

Henry Ford and the Model T: A Case Study in Productivity

Assembly line
Craftsmen
Demand
Division of labor
Incentive
Input

Interchangeable parts
Investments in capital
Investments in human
capital
Output
Productivity

Profit
Profit margins
Specialization
Supply
Vertical integration
Volume

Complete the statements using this list of words.

At the turn of the Twentieth Century, the automobile was a status symbol painstakingly manufactured by teams of _____. Henry Ford's idea to build a car for the common man set him apart from other automotive pioneers. To accomplish his goal, Ford realized he would have to increase productivity—producing more _____ (goods and services) with less _____ (resources) or a combination of these two possibilities.

He and his team looked at other industries and found strategies that would further this objective. They adopted these ideas to the Model T and ultimately, revolutionized industrial production. Inspired by the meat processing factories in Chicago, Ford decided to create an _____ that moved.

_____ were brought to the workers who stood in a line putting the cars together. Each worker completed a very specific task during the process. This practice is called _____ or _____.

When the Ford Motor Company built a new factory, power plant, and machine shop to accommodate these new methods of production at Highland Park,

it was making _____. New machines and tools simplified production and reduced the amount of time and effort required from workers. Recognizing that the health and education of workers was also important to improving productivity, the company operated a hospital and school. These were_____ .-

Em692Henry Ford was also innovative in bringing together all elements of production through _____. Controlling all stages in the manufacturing process from the extraction of raw materials to final assembly helped insure workers would have parts and materials precisely when they were needed. The benefits of controlling the many elements of manufacturing were increased _____ and _____. To address a problem with worker turnover that made it difficult to keep the assembly line flowing smoothly, Ford instituted another change—the \$5 workday. Increasing worker pay was an _____that kept skilled workers on the job.

By reducing the per unit production costs for the Model T, Ford caused an increase in the _____ of automobiles. As Ford and his competitors offered workers more pay, an increase in the _____for automobiles also occurred. The Ford Motor Company made up for lower _____by selling more _____ . _____