COMPENSATION OF FOREMEN*

GENERAL DISCUSSION


The following are suggested as practical policies in ensuring that the foreman receives pay commensurate with his effort: "(1) An adequate total income, (2) a proper differential between foremen and their subordinates, (3) pay equal to that of other foremen doing equal work with equal proficiency, (4) proper provision for pay other than salary (overtime, night-shift premiums, benefits, etc.)." Features of various types of pension plans are outlined in an appendix (pp. 78-82).


Summarizes replies to a questionnaire covering methods of compensation, differentials, overtime, progression, incentives, and other policies affecting foremen's compensation.

Industrial Relations (Dartnell Corporation, 4660 Ravenswood Ave., Chicago 40), January, 1945. "Foremen's compensation." pp. 11-12, 32-33. 35 cents.

A study of approximately 50 companies showed a wide variety of pay practices. Concludes that there is "a growing desire on the part of management to devise a better way of paying foremen" and "a woe ful lack of standardization of pay ranges in practically all industries checked. . . . It might well be that this failure on the part of management to get together on the basic philosophy of foremen's compensation is in large measure responsible for the desire of foremen to organize into unions for collective bargaining purposes. While admittedly the nature of a foreman's work and his contribution to the profits of the business are difficult to evaluate, and vary greatly with each individual foreman, it would seem that some basic philosophy of wage setting could and should be developed. . . ."

Morton, F. J. Burns. The foreman's standing in industry. Hinckley, Leics., England (Hillsborough, Clarendon Road). April, 1944. "Fi-
ros. 6d.
A report of British practice based on replies to a questionnaire “re-
ceived from over one hundred companies employing more than a third 
of a million workers and over five thousand foremen.” That portion of 
the study which covers foremen’s compensation is based on the belief 
that, “The financial incentive for executives in general and for fore-
men in particular is admittedly not an isolated problem in itself. It is 
part of the very much larger issues entailed in productive efficiency 
and industrial relationships. Salary is not everything, either to the com-
pany or to the foreman, but it plays an important part in personal con-
tentment which is essential to efficient supervision. . . .
“. . . The issue, therefore, is whether these aims of a more co-
hesive and coherent executive consisting of management and foremen, 
together with better results in the workshop, can be achieved by finan-
cial incentives, or by improved status, or by a combination of both.”
Covers well all aspects of foremen’s incentive and other compensa-
tion plans, including special privileges, leaves of absence, and pension 
schemes.
National Industrial Conference Board, Inc. Studies in Personnel Policy 
No. 30. Foreman compensation. New York 17 (247 Park Ave.). 
February, 1941. 16 pp. Membership.
Prevailing practices in 52 companies with reference to salaries paid, 
pay differentials, and payment plans.
United States. National War Labor Board. Report and findings of a 
panel of the National War Labor Board in certain disputes involving 
foremen.” pp. 142-152. On request.
Gives information on standard rates of pay, take-home, and overtime 
pay for the companies involved in the dispute. The Panel concluded 
that “the general level of compensation does not appear to be a serious 
complaint,” and that while unsatisfactory conditions because of failure 
to pay for overtime worked, greater earnings on part of rank and file 
workers, failure to pay a bonus for night work, and uncertainties 
concerning the calculation and purposes of special bonuses may have 
existed in the past, no serious grievances were reported to the Panel on 
account of these conditions. The Panel felt, however, that inequalities 
in the relative compensation of foremen or other supervisors within 
the same plant existed to a considerable extent and recommended “that 
each company institute procedures whereby all salaries and rates of 
foremen are reviewed every twelve months.”

SALARY ADMINISTRATION

American Management Association. Office Management Series No. 92.
Sound bases for salary standardization. By H. A. Piper, Samuel L. 
H. Burk, J. R. Rue, and I. W. Briggs. New York 18 (330 West 42nd 
St.). 1940. 36 pp. 75 cents.
A group of papers presenting fundamental principles of salary standardization by representatives of firms that have adopted a point system of salaried job evaluation.


Together these two bulletins provide a sound basis for the development and use of descriptions of supervisory jobs. Bulletin No. 7 (pages 19-20) refers to their use in salary administration.

Dominick, W. B. "Let's take a good look at the foreman's job." Personnel (330 West 42nd St., New York 18), November, 1944. pp. 166-169. 50 cents.

Detailed analysis of the foreman's responsibilities based on a study of RCA plants.

Riegel, John W. Salary determination; common policies and selected practices in forty American corporations. Ann Arbor. Bureau of Industrial Relations, University of Michigan. 1940. 278 pp. $5.50.

A comprehensive analysis of problems and procedures in job classification for salaried jobs, including foremen.

INCENTIVE PLANS

Automotive Council for War Production, Manpower Division. Automotive company practices with respect to foremen. Study No. III. Foremen's incentive plans. Detroit 2 (New Center Building). [1944?]

8 pp. On request. Describes five plans in use in automotive companies.


Detailed description of plan used by Consolidated-Vultee Aircraft Corporation to reward supervisors for success in reducing costs and meeting production schedules.


Limited to a discussion of the installation of a keyman incentive plan in departments where measured standards are in use.

Covers briefly performance factors upon which incentives may be based, requirements for a successful plan, and examples of such plans.

**WAGE STABILIZATION AND FOREMEN'S COMPENSATION**


Suggests that the foreman's compensation for overtime work should be handled in the same way as is done for his superior and that his salary should be commensurate with the managerial responsibilities of his job.


Summarizes replies from 405 companies.


The basic regulations on stabilization of salaries which are subject to control by the Salary Stabilization Unit of the Bureau of Internal Revenue.


Methods under which payments of additional compensation to salaried personnel may be determined. In general the maximum amounts allowed are those necessary to preserve "minimum differentials between the interrelated job classifications required for the maintenance of productive efficiency." Gives the information which employers should submit when applying for approval of overtime adjustments.


Answers made by Archie D. Burford, Deputy Commissioner of Internal Revenue, Salary Stabilization Unit, to a number of questions raised by members of a conference sponsored by the Wharton School of Finance and Commerce regarding policies on merit raises, bonuses, promotions, overtime, and other means of making salary adjustments.

* Items from this list should be ordered directly from the publisher. Addresses are given in connection with each reference.