Promotion of Profit Sharing." It was made up largely of Protestant clergymen, college presidents, professors, and public officials concerned with the labor question. Because it was founded as a result of the Paris Congress of 1889, it naturally adopted the definition of that group as "its" definition.[4]

The second profit-sharing movement, formed in 1910, was spearheaded by the Profit-Sharing Committee of the "National Civic Federation." This movement, which was supported by a number of leading industrialists, tended to broaden the definition of profit sharing and used the term to cover almost any system of payment of wages over and above the basic going cash wage of the labor market. Although it had no formalized definition of profit sharing, the following were referred to as profit-sharing plans:

Henry Ford's Five-Dollar-a-Day Wage.
Individual piece rate incentives.
Employee stock ownership plans.
Christmas bonuses.
Welfare and pension schemes of all types.

This group, in its book,[5] quoted as a definition of profit sharing, the one given in the 11th edition of the Encyclopedia Britannica which follows:

> Profit sharing (that is, between employer and employee). A method of remunerating labor under which the employees receive in addition to ordinary wages a share of the profit which the business realizes. The term is not infrequently used loosely to include many forms of addition to ordinary wages, such as bonus on output or quality, gain sharing, and product sharing. Yet strictly where an employee or group works for a share of the products, or is paid so much in addition to ordinary wages in proportion as the product exceeds a certain standard, in neither of these cases have we profit sharing, for the net result of the business may be a large profit or a small one or a loss and the employee is unaffected. In the same way, if a workman is employed on the basis that if in doing a particular job he saves something out of a stipulated time or labor, or a stipulated amount of material, he shall receive in addition to ordinary wages a proportion of the value so saved, that is technically gain sharing, not profit sharing. Even where the bonus depends strictly on profit, it is not reckoned as profit sharing if it is confined to the leading employees.
>
> An agreement is the essence of the matter. It is not profit sharing where an employer takes something from his profits at his own will and pleasure and gives it to his employees.

This group obviously used the following sentence from this definition to define its sphere of influence:

> The term is not infrequently used loosely to include many forms of addition to ordinary wages such as bonuses on output or quality, gain sharing, and product sharing.

[4] N. P. Gilman, *Profit Sharing Between Employer and Employee,* Boston and New York, Houghton Mifflin & Co., 1889.

[5] The National Civic Federation, *Profit Sharing by American Employers,* New York, E. P. Dutton & Co., 1916, p. 23.