

Developing Workplace Critical Thinking (DWC)

BMSK5001

Week 3



Prifysgol Cymru
Y Drindod Dewi Sant
University of Wales
Trinity Saint David

05/03/2018

Trawsnewid Addysg; Trawsnewid Bywydau
Transforming Education; Transforming Lives

Program based on Human Relations Approach

Scanlon Plan



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Scanlon Plan

- Scanlon's philosophy was that if the company would foster and use employee ideas and suggestions and, in turn, reward employees for their constructive efforts, the company would improve profitability and workers would gain through steady employment and increased pay.

Procedure

- a) Employees provide suggestions to the department level committee
- b) The suggestions seek to identify ways to improve productivity
- c) The department level committees then transfer the suggestions to a screening committee
- d) The screening committee includes members of the workforce and the management
- e) The screening committee reviews the suggestions and designs measures to improve performance
- f) The screening committee periodically reviews performance and computes the amount of bonus to be paid to employees as their share of performance improvements.

The Basic Elements are:

- **The Ratio**

**Total labor cost / sales value
of production .**

- **The Bonus**

**Depends on the reduction in costs
below the preset ratio.**

The Production Committee

- Formed in each major department and is used to tap into the imagination and ingenuity of the workers.

The Screening Committee

- Consists of top members of the plant management and workers representatives, usually eight to twelve members.
- It reviews the monthly bonus, discusses current production problems, and considers all suggestions for organizational improvement.

Goals Scanlon Plan

- Ensuring stability in the labour-management relations (in a highly volatile era).
- When employees are allowed to contribute to an organization's decision-making process, the goals of the employees and the employer would be common and both would work in co-ordination to achieve such goals