

Work incentives in the station apparatus shops by
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I N D E X

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WORK INCENTIVES IN THE STATION APPARATUS SHOPS

Introductory

The purpose of this report is to describe the major social incentives to work which are operating in the Station Apparatus Shops at the present time and to call attention to some of the more important areas which might be affected by a change in method of payment. The material to be presented is based upon interview and observation data collected by the personnel counselors who have been working in this location. Two counselors, one man and one woman, have been assigned to the Hand Telephone Set Division for approximately eighteen months, and two other counselors, one man and one woman, have been working in the Combined Station Set Department of the Miscellaneous Station Apparatus Division for approximately seven months. In addition to interviewing employees, these people have had frequent contacts with all levels of supervision directly involved and with employees while on the job. They have also spent a good deal of time observing the operators' behavior at work. It should be added that the counselors have not examined many records kept by the organizations in which they are working so that when mention is made of comparative efficiency records and so on, we are for the most part stating opinions of supervisors and employees.

Statement of Point of View

It may be well at the outset to state the point of view toward incentives which we are adopting in this study. Briefly, this point of view is that the incentives to work which may be found in a work situation arise from:

1. The demands the individual makes of his work situation.

Every employee is a member of society at large. He has been brought up under the influence of certain family and community conditions. To a large extent his expectations and ambitions are understandable in terms of such social conditioning. When the individual is employed, he brings these expectations and ambitions with him and seeks to fulfill them in his work situation. These expectations or demands, if given adequate direction and opportunity for expression, constitute strong motivating factors.

2. The technical organization of the work situation.

By this is meant not only the tools and machines which are used in the manufacturing process but also the requirements which such processes impose upon the employee. Under this heading we also include the sequence of operations or flow of work through a department.

3. The social organization of the work situation.

Superimposed upon the technical organization there is a human organization. The function of the human organization is to control and manipulate the technical organization to the end that a satisfactory product be produced at a given price. This human organization has two aspects to it. These are:

3.1 Formal organization.

By formal organization we mean all of the explicitly stated regulations which are intended to control the relationships within the human organization and the relationships between the human organization and the technical organization. Included here are all of the Company's formally prescribed routines, policies and practices.

3.2 Informal organization.

By this is meant all of the relationships between people which are not definitely prescribed in the formal organization of the Company. Individuals in a work group build up personal relationships with one another. Through associating with each other over a long period of time during which they share many common experiences, these groups develop certain standards of conduct and common ways of thinking. They develop common sentiments and share many intangible social values. All of these personal relationships and sentiments which bind people to one another go to make up the informal organization of the Company.

The incentives to work which may be found in any work situation are from this point of view to be regarded not as isolated "factors" but rather as social processes arising from the interrelations of 1, 2, and 3 above. The idea here is that there is nothing fixed or absolute about incentives. Instead they are relative and change as different aspects of the total situation change. To a large extent, motivations to work seem to depend upon the form and extent of the expression given to 1 by the organization of 2 and 3.

The plan to be followed in presenting this material is:

- I. To give a general description of work behavior in the Station Apparatus Shops;
- II. To lift out of this description the chief incentives which may be said to be operating; and
- III. To discuss some of the possible consequences for these incentives of a change from day work to piece work.

In other words, stated in the terms outlined above, we shall be principally concerned with describing the incentive processes in 3.2 (informal social organization) and will then point out some of the ways in which a change in 3.1 (formal organization - change from day work to piece work) may affect the processes described as taking place in 3.2.

I. General Description of Work Behavior in the Station Apparatus Shops

1. Attitudes Toward Work

In considering the attitudes of employees toward their work we find that there are significant differences depending upon type of occupation, length of service and sex. However, because a detailed breakdown by types of work tends to become too identifying, we shall here attempt to specify only those differences in attitude which seem to be due to length of service and sex.

1.1 Long Service Men Employees

Most of the long service men operators in these shops have had experience on piece work. They were either transferred into the Station Apparatus Shops or were rehired. Most of the higher graded occupations are occupied by these long service people. It has been observed that when these people first started to work in these shops, they were quite generally apprehensive lest piece rates be introduced. Their chief concern seemed to be connected with the possibility that if their outputs went too high, piece rates would be set too "tight." However, these apprehensions seemed to diminish with time and among the older organizations in these shops have all but disappeared. Many of these longer service employees have experienced upgradings and increases in their hourly rates. On the whole, they are quite satisfied with their jobs and with their general situation.

Of particular interest is the manner in which many of these people have responded to requests on the part of their supervisors for higher outputs. These increases are particularly evident in groups where output is accurately measured and where bogies have

been set and administered judiciously. Bogies have been particularly effective where supervisors have set them at a level which the operators considered fair. These bogies have been adjusted upward from time to time as the general output level of the groups increased. By paying a great deal of attention to the attitudes of the operators toward the output standards that were being asked of them, the supervisors have succeeded in developing a relationship with employees which makes it possible for them gradually to adjust bogies to higher and higher levels without meeting any marked opposition from the operators. Of course, along with these increases in efficiency there have been changes in hourly rates and upgradings which have provided the operators with concrete acknowledgment of their contributions.

On lower grade jobs, particularly those on which long service employees are scattered among groups of short service employees, the general attitude of the long service people tends to be one of futility. In some places criticism is directed toward the speed up, toward rates of pay and toward the work. In most of these cases, however, the counselors feel that what is really bothering these people is that they are unable to achieve satisfactory status in their work groups. Type of work and rates of pay have not provided sufficient opportunity for them to differentiate themselves from the short service people. These feelings may disappear somewhat as more longer service people are moved in to replace the short service people who are being laid off.

1.2 Long Service Women Employees

Among the long service women operators who are working on

higher grade jobs and who have been in these shops for some time there is noticeable a considerable feeling of pride in the output standards they have achieved. Both the operators and their supervisors claim a considerable increase in efficiency compared to the previous performance of these same operators in piece work groups.⁽¹⁾ This is particularly interesting in view of the fact that in some cases these employees are at an age when their efficiency ordinarily tends to level off. For the most part, the attitude of the women operators thus situated is characterized by a feeling of satisfaction which the counselors do not encounter nearly as much in other older organizations.

Most of these long service women operators have had experience in piece work groups. As among the men operators who have had this experience, they too tend to have apprehensions about the possibility of piece rates being introduced. However, it has been observed that in many cases these apprehensions are soon got rid of. Some women who have only recently been transferred in are responding to requests for higher output in what the supervisors regard as quite a satisfactory manner and they are reaching new levels of output which they formerly believed to be unattainable. The general spirit of cooperation and rivalry manifested by the shorter service people in these work groups is unquestionably an important factor contributing to these results.

(1) This statement is based upon what supervisors and employees have told the counselors. Even though some of these increases might be explainable in terms of improved methods and equipment these are still statements of belief and as such are significant so far as the behavior of these people is concerned.

Where long service women operators are scattered among short service women either on bench work or conveyors, their attitudes are very similar to those of the long service men described above. Where these employees appear to be disturbed, we usually find that they are having difficulty in adjusting to the short service people around them. These short service women are, for the most part, a great deal younger and have entirely different interests. Those long service women who are able to make the kind of adjustment that is necessary, appear to be well satisfied. Others complain about everything from the speed of the conveyor to wages. As time goes on, however, most of these long service people become less irritated by the short service people and their attitudes change correspondingly.

1.3 Short Service Men Employees

When the personnel counselors started working in the Station Apparatus Shops there was considerable dissatisfaction expressed by the short service male employees because the movement to higher graded jobs appeared to them to be lacking. However, as the organization expanded and they were upgraded on the basis of satisfactory performance, this dissatisfaction began to disappear. Opportunity to progress in the Company obviously meant a great deal more to them than immediate increases in wages.

In addition to upgradings, there are two other factors which have served to lessen the intensity for this group's desire to advance themselves. The more immediate and more apparent reason, of course, is the current layoffs. Naturally, in a period like this, people tend to think more about retaining the job they

have than about promotion to some desired position. The other factor is less obvious and is more in the nature of a theoretical observation. When the personnel counselors were first placed in these organizations, they observed that these young men, for the most part, were intensely preoccupied over where they were going to go. These attitudes were described in a report issued last year entitled "Attitudes of Long and Short Service Employees." At that time the counselors felt that the solution to these pre-occupations lay chiefly in developing a more adequate social ladder. Although this unquestionably is still important, we now feel that this demand for advancement can, in part, be restated as a desire on the part of these people to integrate themselves in the Company organization. This process of integration involves the formation of relationships with their fellow workers and supervisors, and the development of sentiments of identification with the Company. These processes have been going on all the time that these short service people have been with us and the integration with the Company which has resulted may therefore account in part for the dissipation of some of their earlier and urgently expressed desires for advancement. We might add that this statement applies not only to the group of short service male operators under consideration, but in a general way to all short service people.

In some groups it has been observed that the attitudes of the long service male employees toward work have been conveyed to these young, short service employees. This has taken the form of group pressure to control output within fixed limits which seem to bear no relation to the operator's capacity to produce.

In this connection the current layoffs are affecting the picture in that the shorter service people have had it brought home to them that they are a group apart from the long service people. This has prompted them to disregard the demands made by the long service employees to conform to their rules of conduct. This has been evidenced not only by increases in output but also in their statements to the counselors and in their behavior toward the long service people in these groups.

The short service men operators who are scattered among groups composed predominantly of women present special problems. Their attitudes are dependent largely upon their ability to develop congenial relations with the women operators. On the whole, they feel that they are at the bottom of the social ladder and in some instances even comment that they are doing women's work. This feeling is compensated for if they are made utility boys and work more directly under the group chief. This enables them to some extent to subordinate the female operators and gives them a kind of responsibility which they interpret as important. Also they feel that they are in direct line for upgrading. With few exceptions they are looking forward to the time when they can be placed on some sort of a job requiring more skill and will be associating with men operators. In the meantime, it has been observed that quite a few of these short service men employees have adapted themselves very effectively to their present situations and participate willingly in the affairs of their work group.

1.4 Short Service Women Employees

Short service women employees make up the bulk of the personnel assigned to conveyors and are scattered on machine and bench jobs. Those on machine work in general seem to be well satisfied with their positions because they feel that they are on the most preferred work which women can attain in these organizations even though there are other jobs in the same labor grade, such as soldering and adjusting. They take a proprietary interest in their machines and derive a good deal of satisfaction from running them.

The short service women who are on bench work are more divided from the standpoint of satisfaction in work. Many of them look forward to going on to conveyor jobs while others look forward to machine work, especially coil winding.

Inasmuch as the personnel of the conveyor groups is made up largely of short service women, it may be well to make a more detailed description of the general attitudes of these conveyor groups. A high degree of collaboration has developed among many of these operators. There has been very little evidence of any dissatisfaction toward working on conveyors. This is especially evident in the smaller conveyor groups. On the longer conveyors, the groups are not such a closely knit social group, a fact which may be attributed largely to their spatial relations. It has been observed that employees at one end of these conveyors are not well acquainted with those on opposite ends and do not associate with each other a great deal. On the smaller conveyors, employees are able to converse more easily with one another and many of them have frequent social relations as a group outside of

the Plant as well as at work. A high degree of interest in all of the jobs on each conveyor has been developed in these groups. There is a great desire on the part of each individual to learn other operations and thus develop versatility. This tends to break up monotony and develop skills which strengthen their feelings of job security. It is not uncommon for operators to help each other out so that if one falls behind, the operator working at the next position will assist her in addition to taking care of her own duties. Much of this activity is directed toward competition with other conveyors or toward the groups which take their places on the following shift. Periodically throughout the day, the operators check their output with that of the group with whom they are competing. This means that they are continually making an effort to exceed the output figure of another group. It is interesting to note that more recently this competition has been directed toward reducing defective work as well as to increasing output. Employees have discussed this situation very freely with the personnel counselors and it is particularly significant that the individuals describe the situation in terms of group cooperation. It is never, "I turned out more work than I did yesterday" but rather, "We turned out more work," etc. This competition takes a very friendly form and comments are seldom related to the ultimate effect of increased output on increases in hourly rates or upgrading. Taken as a whole, the attention of the operators has been directed almost completely away from wages and toward one another. This absorption of free attention has given little opportunity for the development of obsessive thinking. There is definitely a lack of constraint and lack of

apprehension toward Management among these groups which resembles in many ways the situation which existed in the Relay Assembly Test Room.

2. Attitudes Toward Wages

In a discussion of attitudes toward wages, our data seems to fall quite logically into three groups. Although it could be divided by service, sex, age, etc., there seems to be a more marked difference between the attitudes of employees with previous experience in piece work organizations and employees with no previous piece work experience. In the third group, the attitudes of supervisors toward wages will be discussed.

2.1 Employees with Previous Experience in Piece Work Organizations

The majority of the employees who have had experience under a group piece work payment plan are either long service employees or those who have been rehired. From their comments, in general, it may be said that they are satisfied with their wages unless they have recently been transferred in and have been required to take a cut in their take-home. There are a few who were transferred in from piece work organizations who expressed dissatisfaction with their hourly rates because the earnings of their own organization had gone up shortly after they were transferred. Consequently they felt that had they been permitted to remain in their old organizations their take-home would have been higher. However, in cases where earnings in the old organization dropped, this dissatisfaction usually disappeared. In other areas where the hourly rates of the short service employees have been increased rapidly or to a level which comes near to that of the long service

employees, the long service employees evidence a feeling of apprehension and loss of status. On the other hand, there are some long service employees who have shown a marked improvement over their efficiency in former organizations and their hourly rates have since been proportionately increased. These employees do not seem to be concerned with the possibility that they may be reaching a ceiling or that their take-home might possibly be greater if they were in a piece work organization. In fact, they have had very few comments to make about any kind of wage incentive plan or the comparative merits of one kind of plan with another. The exception to this is where long service employees have been only recently transferred in from piece work organizations. These people tend to wonder whether piece rates will be established and what will happen if they are.

2.2 Employees with no Previous Experience in Piece Work Organizations

The majority of these employees are short service people hired within the past two years. Any ideas they may have about piece work are very immature. Because they discuss all other problems very frankly with the counselors, it is noteworthy that very few of them comment about piece work or express any kind of preference for one method of payment as compared to another. Occasionally they comment that day work is the best plan because their weekly take-home is fixed and they can budget themselves accordingly. Some of the employees have commented that they have friends in piece work organizations who are making more money than they and therefore conclude that if piece rates were installed in the Station Apparatus Shops their take-home would

be increased. In making this contrast, they do not always consider whether or not their friends are working in the same or different occupations.

Employees have been more than pleased with the automatic increases given to them at the thirty, sixty and ninety day intervals. Their chief criticism of this plan has been that an increase of this sort is meaningless when all other employees are getting the same increases after the same period of time. Also, in many cases they have interpreted these increases as meaning that their work has been very satisfactory and their future with the Company assured. As a result, when some of them were relieved or laid off, they could not quite comprehend what had happened to remove the props from under their positions.

2.3 Supervisors' Attitudes Toward Wage Incentives

Most of the supervisors have had piece work experience either as operators or as supervisors. With few exceptions, they have expressed a definite preference for day work, principally, they say, because in a day work system the supervisors have more jurisdiction over their work. That is, they believe that they have been more free to experiment with minor changes in methods and to put these into immediate operation whenever they prove successful. Also, in a day work system, they feel that there is a good deal more flexibility which permits supervisors to shift their personnel around at will. They point out that in their experience under piece work, supervisors tend to keep employees on the jobs where they have demonstrated high efficiency rather than upgrade them and risk replacing them with less efficient employees.

Quite a few of the supervisors observed that confusion was created in the thinking of employees when they tried to relate their piece work earnings to the amount of work they had turned out. This placed the supervisor in the position of continually explaining, often unsuccessfully, to subordinates the processes involved in determining their earnings.

In talking about the possible effect of group piece work in their present organizations, some of the supervisors questioned its suitability to conveyor groups. They said that the maximum rate of output is determined by the speed of the conveyor, the efficiency of lead operators, and the ability of operators in bottle-neck positions to keep the work moving through. Under these conditions they felt that day work was more suitable than group piece work.

Most of the supervisors contrast their present activities with their activities when they were in piece work organizations. The total work load, they say, is about the same but their working time is apportioned differently. In piece work organizations they spent more time on clerical work than they did on "personnel work" whereas now they spend most of their time on personnel work. By personnel work they mean being out on the floor among the operators where they are in direct personal contact with them. Many of the supervisors attribute this change in the way their time is allotted to the fact that they are now supervising people on day work or to the fact that the product-shop set-up requires less clerical work than did the old functional type of organization. The counselors, however, feel that along with this change

in apportionment of time there has gone a change in emphasis and in interest. The supervisors do not spend more time with their operators entirely because they have more time to spend. They do it because they have an interest in their people and because they feel that they get results by working among them. The counselors also feel that this heightened interest in their personnel is in part attributable to the day work set-up. The supervisors, not having an impersonal "system" between themselves and their operators, must take personal responsibility for getting results. This leads to direct contact with their people and to the exercise of their ingenuity wherever possible.

So far as actual incentive values in either plan are concerned, they feel that their present success can be attributed to basing increases in hourly rates on performance, the advancement of a large number of employees to higher rated jobs, the manner in which output standards are established, and the cooperative attitudes of the short service employees. Many of the

supervisors thought when they were first transferred to the Station Apparatus Shops that they would find employees less inclined to work and they were quite surprised to observe the attitudes of employees toward work and their general efficiency.

In general, the supervisors' attitudes toward payment plans indicate a feeling of apprehension toward making any major changes considering the present upward trend in efficiency and effective collaboration between groups of employees and between employees and Management. They question the advisability of breaking up a satisfactory situation when there is no assurance that the proposed change would make for a better one.

3. Relations of Supervisors and Employees

As a general statement it may be said that the relations between supervisors and employees in this location are satisfactory. This statement is based upon the fact that the personnel counselors have received relatively few complaints about supervision.

Although the relations between supervisors and employees appear satisfactory, this does not mean that they are all of the same kind. As a matter of fact there is quite a wide range in the specific kinds of relationships existing between various supervisors and their employees. To a large extent, these relationships depend upon the kind of relationships existing between the supervisors themselves. In some places the relations between supervisors are very stable and are not appreciably different from those to be found in much older organizations. In these situations the work relations between supervisors are well established and function smoothly. Their personal relationships may be antagonistic but as a rule the supervisors have objectified these antagonisms and do not permit

them to interfere perceptibly with their duties. These supervisors are able to focus their complete attention on their assignments and evidence little obsessive thinking about their own progress. Where such relationships obtained between supervisors, their relationships to their subordinates tend to be somewhat formal and are characterized by feelings of respect and confidence on the part of employees.

In other places the relations between supervisors are highly competitive largely because of the rapid growth in the organization. Here we find supervisor competing with supervisor in an effort to outdo each other. This spirit of rivalry and competition has been carried over into the relationships between these supervisors and their employees and also into the relations between employees. In general, the relations between these supervisors and their employees are characterized by an informal mutual give and take rarely found in other parts of the Plant where counselors are located. These informal friendly relations have made it possible for supervisors to elicit the direct whole-hearted cooperation of their employees such that they, in many cases, voluntarily constantly endeavor to beat output records.

4. Summary

The major points brought out in the foregoing description are as follows:

1. In groups where the operators consider the bogey to be a fair and an accurate measure of output, there is little resistance to its being adjusted up or down whenever the supervisors feel that

conditions warrant such a change. This is especially true in groups in which the supervisor has a thorough knowledge of the job and favorable relations with his employees. In these situations where increases in hourly rates are given as a reward for increased efficiency, the supervisors observe that the output of the operators has been steadily increasing for some time. In some instances employees believe that they are turning out more work now than they did while working in piece work organizations. The personnel counselors feel that the above conditions are operating in the Station Apparatus Shops in the same manner as they operate in piece work groups. In most situations these conditions act as a decided encouragement to employees.

2. Employees who have been transferred from piece work organizations appear to bring with them a good many feelings regarding the importance of controlling output. In the Station Apparatus Shops we have observed many cases in which these attitudes have changed shortly after the transferred employee became integrated into the new group.
3. In many groups in which long and short service employees are working together, the long service employees have considerable difficulty maintaining an output standard that is comparable to the standard set by the short service employees. In cases in which the short service employees are not looked upon as a threat to their security, the presence of these people seems to have a stimulating effect. In other words, many of the long service employees are openly competing with the short service employees in an attempt to see who can turn out the most work.
4. Among the short service employees, especially among those with a high school education, we found an unusual interest in getting ahead on the job. We noticed in these cases that they interpreted the automatic increases they were given after thirty, sixty and ninety days' service as being a reward for satisfactory performance. In spite of these increases they continually expressed an interest in being upgraded to work which they considered more desirable from a social point of view. In groups in which the supervisors were able to recognize these desires, this kind of upgrading seemed to have a stimulating effect on the entire group even though their hourly rates were not increased.

5. In most groups in the Station Apparatus Shops the immediate supervisors have maintained a close personal relation with employees. This relation has enabled them to weed out employees who are not fitting into the group satisfactorily. This process has in effect acted as an incentive for it has encouraged the balance of the group to increase their efficiency.
6. There seems to be an unusually strong competitive feeling among individual employees, groups of employees and among supervisors. We have observed individual employees "racing" each other and getting considerable personal satisfaction from this sport. We have also noticed many supervisors encouraging groups of employees to compete with other groups. This competitive spirit has been quite general throughout the shops. One of the most interesting things about it has been the personal satisfactions which the employees got through the competition. It has in effect been one of the major incentive processes that has been observed.
7. We have also observed that there are a number of outstanding operators working in almost every group in the shop. These employees seemed to enjoy working and they get considerable satisfaction out of keeping their efficiency higher than the balance of the group. Ordinarily the average employee expresses a strong antagonism toward these kinds of employees. In the Station Apparatus Shops we have observed that this antagonism has been quite mild and in most cases other employees are making an active effort to reach the output standards that these outstanding employees set.
8. We have observed that there has been a decided pressure on the supervisors in the Station Apparatus Shops to show results. We have also noticed that they have been given considerable freedom as to the manner in which they get results. Most supervisors have seemed to be successful in administering the authority that has been given them. The most successful have obtained results by establishing free personal relations with their subordinates and through these relations developing interest in the work.
9. The personnel counselors have observed that short service employees are not particularly interested in piece work or wage incentive plans. They seem to be talking very little about piece work except in the groups where they are working with longer service employees who have recently been transferred from piece work organizations. This observation might

mean that the incentive processes which are now in operation are satisfactorily serving to bring about the personal satisfactions which they are demanding.

10. We have also noticed that practically all of the supervisors seem to feel that a day work method of payment is decidedly superior to piece work. They believe that piece work in itself places many restraints on their activity. In the Station Apparatus Shops they feel free to experiment with many minor changes in methods and to put these into immediate operation whenever they prove successful. This activity in itself has resulted in many increases in job efficiency. This is in contrast to the feelings that many supervisors have toward handling piece work groups. In these groups there is some reluctance to initiate change as the supervisor is obligated to consult with the methods people and the Piece Rates Department before any change in method is introduced. In these groups it is also probable that some of these changes would not be approved and there would be a loss in take-home for the group involving the time spent in experimenting with the change.

II. The Nature of the Incentive Processes Observed

In stating the point of view adopted in this study, the statement was made that the effectiveness with which incentive processes are developed in a work situation depends upon how well the technical and social organization of the work situation permits the expression of the capacities and social demands of individuals. In other words, if we are to get the maximum return from employees, the work situation must permit recognition for the personal and social capacities an individual is capable of expressing. So far as we can see, the situation in the Station Apparatus Shops is by and large succeeding in this purpose. The major incentives in the situation are largely social and personal in nature. They seem to arise chiefly from the relations between individuals, between various social groups and between supervisors and employees. The energy which is released by the people in these locations appears to be

directed toward these rather intangible social satisfactions rather than toward the immediate monetary return for that effort.

If one were to attempt to characterize the human situation existing in these shops in a word, it would be in terms of lack of constraint. This is the outstanding characteristic of all the human interrelations which we have attempted to describe. On a smaller scale, this same phenomenon was observed in the Relay Assembly Test Room. There, as to a large extent in the Station Apparatus Shops, the entire situation was so ordered that the operators felt free to work. Interfering reveries in the form of apprehensions as to what might happen to them collectively and individually if they did or did not do certain things were at a minimum.

III. Implications Regarding the Introduction of Piece Work

We shall here attempt to point out some of the changes which might occur in the situation described if a piece work incentive were introduced. These statements are to be regarded as being in the nature of theoretical possibilities and are intended to raise certain questions which might not otherwise receive considered attention.

Of course, it is difficult to speak about the introduction of a wage incentive plan without knowing precisely how the plan would be introduced and how it would be administered. Unquestionably its effect upon the situation now existing would depend upon a good many variables such as the level at which the rates were set, the manner in which the incentive plan was introduced to supervisors and employees and the pressures placed upon the situation to increase earnings. These and perhaps many other factors would be of considerable importance. Consequently, what we have to say here must be

confined to a consideration merely of what consequences are likely to follow from a change in wage payment structure. These statements are based to a large extent upon observations made in our research studies and in other locations where piece rates are in operation or were introduced while counselors were stationed in these situations.

There are certain specific statements which may be made about the possible effects of introducing piece rates in the situation described.

1. In our opinion, piece rates would have little effect on the bogey systems that are in operation in most groups. In other words, these bogey systems are operating in a satisfactory manner to both supervisors and employees at the present time and are probably at about the level that would be necessary if piece rates were introduced.
2. It is quite probable, however, that the attitudes of both the supervisors and employees toward these bogey systems would change. They would probably begin to think of bogies in relation to a fixed level of earnings established by piece rates. This change in attitude might tend to make of the bogey a fixed measure of work above which operators would be afraid to go because of their beliefs as to what might happen to the piece rate. This is further substantiated by our observations in work groups quite generally where we find a resistance to alter bogies which are returning satisfactory earnings.
3. The introduction of a piece rate incentive in the few groups where output standards are now considered to be low would probably result in various pressures upon the supervisors to obtain an immediate increase in output. There is always the possibility where demands of this sort are rather arbitrarily made that the relations between employees and supervisors will suffer.
4. It is likely if piece work were introduced that the operators' attention would become focused upon earnings and earnings would become identified with work. This identification of work with wages tends to intensify preoccupations over wages. Also anything in the situation which affects the work process comes to have significance in terms of wages. This leads to resistance to innovations in the work situation and broadens the area within which preoccupations over earnings can arise.

5. It is also quite probable that the introduction of piece rates would make it more difficult to move employees from job to job. This is caused by the belief, which is especially strong in piece work groups, that the operator achieves greater output by specializing in a specific task. Consequently, supervisors become more reluctant to move operators from job to job.
6. It is probable that the earnings of groups would vary and as this is an important factor in determining the social significance that a position has for the employee, it is probable that many jobs which employees now consider desirable would become less desirable if the group did not happen to earn a satisfactory percentage. These changes might prove disturbing especially in view of the fact that there are a good many short service employees who are looking for promotion.
7. It is quite possible that a good many hourly rates would have to be adjusted if piece work were introduced. Supervisors ordinarily have difficulty in adjusting hourly rates and if they were forced to do so, many feelings of dissatisfaction among employees would likely arise.
8. It is quite likely that introduction of piece rates would introduce a number of constraints in the situation which in effect would make the employees and supervisors feel less free to work. These constraints would be likely to arise not only from the more formalized relations between people which would be likely to develop but also from the curbs to initiative and personal ingenuity which would also follow.

The above as we see the situation are the chief implications of a change from day work to piece work. We believe, in the final analysis, that any change in payment must necessarily carry with it a considerable amount of social disturbance. There will be changes in many supervisors' relations with employees, employees' relations with supervisors and with each other, and Management's relations with supervisors. These kinds of changes are inevitable if piece rates are introduced and inasmuch as it is in these areas

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that there are active incentive processes operating at the present time, it is important to weigh the effect of the proposed change upon them.

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