

Whether the rates are submitted to an elected steward of each department or a committee as a whole from the shops matters little, so long as they have an opportunity to discuss with the management each schedule of prices as made. When preliminary arrangements are made, a method of handling future schedules and of handling complaints is soon developed. The award at present requires the agreement of operators with the management on price schedules, and it is a good system, too.

7. The method of issuing piecework jobs to the factory can be arranged in a number of different ways, depending on the clerical and accounting methods at present in use. It is desirable, if possible, to superimpose the new system without disturbing the routine and office-work. The condition to be met is that each operator must be given his work clearly defined, and the price he is to get for doing that work. One method is for each departmental foreman to be supplied with the complete schedule of prices for all operations in his department, and as he gives work out or assigns it he issues independent piecework dockets for each operation, giving the necessary identification and price of that operation. The operator keeps the docket as his check of his work, and enters on his daily sheet his output against order numbers or operation numbers, which is checked and passed by the foreman before sending to accountant.

Another method is for the office, in addition to attaching the usual order and instruction tag that accompanies each order, also to attach piecework tags which contain the complete piecework schedule of prices. These piecework tags are perforated between each operation, and as each operation is done the operator tears off the slip corresponding to the operations he has performed and turns these slips in weekly with his output sheet. In this case the operator will make a record of the slips for his own use, and the foreman only needs to check the work for quality and to distribute the work ahead of each operator expeditiously. This is the simpler system, and entails least work to departmental foreman, which is a desirable feature.

For the first few months at least (permanently would be most desirable) each operator, in addition to putting his shop number or name on the back of each slip, should enter his starting and finishing time. This enables the office to locate all operations on which no bonus has been made. For various reasons—machines not working right, material difficulties, trouble with findings, or incorrectly-set rates—it is essential that the actual cost should be able to be traced, with a view to accounting for same and for rectification. This may be dispensed with when everything is operating on a satisfactory basis, but it is essential in starting off and when first orders of a new pattern are put through.

8. The office end of accounting and paying needs no comment. Existing cost-cards can be filled in from summaries of piecework dockets. Wages paid can be summarized alongside the guaranteed basic wages, so that earnings can be seen progressively. It is essential that bonuses are earned, and the investigation into lack of earnings is most necessary.

9. Additional bonus for savings in materials can be arranged simply where it is desired to do so. It has been contended in some factories that the value of the material being cut by clickers is very greatly in excess of the labour value. This factor makes it desirable that the piecework price should include a footage factor in order that an added incentive to conserve material is obtained. To do this, with each clicker's ticket should be added the allowed footage for the number of pairs in each order. The bonus price should be arranged on a basis of the number of square feet saved, the price being either so-much per foot, based on the value of the skins, or it may be a straight-out agreed-upon amount per foot, covering the whole week's output.

Different factories will meet this situation without difficulty directly they are able to define the value of materials being used. Consider a saving of from 5 to 10 per cent. possible in fancy upper leathers. Ascertain what this saving is worth to you if attained by careful clicking, then determine what percentage of this saving you can set as a bonus, additional to clicking rate, in order to ensure the operator's interest.

10. The question of paying departmental foremen a bonus is recommended for consideration in factories where the foreman is not a factor in the setting of rates. It depends on the size of the factory and what you pay your foreman as to what this factor is worth, but you must avoid having foremen who get less money than is earned by the men or women in their departments. This becomes a sore point, often suffered in silence, and the remedy to stimulate interest and sense of fairness is to allow the foreman a weekly bonus, based usually on the average earnings of his whole department.

11. Rejections and repairs are not paid for, and a careful record needs to be kept of all defective work done, in order that the desired standard of work as required is maintained. Naturally, on a piecework basis a more rigid inspection during the progress of the operation is necessary, and this is the foreman's duty in allocating work.

12. The difference between premium-system working and piecework system as described in the foregoing is in the rate-setting. In paragraph 5 the method of determining operation actual base times was given, and under piecework it will be seen that 20 per cent. was finally added to this time as the piecework bonus. Under premium (fifty-fifty base) exactly double this percentage is added—that is, 40 per cent. instead of 20 per cent. is added—and this time is given to the operator, without conversion to money, as the "allowed time" for that operation.

The issuing of dockets and recording of works is the same under either system, with just this difference in the final accounting: For each operator all the "allowed time" dockets issued are totalled, and from this total is subtracted the actual number of hours the operator has worked. This gives what is termed the "number of hours saved" for the week. The number of hours saved is divided by two, and the operator is thus paid as a bonus half the total hours saved, at his own hourly rate.

From this it is seen that in the rate-setting 50 per cent. additional time is added to the allowed time and 50 per cent. deducted from the time saved. At first glance this appears superficial, but it is not so. Mathematically it results in a more gradual rate of increasing earnings and a gradual reduction in the net cost per unit after the 20 per cent. calculated bonus is attained. It also permits