# Employee cost contolling

1) Halsey system = Basic wage + Bonus

- Basic wage = Time x Rate [T x R]
- Bonus = 50% of Timesaved x Rate

2) Rowan system = Basic wage + Bonus

- Basic wage = Time x Rate
- Bonus = $\frac{\text{Timesaved}}{\text{Standard time}} \times \text{Time taken} \times \text{Rate}$

3) Separations Method $= \frac{\text{No. of separations}}{\text{Average no. of workers}}$

4) Replacement Method $= \frac{\text{No. of Replacements}}{\text{Avg no. of workers}}$

5) Recruitment Method $= \frac{\text{Recruitment other than replacements}}{\text{Avg no. of workers}}$

6) Accessions Method $= \frac{\text{Total Recruitment}}{\text{Avg no. of workers}}$

- Total recruitments = Replacements & Newly appointed members

7) Flux Method :-

i) $\dfrac{\text{separations + Replacements}}{\text{Avg No. of workers}}$

ii) $\dfrac{\text{separations + Replacements + New recruitments}}{\text{Avg No. of workers}}$

8) overtime payement = wages paid for OT at normal rate + premium pay for overtime work.

9) Effective hourly rate = $\dfrac{\text{Total earning of worker}}{\text{Time worked}}$

10) Effective labour cost per peice = $\dfrac{\text{Total earning of worker}}{\text{No. of pieces produced}}$

11) piece rate wage = No. of pieces produced × Piece rate per piece.

- piece rate per piece = standard time for one piece × Rate.

Note:- effective work hours = paid hours - Normal idle time