

Safelight Autoglass



MIT Sloan School of Management

Safelite Autoglass



- ❖ What are the pros and cons of switching from wage rates to piece rates?
- ❖ Why is Safelite a good candidate for this switch?
- ❖ Should there be a guaranteed wage? If so, how should it be set?
- ❖ What are the likely consequences of this switch for:
 - ❖ Turnover
 - ❖ Recruitment
 - ❖ Productivity
 - ❖ Product Quality

Lazear Study

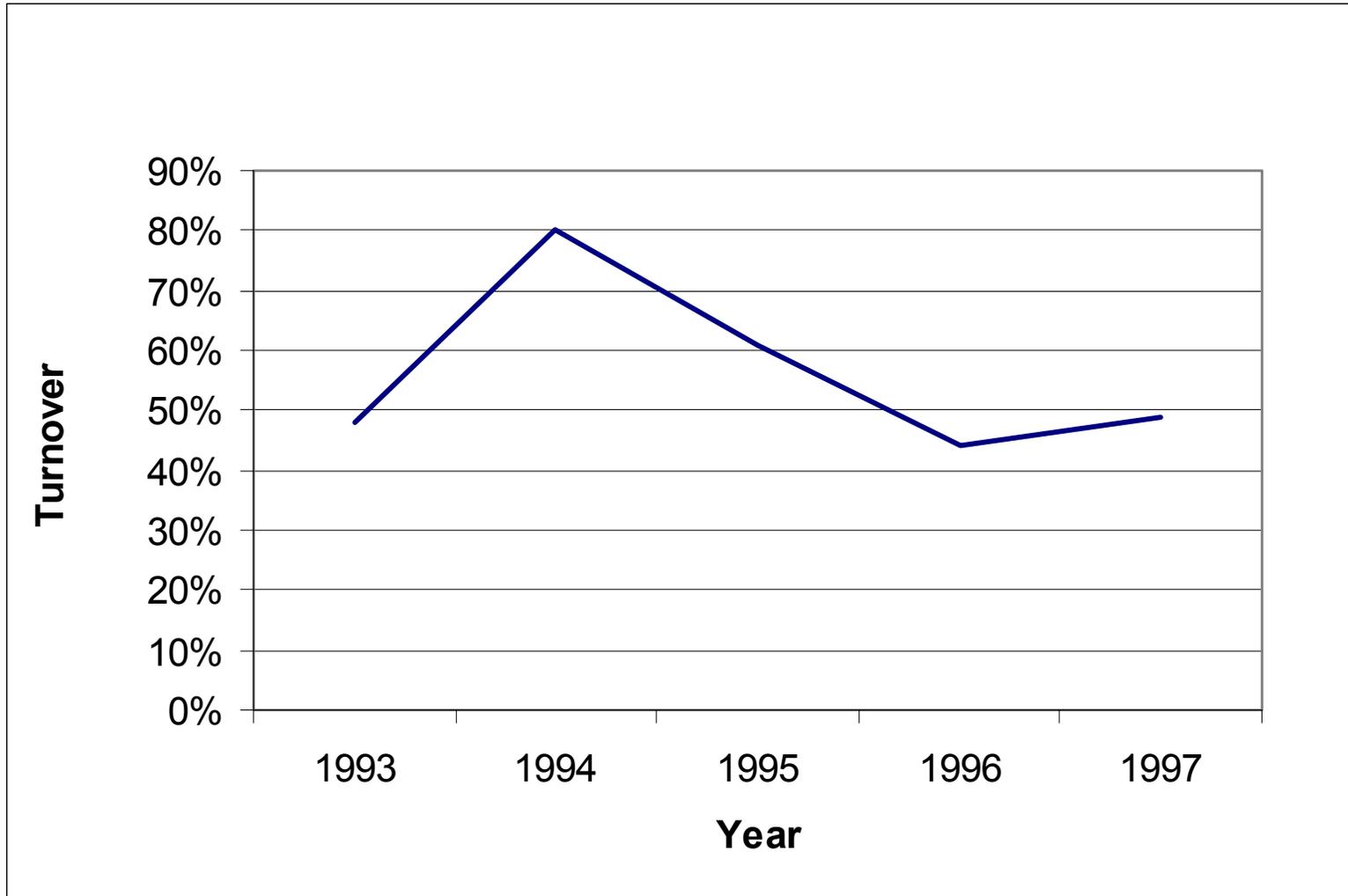


40% increase in productivity

20% from higher productivity from same workers

20% from attracting better workers

Technician Turnover at Safelite



Compensation System Objectives



- ❖ Motivate or provide incentives for performance
- ❖ Attract talent
- ❖ Retain the best people
- ❖ Signal what the organization values
- ❖ Create a sense of equity, fairness, and justice