

INCIDENT 1 A Motivated Worker

Bob Rosen could hardly wait to get back to work Monday morning. He was excited about his chance of getting a large bonus. Bob is a machine operator with Ram Manufacturing Company, a producer of electric motors in Wichita, Kansas. He operates an armature-winding machine. The machine winds copper wire onto metal cores to make the rotating elements for electric motors.

Ram pays machine operators on a graduated piece-rate basis. Operators are paid a certain amount for each part made, plus a bonus. A worker who produces 10 percent above standard for a certain month receives a 10 percent additional bonus. For 20 percent above standard, the bonus is 20 percent. Bob realized that he had a good chance of earning a 20 percent bonus that month. That would be \$1,787.

Bob had a special use for the extra money. His wife's birthday was just three weeks away. He was hoping to get her a car. He had already saved \$4,000, but the down payment on the car was \$5,500. The bonus would enable him to buy the car.

Bob arrived at work at seven o'clock that morning, although his shift did not begin until eight. He went to his workstation and

checked the supply of blank cores and copper wire. Finding that only one spool of wire was on hand, he asked the forklift truck driver to bring another. Then, he asked the operator who was working the graveyard shift, "Sam, do you mind if I grease the machine while you work?"

"No," Sam said, "that won't bother me a bit."

After greasing the machine, Bob stood and watched Sam work. He thought of ways to simplify the motions involved in loading, winding, and unloading the armatures. As Bob took over the machine after the eight o'clock whistle, he thought, "I hope I can pull this off. I know the car will make Kathy happy. She won't be stuck at home while I'm at work."

Questions

9-24. Explain the advantages of a piecework pay system such as that at Ram.

9-25. What might be problems associated with the piecework pay system?