

Halsey-Weir Premium Plan

This plan is similar to the Halsey Premium Plan except that 33.33 per cent of the time saved is given as premium to worker.

Formula : $\text{Bonus} = 1/3 * \text{Time saved} * \text{Hourly rate}$

EXAMPLE : If 8 hours is the standard time of a job, & Rs. 0.50 is the guaranteed wage per hour, calculate wages of workers and premium earned by them under different time saved slots ?

	PREMIUM (half of the time saved)	TOTAL WAGES (Rs.)	Effective Hourly Rate (Rs.)
If the work is completed	in 6 hours, 0.5	3.5	$3.5/6 = 0.58$
	in 4 hours, 1.00	3.0	$3.0/4 = 0.75$
	in 2 hours, 1.50	2.5	$2.5/2 = 1.25$
	in 1 hour, 1.75	2.25	$2.25/1 = 2.25$

Wages under Halsey System = [Time taken * Time rate] + (50% of time saved * time rate)

Effective Hourly Rate =
$$\frac{\text{Total Wages under Halsey Plan}}{\text{Actual time taken}}$$

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Merits

- (i) Simple
- (ii) Beneficial to efficient worker
- (iii) Causes no harm to new worker, trainee, or slow worker
- (iv) Management shares benefits of over-achievement by workers
- (v) Minimum base wage is guaranteed.

Demerits

- (i) Workers get only a percentage of return on their over-achievement
- (ii) Due to undue importance on over-achievement quality suffers.
- (iii) Management gets wrong picture of worker's ability.