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UNIVERSITY OF NEWCASTLE UPON TYNE

DEPARTMENT OF AGRICULTURAL ECONOMICS

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INTRODUCTION

In 1960 farmers in North East Durham and on Tweedside were asked to complete a questionnaire designed to determine their attitudes to the use of bonus schemes and piece rates in agriculture. This investigation disclosed that many farmers with no first hand experience of incentive schemes thought them to be unnecessary, ineffective or impracticable, while most farmers who had operated such schemes found them workable, and believed their advantages outweighed any disadvantages.*

Lack of interest on the part of their workers was one reason given by many farmers for not introducing incentive schemes. Some even suggested that their men were satisfied with their present standard of living, and not interested in earning more money.

In view of the attitudes held by many farmers there was obvious interest to be obtained from the views of farm workers. To this end thirty workers on Tweedside and thirty in County Durham employed by farmers who completed the original questionnaire were selected at random and asked relevant questions, which together with the answers received are presented in full in the appendix. The more notable aspects of their replies are discussed below.

Farm Workers' Attitudes to Incentive Schemes

The age of farm workers questioned on Tweedside varied from eighteen to sixty eight and averaged forty two. The County Durham men questioned were from fifteen to fifty five and averaged thirty. Age, however, seemed to have little influence on attitudes except in one or two specific cases where it was mentioned as a particular reason for disliking piece work.

Again, there was no great difference in attitudes to bonus schemes and piece rates whether the workers had first hand experience of them or not. For example, thirteen of the Tweedside workers interviewed had been paid a bonus, and twelve thought that bonus schemes offered advantages. The remaining seventeen had never received a bonus, but only one thought that bonus schemes offered no advantage.

Of the thirteen who had received a bonus eight had been paid an amount which varied according to yields, four a bonus which depended on profits, and one a proportion of the value of time saved as compared with stipulated standard performances. The amounts paid averaged £48 a year, but varied from £2 to £290.

Most farm workers, unlike the majority of farmers, seemed to favour bonus schemes and thought that they benefitted both farmer and worker. When asked what they thought were the advantages, most of the men said that bonus schemes either encouraged them or would encourage them to take more interest in their job, many adding that they enabled them to earn more. Their first reaction, therefore, was to consider how they thought bonus schemes benefitted them.

*Attitudes to Incentive Schemes and their Importance in Agriculture. Report 144G, Department of Agricultural Economics, King's College, Newcastle upon Tyne.

Advantages claimed for Bonus Schemes	Percentage of Workers claiming these advantages
Encourage interest	82
Encourage harder work	7
Encourage more conscientious work	5
Enable a man to earn more	65
Of no advantage	12

Later, in answer to specific questions, the majority stated that they thought a bonus scheme made a man work faster, harder, longer and more carefully.

Percentage of Workers stating that a bonus scheme makes a man work:-

Faster	58
Harder	87
Longer	68
More carefully	82

They were more in agreement with farmers in their attitudes towards piece rates. Rather more than half liked working for a piece rate, mainly because this method of payment enabled them to earn extra money.

Advantages claimed for Piece Rates	Percentage of Workers claiming these advantages
Encourage interest	25
Encourage harder work	3
Enable a man to earn more	52
Of no advantage	47

Nearly half the workers interviewed, however, said that they disliked piece work, chiefly because they thought that it made them overwork, and because they did not like the poor quality work which they thought it encouraged.

Disadvantages claimed for Piece Rates	Percentage of Workers claiming these disadvantages
Disincentive effect of taxation	2
Men worked too hard	33
Possibility of poorer work	33
Insufficient extra money	10
Rates unfair in bad conditions	7
No disadvantages	35

Even those who liked piece work emphasised the advantages it offered to the worker. While most thought this system made men work faster and harder, when asked specifically a large majority agreed that it encouraged them to work faster than they should.

Percentage of Workers stating that piece work makes a man:-

Work faster	98
Work harder	98
Work longer	92
Work more carefully	12
Work faster than he should do	80
Work machines too quickly	83
Put less care into his work	85

It is often argued that a bonus offers more incentive to greater effort if paid weekly or monthly rather than annually. However, of these workers fifty seven percent said they would prefer an annual payment because it would help them to save the extra money, or to use it to purchase some large household requirement. They argued that weekly payments would be spent on general household expenses, and therefore be of less benefit.

Percentage who would use a bonus in the following ways:-

	If an annual bonus	If a weekly bonus
On ordinary household expenses	2	52
On some large household item	22	10
Saved towards a car	8	5
Saved for the future	68	23
As part of ordinary wages	-	10

Most workers made it clear that not only would they value a bonus scheme because of the extra money to be earned, but also because they would regard such schemes as affording acknowledgement and gratitude for particularly good, or extra hard work:-

Percentages of Workers valuing incentive schemes as being a way of acknowledging and thanking them for particularly good work, or for extra hard work

Bonus Schemes	92
Piece Work	27

This was not, however, true of piece work. Only a minority considered such work either to be more interesting, or a method of acknowledging and thanking men for extra effort. They were, nevertheless, almost unanimous in thinking it important that they should be paid more for extra effort.

Forty two percent said that they would like the opportunity to work longer hours at the normal hourly rate, a small minority preferring their leisure to what the extra earnings would buy. The need to work overtime at busy seasons of the year was generally accepted, however, and almost all the men liked working overtime, not just when short of money or when saving for something special, but at any time when it was thought to be necessary.

General Attitudes to Agricultural Employment

On Tweedside where there is little alternative employment, nearly half the workers said that if they were able to choose again they would not undertake farmwork, although nearly all said that they found most of the work interesting.

Percentage of Workers who:-	Tweedside	Durham
Would still go in for farmwork	53	87
Would go in for something else	47	13
Find most of the work interesting	87	97
Think much of the routine work boring	13	3
Think farmwork an important and worthwhile job	100	100
Think other people do not sufficiently recognise its importance	67	73

These workers did not, however, seem to object to the nature of the work, or even to be discontented with the level of agricultural wages. Rather they were concerned at the low status which they believed to be attached by others to their job. Most said that the work was interesting, and they were unanimous in thinking it important and worthwhile, but a large majority did not think that outsiders sufficiently recognised its importance. In County Durham where there is more opportunity of alternative employment, most said that if they were to choose again they would still do farmwork, presumably because many of the more discontented had already left farming.

Apart from liking the country and the outdoor life, many were interested in working with livestock, and in modern machinery and new developments.

Percentage of Workers attracted by:-	
The outdoor life	63
The country	30
The healthy life	10
Variety of the work	43
Work with livestock	40
Machinery and new developments	37
Working with only a few others	5

Apart from bad weather very few actively disliked anything about their work, but there was strong support for more widespread establishment of pension schemes, and for further modernisation to make the work easier.

Percentage of Workers desiring the following improvements:-	
Further mechanisation and technical developments	48
Better housing	17
A pension scheme	62
Provision of inside work in bad weather	2
Increased sickness and accident benefits	2
Higher wages	43
Shorter hours	3
Better public transport	3

Forty three percent of the workers interviewed thought that their wages were too low, and would have liked to have them raised. Dissatisfaction with the level of wages occurred more in Durham, however, where many of the men lived alongside industrial workers. Seventy percent of the Durham workers said they wanted higher wages as compared with only seventeen percent on Tweedside.

Farm Workers' Attitudes to Factors Affecting Labour Relations

In addition to their views on incentive schemes and conditions of employment, the workers interviewed were asked a number of questions relating to good labour management.

When asked in what ways they thought farmers should encourage their men to work well half said that they responded best to fairness and consideration. Many also stated that they strongly objected to being given orders too frequently, whilst a number stressed that it was important for farmers to acknowledge good work.

Percentage of Workers suggesting the following as being important ways of encouraging men to work well:-

Acknowledging good work	17
Giving a bonus for good work	8
Being fair and considerate	50
Not ordering men about too frequently	27
Working with the men sometimes	8

A large majority thought that farmers should keep their men more informed about general policy, and that they should consult them before making changes affecting the work. In answer to a specific question most also stressed that it was important for farmers to tell their men when pleased with the work they had done. On Tweedside workers were more divided than in Durham as to whether it was desirable for farmers to make a particular man responsible for particular tasks. Many liked to do a variety of jobs, but some also argued that specialisation prevented young farm workers from learning their jobs properly.

Percentage of Workers who would like farmers to:-

Tell their men more about what is going on	87
As far as possible make men responsible for particular jobs	75
Consult with the men before making changes affecting their work	82
Tell their men when pleased with their work	92

Although almost unanimous in wanting extra money paid in recognition of very good work or extra effort, none wanted the extra to be paid by a wider use of piece-rates. A few thought that the extra should come by way of more opportunities of promotion, but the majority thought this to be impracticable, and would have liked bonus payments.

Percentage of Workers preferring the following ways of paying extra for very good work or extra effort:-

Bonus payments	67
Wider use of piece-rates	-
Giving workers a share in profits	17
Providing more opportunities of promotion	12

Although most were married men with dependent children, only twenty seven percent admitted to ever being worried at the thought of dismissal. Most argued that they could easily get another post. Furthermore, only half those who feared dismissal considered that it had an important influence on the amount of work they felt they must do.

Percentage of Workers stating that they:-

Were worried by fear of dismissal	27
Worked harder as a result of this fear	13
Worked harder to avoid trouble	25

Few admitted to being influenced in how they worked by any fears of getting into trouble with their employer, although many of those living in tied cottages agreed that this made them feel the importance of maintaining good relations with him.

Percentage of Workers:-

Living in tied cottages	57
Considering this made it important to maintain good relations with employer	35

Almost all, however, said that if their employer wanted them to stay and work well, it was just as important for him to maintain good labour relations. Nevertheless, sixty five percent said that they preferred to work for a farmer who was very strict but fair rather than easy going and giving encouragement to his men to take an interest in their jobs. A further eighteen percent thought farmers of either type were good employers.

CONCLUSIONS

There was considerable agreement among the workers interviewed as to what constituted good conditions of employment, and in their views on incentive schemes and factors influencing good labour relations.

It has been recalled that many farmers expressed the view that their workers were not interested in incentive schemes, that they were satisfied with their present standard of living, and not interested in earning more money. This may be a partly correct view. The majority of the farm workers interviewed considered that their position had been greatly improved in recent years, both financially and because mechanisation had reduced the amount of heavy and unpleasant work. Of course some still thought that they were not paid enough, and others who believed that they had enough nevertheless emphasised the importance of raising their pay and status to the same level as that of equally skilled workers in other industries. The majority, however, were reasonably satisfied with their basic pay, but would have liked the opportunity of being able to earn more.

As some farmers had suggested, many workers did not like working for a piece-rate, and none said that they would like to see this system of payment more widely applied. Most also agreed that it was impracticable to offer more opportunities of promotion. Nevertheless, all but a few made it very clear that they thought it important that they should be paid extra money in recognition of very good work and extra effort, many suggesting bonus schemes as being the fairest and most acceptable method. They agreed with many farmers that the piece-rate system often results in bad work, but they did not agree that bonus schemes have similar defects, or that they are unnecessary and ineffective. On the contrary, a large majority of the workers interviewed thought that bonus schemes encourage men to work harder and more carefully, and that they would be rarely abused.

It seems probable from these attitudes, and from the attitudes of farmers with first hand experience, that bonus schemes could help to raise productivity, to maintain good labour relations, and to improve the standard of living of agricultural workers. Such schemes are not, however, suggested as a substitute for good labour management. Apart from seeking higher status, most of the workers interviewed showed considerable independence, and made it clear that they wanted to be led and not driven. In attempting to maintain good labour relations farmers would be well advised to accept this and act accordingly, showing firmness but consideration, and keeping their workers informed about general policy.

APPENDIX

THE QUESTIONNAIRE

	Tweedside		Durham	
Average size of farm	701 acres		251 acres	
Average age of workers interviewed	42		30	
Section 1	Yes	No	Yes	No
Do you get paid a bonus for any of the work you do?	8	22	1	29
Have you ever been paid a bonus?	13	17	2	28
If Yes				
On what are/were you paid a bonus:-				
Yields	8		1	
Profits	4		1	
Time saved compared with standard performances	1		0	
Amount of bonus earned per annum:-	£		£	
Minimum	2		20	
Maximum	290		180	
Average	48		100	
Do you get paid piece-rates for any of the work you do?	Yes	No	Yes	No
	9	21	2	28
Have you ever worked on piece rates	21	9	5	25
If Yes				
For what work are/were you paid piece-rates:-				
Singling	20		1	
Hoeing	-		3	
Shearing	1		-	
Harvesting roots	-		1	
Amount extra earned per week:-	£. s.		£. s.	
Minimum	1. 0		2. 0	
Maximum	6. 0		5. 0	
Average	3. 8		3. 4	
Section 2				
What do you personally think are the advantages of bonus schemes:-				
Encourage interest	24		25	
Encourage harder work	3		1	
Encourage more conscientious work	3		-	
Enable a man to earn more	14		25	
Of no advantage	2		5	

	Tweedside		Durham	
	Yes	No	Yes	No
Do you think the extra money a bonus enables you to earn important because of what you might but with it?	28	2	25	5
Do you value bonus schemes as being a way of acknowledging and thanking you for particularly good work, or for extra hard work?	29	1	26	4
Do you think it is important that you should be paid more if you are to put extra effort into your job?	30	0	27	3
Do you think that a job is more interesting if you can earn a bonus on it?	28	2	25	5
Do you think that a bonus scheme makes you work:-				
Faster	19	11	16	14
Harder	28	2	24	6
Longer	19	11	22	8
More carefully	27	3	22	8
Do you wish that there were more jobs on which you could earn a bonus?	27	3	25	5
If No. Is this because you don't like the idea of bonus schemes or because you think they don't offer enough extra money:-				
Don't like the idea	2		5	
Don't offer enough extra money	1		0	
What do you think are the disadvantages of bonus schemes:-				
Possibility of poorer work	-		2	
Limited application	2		2	
Disincentive effect of taxation	1		-	
Men worked too hard	2		1	
Machines worked too hard	1		-	
No disadvantages	24		25	
	Yes	No	Yes	No
Do you think that men should be paid the same amounts regardless of any difference there may be in the effort they put into their work?	5	25	4	26
Do you feel that there is in the introduction of a bonus scheme any suggestion that you are not working hard enough already?	2	28	5	25

	Tweedside		Durham	
	Yes	No	Yes	No
Do you think that the extra money bonus schemes offer sometimes fails to make up for the extra effort you have to make in order to earn it?	9	21	2	28
If Yes. Would the extra still sometimes fail to make up for the extra effort needed if you did not have to pay income tax on it?	5	4	2	0
Apart from the extra effort involved do you think bonus schemes offer too little opportunity of earning more?	22	8	25	5
Still with regard to bonuses, do you think that they encourage a man to:-				
Work faster than he should do	5	25	5	25
Work machines too quickly	8	22	10	20
Put less care into his work	5	25	5	25
It is often said that some men try and find ways of getting more money than they have really earned out of them. Do you think that this is:-				
Occasionally true	19		13	
Often true	0		4	
Not true	11		13	
What do you personally think are the advantages of piece-rates:-				
Encourage interest	8		7	
Encourage harder work	2		-	
Enable a man to earn more	15		16	
Of no advantage	14		14	
	Yes	No	Yes	No
Do you think the extra money piece-work enables you to earn important because of what you might buy with it?	27	3	23	7
Do you value piece-work as being a way of acknowledging and thanking you for particularly good work, or for extra hard work?	10	20	6	24
Do you think that a job is more interesting if done as piece-work?	11	19	8	22

	Tweedside		Durham	
	Yes	No	Yes	No
Do you think that piece-work makes you work:-				
Faster	30	0	29	1
Harder	30	0	29	1
Longer	28	2	27	3
More carefully	4	26	3	27
Do you wish there were more jobs on which you could earn piece-rates	10	20	14	16
If No. Is this because you don't like the idea of piece-work or because you think it doesn't offer enough extra money:-				
Don't like the idea	12		14	
Doesn't offer enough extra money	8		2	
What do you think are the disadvantages of piece-work:-				
Disincentive effect of taxation	1		-	
Men worked too hard	14		6	
Possibility of poorer work	9		11	
Insufficient extra money	6		-	
Rates unfair in bad conditions	1		3	
No disadvantages	9		12	
	Yes	No	Yes	No
Do you feel that there is in the introduction of piece-work any suggestion that you are not working hard enough already?	2	28	2	28
Do you think that the extra money piece-work offers sometimes fails to make up for the extra effort you have to make in order to earn it?	12	18	6	24
If Yes. Would the extra still sometimes fail to make up for the extra effort needed if you did not have to pay income tax on it?	7	5	6	0
Apart from the extra effort involved do you think piece-work offers too little opportunity of earning more?	13	17	15	15
Still with regard to piece-rates, do you think that they encourage a man to:-				
Work faster than he should do	21	9	27	3
Work machines too quickly	25	5	25	5
Put less care into his work	25	5	26	4

	Tweedside	Durham
Supposing that each year you were earning by way of bonus about £100. This is about £2 a week. Would you rather have it paid to you as a lump sum at the end of the year, or would you rather have the extra £2 each week:-		
Lump sum annually	19	15
Two pounds each week	11	15
Can you give me some idea as to how you might spend it if paid as a lump sum:-		
Ordinary household expenses	1	-
A big household item	3	10
Saved towards a car	2	3
Saved for the future	24	17
And if it were paid not yearly but weekly how would you spend it then:-		
Ordinary household expenses	18	13
Saved for big household item	2	4
Saved towards a car	2	1
Saved for the future	5	9
As part of ordinary wages	3	3
You might earn the same amount extra by working longer hours at the normal hourly rate. Would you like to be able to do this, or do you think your time off is more important to you than the things that extra money would buy:-		
Would like to work longer hours	9	16
Prefer time off	21	14

	Yes	No	Yes	No
What about overtime that you are paid extra for. Do you like doing a certain amount of it?	27	3	29	1
If Yes. At any time or just when you're feeling a bit short of cash or saving up for something:-				
At any time	27		28	
When short of cash or saving up	0		1	
If you had to do it again would you go in for farm work, or would you want to go in for something else:-				
Farm work	16		26	
Something else	14		4	
Do you find most of the work interesting or do you think much of the routine work is boring:-				
Interesting	26		29	
Boring	4		1	

	Tweedside		Durham	
	Yes	No	Yes	No
If boring; would you do more if it were less boring?	3	1	1	0
Do you think it is an important and worthwhile job to do?	30	0	30	0
If Yes. What about other people. Do they sufficiently recognise its importance do you think?	10	20	8	22
Can you tell me what things you specially like about your job:-				
Outdoor life	26		12	
Country life	16		2	
Healthy life	6		-	
Variety and interest of job	7		19	
The Livestock	13		11	
Machinery and new developments	11		11	
The small numbers employed	2		1	
And what do you dislike about it:-				
Bad weather	9		3	
Long hours	2		1	
Dirty jobs	1		2	
Low pay	1		-	
Lack of society and transport	4		-	
Monotony	2		1	
Nothing	15		23	
In what ways do you think it could be improved:-				
Further mechanisation and technical developments	13		16	
By providing better housing	4		6	
By introducing a pension scheme	17		20	
Providing inside work in bad weather	1		-	
Increased sickness and accident benefits	1		-	
Higher wages	5		21	
Shorter hours	2		-	
By providing better public transport	2		-	
In what ways do you think farmers should encourage their men to work well:-				
By acknowledging good work	7		3	
By giving them a bonus for good work	4		1	
By being fair and considerate	14		16	
By not ordering them about too frequently	5		11	
By working with them sometimes	1		4	

	Tweedside		Durham	
	Yes	No	Yes	No
Do you think farmers should tell their men more about what is going on, and their reason for doing this or that?	25	5	27	3
Should they as far as possible make a particular man responsible for particular jobs?	17	13	28	2
Do you think that they should consult with their men before deciding to do anything which may affect their work?	22	8	27	3
Do you think it is important for a farmer to tell his men when pleased with the work they have done?	26	4	29	1
Would you like to see extra money paid in recognition of very good work or extra effort?	30	0	27	3
If Yes. How would you like the extra to be paid:-				
(a) By bonus payments	22		18	
(b) By wider use of piece-rates	0		0	
(c) By giving workers a share in profits	6		4	
(d) By providing more opportunities of promotion	2		5	
Section 3 So far I have only mentioned different ways of encouraging good work, but discipline can have an important effect on the amount of work we feel we should do. Incidentally, are you married?	24	6	14	16
Does the thought of losing your job ever worry you at all?	7	23	9	21
If Yes. Do you think this has an important influence on the amount of work you feel you must do?	3	4	5	4
If you lost your job would you also lose your house?	25	5	9	21
If Yes. Doesn't this make you feel it important to keep on the right side of your employer?	16	9	5	4
How about the possibility, not of being dismissed, but of getting into trouble. Do you think that this has any important influence on the amount of work you feel you must do?	7	23	8	22

	Tweedside		Durham	
	Yes	No	Yes	No
Would you say that if your employer wants you to stay and to do a good job it is as important for him to keep in with you as for you to keep in with him?	27	3	29	1
Who do you think is likely to have the best workers:-				
(a) The farmer who is very strict but fair, or				
(b) The easy going farmer who nevertheless encourages his men to take an interest in their jobs?				
(a)	16		23	
(b)	6		4	
Both good employers	8		3	
One last question. Apart from the money you are paid, are there any reasons which make you feel you want to do a good job of work:-				
Interest and pride in work	19		27	
No other reason	11		3	

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