

Day by Day *De D Recd April 16/58*
Am. G. L. & J. DANIELS LTD.

~~CONFIDENTIAL~~

The Directors of the Stroud firm of T. H. & J. Daniels Ltd. are anxious to increase productivity in their Works and are introducing the Rucker Share Production Plan. It is their intention that any increase in productivity should be shared with the employees who have helped to bring it about.

This is the second change in the pay structure of the Company which has taken place within the last two years. Previously wages had been paid broadly on a "payment by result" basis, but as there were so many different kinds of work going through the shops a large proportion of the times which were fixed for jobs were unrealistic, inaccurate and unfair to other employees.

To put this right the directors substituted Merit Rating, by which the performance of each individual is assessed at regular intervals and points are awarded for such things as skill, versatility, initiative, co-operation, discipline, time keeping, rate of output etc.

Within the last two or three months the directors have decided to superimpose on the merit rating scheme the Rucker Share of Production Plan. This enables employees to share in any increased benefit by reason of improvement in the overall efficiency and productivity of the Company.

The Rucker Plan originated in America where it was established that there is a relationship between the wages paid in any industry and the so called production value achieved, i.e. the difference between the cost of materials and services used and the selling price of the goods produced. If the "value added" to the materials and services purchased can be increased for the same expenditure on wages the Company can pay employees a fixed percentage of the net gain to the company as an additional bonus.

This bonus is paid out monthly and it will now be in the interest of every employee of Daniels to eliminate wasted effort or waste materials, for everything saved will have a direct effect on the wages packet.

This new scheme was introduced to employees at the annual Cowley Manor conference which the Company holds in February, and the first meeting of the Share of Production Committee was held this morning. In addition to the Management representatives the shop floor representatives are as follows:

Mr. W. Wynn	Mr. F. Harmer	Mr. R. Gardiner
Mr. B. Lewis	Mr. L. Sealey	Mr. J. Hendrie
Mr. N. Portbury	Mr. R. Croft	

The payment of the bonus depends on each individual employee's consolidated rate of payment, and the number of hours worked in relation to a standard month. The first payment will be on the 18th April when £1029 will be shared between the works employees.

15th April, 1958.