derive substantial benefits from the plan have not been moved to action. The necessary stimulus may be found in the institution of a well

financed and intelligently planned publicity campaign. A series of striking advertisements in selected trade and technical journals followed up by bulletins containing material for discussions with trade associations and business executives might make the business public "fiscal-year conscious" just as it has become long-distance-telephone and automatic-sprinkler conscious. The cost of such a campaign might be divided among the American Institute of Accountants, state societies of certified public accountants and individual practitioners who are willing to contribute. Sporadic efforts in the past have succeeded only in part because they have lacked coördination and because inadequate financing has prevented the adoption of a thorough plan of campaign.

Again, coöperative effort in the matter of encouraging the appointment of public accountants as trustees and the like is eminently proper and desirable. But in all probability the Institute would not be able to obtain satisfactory results in such an undertaking unless it worked principally through state accounting societies. This is true because local rather than national influences predominate, as a rule, in the selection of quasi-public officers.

The suggestion that we exert ourselves in the matter of arranging interim work to absorb idle time and to relieve the year-end strain is not a novel proposal, but it is undoubtedly true that most of us fail to take full advantage of this opportunity. It would appear that a periodical survey of all engagements would reveal many possibilities of revising audit programs to this end.

Finally we have the proposition that monthly and continuous audits offer the best solution of our problem. I am most happy to present to you a letter on this subject from a New York practitioner and I am sure that you will be as grateful to him as I have been for his valuable contribution. My correspondent says:

"When I started in practice 28 years ago, I faced the usual problems of all small practitioners. Rent and office expenses had to be paid promptly. My first problem then was to try to procure a steady monthly income rather than income at spasmodic intervals. I, therefore, tried to obtain as many monthly clients as I could. I felt that fees on a monthly basis were the bread and butter of a professional income, and special work and yearly audits the cake and dessert.

"In order to establish this monthly practice, it was, of course, necessary for me to convince my clients that they benefited more from this type of audit than from a balance-sheet audit or detailed

audit at the end of the fiscal or calendar year. I found that this was not difficult to do, when explained properly. The client was made to see that a year-end audit done at the peak of seasonal accounting activities necessarily had to be rushed. The clients themselves were, in most cases, anxious to get their figures out as quickly as possible, forcing the accountant to concentrate on the preparation of financial statements to the exclusion of surveying the client's system of bookkeeping and methods of operation. The accountant is in a better position to study the system and operations of the company during the course of his monthly work, making suggestions and recommendations for improvements. The monthly audit enables the accountant to prepare interim figures for the guidance of the client, thereby making it possible for the company to eliminate conditions or change policies promptly, which are operating to the detriment of the company. The client is also made to see that if any speculations occur on the part of employees, that the period of such speculations may be reduced from a year to a period of a month or two. The very fact that a monthly audit is being made has a good psychological effect on the employees of the company.

"This monthly practice gave me a very good foundation upon which to work and it became apparent to me within a short period of time that it had many other advantages. I estimate that at least sixty per cent of my present practice is handled on a continuous-audit basis.

"A monthly practice promotes the employment of men on a permanent basis. To my mind one of the greatest evils of the accounting profession, at the present time, is the practice of employing men for a period of between three and five months during the year on a temporary basis. Good accountants can not be expected to remain in the profession with the prospect of obtaining only temporary employment over the year-end, and then being compelled to shift for themselves for the remaining period of the year. The result has been an exodus of good accountants from the field of public practice into the field of commercial or private practice. The profession, as a whole, must meet the problem of keeping its members happily and permanently employed in public practice.

"Under this system of interim audits, we have found that the necessity of employing temporary men during the winter and early spring has been reduced to a minimum. The men taken on during the latter part of the fall represent a very small percentage of our peak staff as contrasted with other large accounting firms in New York, whose temporary staffs are sometimes double or triple the permanent staffs employed by them. The men whom we employ on a temporary basis assist men on our regular staff and are rarely, if at all, given any responsibility without direct supervision on the part of our permanent employees. We feel that this reduces the risk of error on the part of the accountants to a minimum.

“The monthly practice affords better opportunity for training members of a staff. Accountants employed permanently have the opportunity of becoming thoroughly familiar with the firm’s policies on theory, auditing procedure and practice. When they are confronted with the problems attendant to the preparation of financial statements and reports at the year end, there is little hesitation or lost motion at a time when the pressure is greatest. The firm does not have to rely on untried and untrained men. The accountant has been watched during the year and is given responsibility at the year-end with perfect confidence. The firm is not faced with the necessity of imposing responsibility on a man who has just been employed and whose lack of capabilities may not conform to the references which have been obtained.

“A monthly audit reduces idle time to a minimum. Monthly audits, roughly, fall into two classes,—those which must be completed by a specified day during the month, and those which may be done at a time left to the discretion or convenience of the accountant. The permanent staff is, therefore, divided into three classes:

1. The first class embraces those accountants who are assigned to monthly audits, sufficient in number to keep them busy throughout the month. The accountant’s work is routed so that he starts the monthly audit of one client upon the completion of his work for another client without any loss of time.
2. Accountants in this class are assigned to regular monthly work for part of the month and serve clients who allow them to do the audit at their convenience. These men are, therefore, available for special work for the remainder of the monthly period.
3. The men assigned to special work.

“The segregation of men, as stated above, results in a staff which is most flexible. When a special job arises during the year, men may be drawn from those segregated as special assignment men and from those who have not been assigned a full month’s work.

“The auditing procedure is, roughly, segregated as follows:

“The portion of the audit covering verification of assets and liabilities by correspondence and preparation of statements is done at the end of the year.

“The greater portion of audit checking, analyses of accounts, etc., is done during the course of the year.

“The audit procedure is, of course, flexible and is dependent upon the size of the concern and the extent to which it is necessary to do detailed checking. In order to avoid the possibility of the book-keeper’s changing the figures on the books between the monthly visits of the accountant, the audit program should provide particularly for a close scrutiny or check of all open balances of the prior period.

"Where a monthly audit is arranged, the client is usually charged on a fixed-fee basis. The average per-diem rate received from clients on this basis is, of course, less than the per-diem rates usually charged on special engagements, but my experience has shown me, aside from any other benefits accruing from a monthly practice, that the apparent loss in fees is more than compensated for by the almost entire elimination of idle time.

"In closing I can only reiterate most emphatically, that it is my feeling that the accounting profession is charged with the responsibility of taking care of its members; that some plan must be evolved to keep capable accountants in public practice, not for two or three months of the year, but for every day during the year. Under the plan which I have followed for 28 years, I have kept a large number of men permanently employed for many years. Without checking my records, I feel safe in saying that at least 100 of my men have been employed for five years or more, and that of these at least 45 have been with me for upward of ten years."

It would be painting the lily with a vengeance if I attempted to amplify the thoughts expressed by our eminent fellow practitioner. Nothing could be plainer, however, than the fact that the great majority of accountants have overlooked this golden opportunity to shackle the villain of our plot. Our attention has been focused on practice problems that arise under normal conditions.

In conclusion, a word should be said of the peculiar problems presented by the business upheaval of the past three years. The substantial loss of practice that has been suffered by large and small firms alike has made necessary the dismissal of great numbers of staff members of every class. We are approaching a winter that will test the mettle of the American people. Our ability to take care of the families who through no fault of the wage-earners are dependent upon the generosity of others for their very existence may be the principal factor that will control our destiny.

On August 26th last, the President summoned a conference of industrial leaders to Washington to consider the unemployment problem. To meet the situation the conference wholeheartedly endorsed the job-sharing plan originated in California, which has been thoroughly tested in a number of large organizations in the west over a period of many months. Regional committees are now being organized to explain the plan to the business public and to urge its adoption.

## *The Profitable Employment of Idle Time*

---

---

It is fitting that a pioneer in putting the plan into effect has been the San Francisco office of a firm of public accountants. The resident partner of the firm has addressed me on this subject as follows:

"You have asked me for a résumé of our experience with the five-day week plan.

"During the latter part of December, 1931, a number of our clients adopted the five-day week, thus making it impossible for a number of our staff to work Saturdays. At that time, also, our budget indicated that we would be overstaffed after the busy season. We therefore reduced salaries at January 1, 1932, to the basis of a five-day week, and informed our men that work on Saturdays would be credited to overtime, which could be taken later in the year when we were not busy. Since the majority of our clients did not change their working hours, the men working on these engagements were able to work on Saturdays. Thus some of the men were able to create a larger overtime reserve than others. Most of them added the overtime to their vacations, and when they were away we used the men who had little or no overtime to their credit.

"The effect of the adoption of the five-day week on the morale of our organization was excellent. A reduction in salaries had been expected, but the men did not expect to be given time off to compensate them for the reduction. They are being paid practically the same amount per working day. Furthermore, we were able to employ six men whom we would otherwise have had to release. Our clients receive the same service as in the past. Our office is open Saturdays, as usual, but with a reduced force in attendance.

"In discussing with other accountants our adoption of the five-day week, it would be misleading to mention our name, because the plan is not in effect at all of our offices. It was adopted here merely to meet the situation created by the inability of a number of our men to work Saturdays, plus a staff that exceeded our requirements."

It is gratifying to learn that this high adventure along untrodden paths has been successful and that the principal object, which was to insure the employment of a greater number of men, has been attained.

It must be recognized that the job-sharing plan is essentially an emergency measure. We have seen, however, that in one accounting office, at least, it has proven practicable and effective. Perhaps some firms will conclude that it is not feasible to adopt the idea. Whether they do or not it is the bounden duty of all our members to recognize the obligation they owe to their fellow countrymen and to provide gainful work to the limit of their capacities until the present situation is cleared.