

MAINTENANCE

Paying by piecework

Does compensating employees by the job pay off? *By DAVE TUCKER*

When it comes to paying maintenance crewmen and foremen, have you considered the piecework system—paying your employees by the job instead of by the hour? With piecework you pay your employees for getting the job done; it doesn't matter how long it takes them.

PROS OF PIECEWORK

The one big pro is obvious: The employee begins to think like an owner.

Under a piecework system, employees are less often found milling around the shop. They think twice before coming back for a broken bracket on a trimmer. Time is money. If a foreman does have to come back, he'll make smart decisions, like leaving the other workers on the job. You'll also find him amazingly anxious to vanish from your presence to get back on the job. Routing will improve, too, as 7/11 stops suddenly will seem much less necessary and become less frequent.

Your foreman now correlates maximizing his paycheck to maximizing your product or service. Upon arrival at the job site, he's no longer inclined to wait for the song on the radio to end or finish the conversation regarding the latest subtleties of

last night's game scores. He wants to start cutting as soon as he parks the truck.

In addition, instead of three crew members waiting around for the last crew member to finish up, they are all finishing up at the same time.

Wasted minutes add up quickly. If one crew does 20 jobs in a day and wastes five minutes on each job, it's 100 wasted minutes per crew member. For a two-man crew (200 minutes) that's three hours and 20 minutes per day. Can you afford it?

RAISING PAY

What if you could compete with the fast-food joints by attracting intelligent, motivated and hardworking employees who'd rather work in the great outdoors? Within the piecework system, you may be able to offer a hardworking individual the possibility of \$20 per hour.

Plus, by using this system, owners spend less time managing employee problems and more time developing their businesses. In aligning employees' goals with your own, workers can become the team you've worked so hard to produce.

Ultimately, with a piecework system

employees now only make money when the company does. When the grass is long and wet, they make less money, just as the owner does. When the dry season comes and some employees make \$20 per hour, remember that the same employees are providing \$150 per hour in billables. Wouldn't you like to be paying \$20 per hour to your best employees?

Because the piecework system requires employees who are concerned about quality, not simply in making more money, this system needs the right kind of people. With piecework, employees need to be smart enough to realize that their paycheck depends upon satisfied customers.

IMPLEMENTING PIECEWORK

Any time a change is implemented by an employer, employees immediately assume it's to make the owner's pocket fatter and theirs thinner. To address this concern, consider introducing the piecework system gradually. At first, you may want to institute a substantial production-based bonus system (where approximately 10 percent to 20 percent of employees' pay would be a result of production bonuses). Then, begin by paying \$1 per man-hour produced in a week, after 50 hours has been produced. Employees will see the immediate benefits of the system.

Ask yourself why you can be so much more productive in the field than your workers. Are you not already on the

piecework system? Put your foremen and crew members on the same system and you'll find that your employees will not only work better, they'll work smarter.

PIECEWORK EXAMPLE

Each job is rated as X number of man-hours. A \$45 job is approximately a 1.0 or 1.2 man-hour job, either \$45 per hour or \$37.50 per hour. If your labor costs average 40 percent, you can pay your workers 35 percent of the billing price, or \$13.50. This strategy gives your otherwise \$8-per-hour employee the opportunity to make \$13.50 per job, no matter how long it takes him.



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