

GAZ MÉTROPOLITAIN

PROGRAMME DE RÉMUNÉRATION INCITATIVE

CADRES INTERMÉDIAIRES ET SPÉCIALISÉS

JANVIER 1994

PROGRAMME DE RÉMUNÉRATION INCITATIVE

CADRES INTERMÉDIAIRES ET SPÉCIALISÉS

Objectifs du programme

Ce programme a pour but de favoriser la réalisation des objectifs annuels et du plan stratégique de l'entreprise.

Personnel admissible

Sont admissibles au programme les cadres intermédiaires et spécialisés ayant occupé un poste régulier pour au moins trois mois dans l'année, ou un poste temporaire pendant au moins six mois. Le personnel syndiqué assigné temporairement à un poste cadre peut aussi être admissible à la partie divisionnelle du programme à condition d'avoir occupé le poste toute l'année.

Le personnel qui participe au programme de rémunération incitative de la division des Ventes commerciales n'est admissible qu'à la partie corporative du boni.

Les types d'objectifs

Les objectifs associés au programme sont à la fois des objectifs:

- corporatifs;
- divisionnels (de groupe).

La fixation des objectifs et la mesure de la performance

Les objectifs corporatifs aux fins du programme sont:

- fixés en début d'année;
- proposés par le Président;
- analysés et recommandés par le Comité des ressources humaines;
- autorisés par le Conseil d'administration.

Les objectifs divisionnels aux fins du programme sont:

- fixés en début d'année;
- proposés par le directeur;
- analysés et recommandés par le vice-président;
- autorisés par le Président.

Ces objectifs sont donc conséquents/congruents avec les objectifs corporatifs annuels et correspondent à des résultats mesurables à atteindre.

Les objectifs sont pondérés selon leur importance relativement à l'atteinte des résultats annuels visés par l'entreprise.

Pour le personnel relevant directement d'un vice-président, les objectifs sectoriels peuvent être considérés ainsi que tout autre objectif collectif pertinent compte tenu du champ d'activités.

Les niveaux de performance

les objectifs (tant divisionnels que corporatifs) prévoient trois niveaux de performance:

- o un niveau seuil, correspondant à un niveau de performance normalement attendu;
- o un niveau cible, correspondant à un niveau de haute performance;
- o un niveau idéal, correspondant à un niveau de performance jugé comme exceptionnel.

Les niveaux de boni possibles

(Exprimés en pourcentage du salaire de base)

<u>Degré de réalisation</u>	<u>Boni corporatif</u>	<u>Boni divisionnel</u>	<u>Boni total</u>
Seuil	0%	0%	0%
Cible	3%	2%	5%
Idéal	6%	4%	10%

Les bonis gagnés

Les bonis gagnés par le personnel sont calculés selon la performance atteinte en regard des objectifs de performance. Pour des niveaux de performance intermédiaires entre les niveaux (seuil, cible, idéal) prédéfinis, les bonis sont directement proportionnels aux niveaux de rendement effectifs, tels que mesurés.

L'annexe 1 précise la méthode de calcul; celle-ci fait en sorte que le niveau de bonification rattaché à un objectif soit limité au maximum prévu en vertu de la pondération qui y est rattachée.

L'éligibilité au boni

Pour être admissible au boni divisionnel, l'employée ou l'employé doit avoir obtenu une performance individuelle au moins pleinement satisfaisante.

La performance individuelle est évaluée en considérant les résultats obtenus pour l'ensemble des objectifs individuels. Ceux-ci doivent être pleinement atteints pour que la performance soit jugée pleinement satisfaisante, à moins que le contexte puisse clairement expliquer et justifier l'écart par rapport aux résultats convenus.

Pour les postes où il est difficile de définir des objectifs mesurables, la performance est évaluée en fonction de la compétence démontrée au cours de l'année dans l'exécution du travail. Advenant un cas de contre-performance, la situation doit avoir été discutée avec la personne en cours d'année pour que la performance puisse être jugée non satisfaisante aux fins du présent programme.

Le boni est calculé au prorata de la période travaillée dans les circonstances suivantes:

- o congé sans solde de plus de 2 semaines;
- o congé de maladie de plus d'un mois;
- o congé de maternité;
- o arrivée, départ ou changement de catégorie de personnel en cours d'année.

Le versement des bonis

Le boni annuel est versé dans les mois qui suivent la fin de l'année financière, lorsque tous les résultats sont connus.

6 novembre 1993



The Conference Board of Canada

Compensation Planning OUTLOOK

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1 9 9 9

Caution on the Compensation Front:
Upward Pressure on Salaries Tempered
by Economic Uncertainties

Original : 1998.11.05

SCGM - 7, Document 1.12

(En liasse)



The Conference Board of Canada

ABOUT THE CONFERENCE BOARD

The Conference Board of Canada is an independent, not-for-profit research organization with affiliates in the United States and Europe. Our mission is to help our members anticipate and respond to the increasingly changing global economy. We do this through the development and exchange of knowledge about organizational strategies and practices, emerging economic and social trends and key public policy issues. Since 1954, the Board has been committed to researching innovative practices, designing new strategies and providing our members with the most up-to-date information, analysis and expertise to help them excel in Canada and around the world.

ABOUT THE COMPENSATION RESEARCH CENTRE

The Compensation Research Centre is a separately funded division of The Conference Board of Canada. Its mandate is to carry out research and provide information on leading-edge issues in compensation, human resources management and industrial relations. The Compensation Research Centre also offers a program of meetings and custom research to its funding members.

ABOUT THE SURVEY

Compensation Planning Outlook 1999 is the seventeenth edition of this publication, which summarizes the results of The Conference Board of Canada's annual compensation survey. Between August and mid-September 1998, a questionnaire was sent to 1,000 predominantly large and medium-sized Canadian organizations operating in a variety of regions and sectors. A total of 276 respondents participated in this survey, a response rate of 28 per cent.

A CONFERENCE BOARD OF CANADA PUBLICATION FROM THE COMPENSATION RESEARCH CENTRE (CRC)

This publication was prepared under the auspices of the Compensation Research Centre (CRC) and was made possible through the ongoing support of funding members of the program and of survey participants.

The Conference Board wishes to thank all the individuals who took the time to answer this year's wide-ranging questionnaire. These efforts are very much appreciated since it is only through the commitment of respondents that The Conference Board of Canada can produce this information.

Vice-President, Centre for Management Effectiveness and Director, CRC Prem Benimandhu

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Compensation Planning OUTLOOK

1999

By Nathalie Carlyle • Research Associate

Highlights

- The Board's Compensation Planning Outlook survey indicates that employees can expect a real wage gain in 1999, with non-union salary increases averaging 3.1 per cent.
- Economic uncertainty, coupled with possible lower profit levels, will in all likelihood result in downward revisions to salary increases in 1999.
- For the first time in many years, the gap between public and private sector increases is narrowing. Public sector organizations are planning increases of 3.0 per cent in 1999 compared to planned increases of 3.1 per cent by private sector companies.
- The retention of "hot skills" remains an issue for most respondents. Individuals with skills most in demand include general IT staff, engineers, and specialists in integrated business applications such as SAP and Peoplesoft. Specific compensation strategies to attract and retain individuals with hot skills are being adopted by more than half of respondents. Adjustments to base pay and retention bonuses are the most common approaches used.
- The use of variable pay plans continues to grow for all employee groups. Non-management employees in 70 per cent of organizations will receive a payout from a short-term annual incentive plan in 1998. Interest in extending long-term incentives to lower levels is also increasing.
- The human resources function is increasingly asked to support corporate priorities, with managing and leading change at the top of the list. The challenge for HR practitioners is to become strategic business partners without losing tactical capability. To that end, key HR activities this year are focused on human resources information systems, performance management and the retention of key staff to support business strategies.

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Compensation Planning OUTLOOK

1999

Outlook and Analysis

The average pay increase for most non-union employees will be 3.1 per cent in 1999 compared with 3.5 per cent in 1998, according to pay projections provided by respondents to this year's Compensation Planning Outlook survey. With inflation forecast at 1.8 per cent for 1999, this translates into modest real wage gains.

There will be some variation in pay plans among industries and regions in 1999. Industries dominated by "skills in demand" are adjusting salaries to attract and retain key resources, putting upward pressure on overall salary programs. Employees in high technology and the chemical and pharmaceutical industries are expected to receive the highest increases at 4.6 and 3.7 per cent, respectively. Employers in the communications and telecommunications, oil and gas, and services sectors are also planning higher-than-average increases.

Regionally, employers based in Ontario and the Prairie provinces are planning the largest increases, averaging 3.3 per cent. Last year, Prairies-based employers led the way with increases averaging 4.4 per cent. Ontario and Quebec employers followed with increases of 3.4 and 3.1 per cent, respectively.

For the first time in many years, the gap between public and private sector increases is narrowing. As governments finally turn the corner and post surpluses, fiscal restraint is no longer driving pay decisions. Following several years of lower-than-average increases, some "catch-up" is occurring, again putting upward pressure on salaries.

Also for the first time in many years, planned increases at the executive level are expected to be the highest among all employee groups, averaging 3.3 per cent. In 1998, executives received average increases of 4.2 per cent. With leadership identified as a critical success factor, organizations must respond and pay to attract and retain key executives.

Employers bargaining with unions expect that base pay increases for unionized employees will surpass the expected rate of inflation, averaging 2.3 per cent in 1999. When additional compensation is factored in, unionized employees can expect total increases in the range of 2.9 per cent.

Attracting and Retaining "Hot Skills"

The majority of respondents indicate that recruiting and retaining individuals with "hot skills" remains difficult in their organizations. Those most in demand include general information technology staff, engineers, and specialists in integrated business applications such as SAP and Peoplesoft. In response, more than half of survey participants have adopted compensation strategies to attract and retain individuals with hot skills. Market adjustments, averaging 10 per cent of base pay, and retention bonuses, ranging from 10 to 25 per cent of base pay, are the approaches most often used. A tight labour market and increased demand have resulted in upward pressure on the compensation programs of individuals with hot skills.

Variable Pay

Variable compensation is increasingly used to maintain a competitive position and represents a growing element of total cash compensation. Eighty-seven per cent of companies report that the executive group received a payout from an annual/short-term incentive program in 1998. For management and professional employees, the figure stands at 79 per cent, while 70 per cent reported payouts for non-management employees. Cash bonus/incentive plans, in place in 71 per cent of responding organizations, are the most common types of short-term incentives.

Payouts as a percentage of base pay range from 26 per cent for executives to 11 per cent for the management and professional category. Non-management groups received payouts averaging 7 per cent of base pay. Actual payouts were higher in all employee categories, reflecting better-than-projected corporate performance.

Long-Term Incentives

Interest in long-term incentives (LTIs) is increasing for all levels in organizations. Forty-five per cent of survey participants now offer long-term incentive plans. This practice is more prevalent among private sector companies with publicly traded shares, where 85 per cent offer LTIs to some or all employees. A small number of public sector organizations offer long-term cash or phantom share programs to executives, mainly for retention purposes.

While LTIs remain restricted primarily to executives, close to a quarter of responding organizations with publicly traded shares offer some form of long-term incentive plan to all employees.

Total Cash Compensation

As variable pay programs become more prevalent, greater emphasis is now being placed on valuing and communicating total cash compensation. Compensation programs are being realigned to reflect corporate priorities, and as a result, there is a shift towards performance-based compensation programs such as short-term annual incentive plans. While base pay remains the major component of total pay, approximately 5 per cent of total cash compensation for non-management employees comes from variable pay programs. For executives, base pay makes up approximately three-quarters of their total cash compensation.

Human Resources Management

In response to a constantly changing business environment, HR is moving into the strategic arena in support of corporate priorities. The key challenge for HR practitioners is to become strategic partners without losing tactical capability.

According to respondents, managing and leading change continues to dominate corporate strategic priorities. Culture change and managing costs are also corporate areas where HR will be asked to play a key role. To support these initiatives, HR is focusing on human resources information systems, performance management and the retention of key staff. Employee and labour relations and leadership/management development will also be important initiatives for HR in the next 12 to 18 months.

Workforce Change

Organizations have been facing a tight labour market where recruiting individuals with the necessary skills is increasingly difficult. The overall voluntary employee turnover rate increased from 5.2 per cent to 7.4 per cent. Industries where rates were highest included those dominated by individuals with hot skills. High technology, communications and telecommunications, and financial services all reported higher-than-average employee turnover rates.

An increasing number of surveyed organizations are relying on contingent workers, who currently represent about 8 per cent of their workforce. Close to a third expect an increase in the use of casual, contract or temporary workers.

The number of part-time employees is also on the rise, accounting for 7 per cent of the workforce of responding organizations and requiring many to rethink their compensation and benefit programs. Seventy-seven per cent report that part-timers are eligible for pensions, while 83 per cent extend some benefit coverage to part-time employees.

Labour Relations

Organizations bargaining with unions (64 per cent of respondents) can expect that wage increases will average 2.3 per cent in 1999, higher than the projected Consumer Price Index (CPI). According to respondents, wages, flexible work practices and technological changes will dominate negotiations in 1999. More than half of the organizations involved in collective bargaining are adopting corporate-wide strategies to use co-operative processes. These include joint operating committees, specific issues committees, problem-solving committees, and a mutual gains or interest-based approach to collective bargaining.

Analysis

As compensation planners finalize their strategies for 1999, they are facing conflicting pressures. Despite continued economic uncertainties in world markets, no substantial slowdown is expected for the Canadian economy over the next year. In 1999, gross domestic product (GDP) is expected to grow by 2.4 per cent, slowing from 2.9 per cent in 1998. Inflation will remain under control, with the CPI projected to grow by 1.8 per cent in 1999. The unemployment rate will decrease slightly over the next two years, and overall employment growth is expected to slow as well. Although this will decrease pressure on tight labour markets in some sectors, it will not spell relief for organizations competing for high-demand skills or those that compete for labour on a North American basis.

Consumption patterns indicate that despite a decline in overall real disposable income over the last few years, consumers have been relentless in their spending. To maintain current standards of living, individuals have dipped into their savings, registering a negative savings rate for the first time in living memory. This situation may result in pressure for real wage gains in 1999. In addition, unions will be seeking a greater portion of the economic pie before any significant slowdown in the economy occurs.

In spite of a relatively sound forecast for the Canadian economy, senior decision makers are showing signs of doubt about the business environment for the coming year. Global economic uncertainties and a decrease in domestic profit growth are of particular concern. Only 48 per cent of survey respondents indicated that they considered current conditions to be favourable, down from 62 per cent last year. Only slightly more than a third expect conditions to improve in 1999. As a result, compensation planners will face decision makers who will exhibit extreme caution and will be reluctant to award large salary increases.

Competitive pressures continue to drive pay decisions. It appears we have reached a turning point with respect to compensation. As growth in corporate profits declines and world economic uncertainty prevails, any deviation in these projections is likely to be in the form of modest downward revisions.

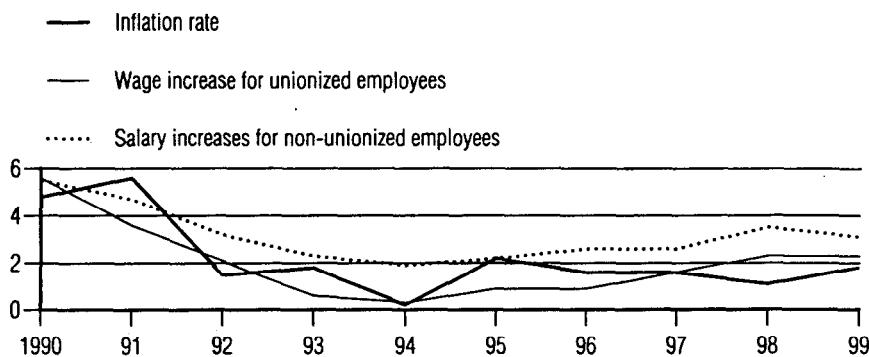
Compensation Environment

- For the fourth consecutive year, employees can expect to receive a healthy real wage gain in 1999, with planned non-union increases of 3.1 per cent, compared to an inflation rate of 1.8 per cent.
- Increases at the executive level are expected to be higher than average at 3.3 per cent. Management and professional employees can also expect higher-than-average increases.

Chart 1

Inflation versus Increases

(per cent change)



Sources: The Conference Board of Canada; Human Resources Development Canada, Workplace Information Directorate.

Table 1

1998 Actual and 1999 Planned Compensation Increases

(non-union employees)

	1998 actual increases				1998 average base salary (\$)	1999 projected increases		
	Total increase to budget (%)	Policy line (range) (%)	Average salary increase (%)	Employees receiving an increase (%)		Total increase to budget (%)	Policy line (range) (%)	Average salary increase (%)
Senior executives	4.1	2.6	4.4	85	183,085	3.2	2.1	3.3
	3.5	2.0	3.7	100		3.0	2.0	3.0
Executives	3.8	2.5	3.9	87	124,276	3.2	2.2	3.3
	3.5	2.0	3.5	100		3.0	2.0	3.0
Management	3.6	2.2	3.4	88	76,159	3.1	2.1	3.2
	3.2	2.0	3.2	98		3.0	2.0	3.0
Professional	3.5	2.1	3.4	89	58,047	3.2	2.1	3.2
	3.3	2.0	3.0	99		3.0	2.0	3.0
Technical	3.4	2.1	3.3	90	48,493	3.2	2.1	3.1
	3.0	2.0	3.0	99		3.0	2.0	3.0
Clerical & support	3.5	2.0	3.1	89	33,707	3.0	2.0	3.0
	3.0	2.0	3.0	99		3.0	2.0	3.0
Service & production	2.9	2.0	2.8	89	38,921	2.9	2.0	2.8
	3.0	2.0	3.0	100		3.0	2.0	3.0

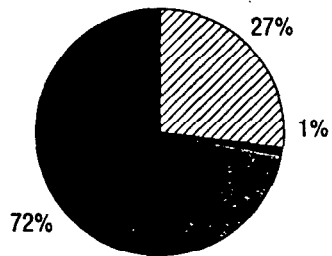
Note: Within each cell, the top number is the mean and the bottom number is the median.

The following definitions apply:

- Policy line: increase to salary ranges
- Average salary increase: increase most commonly awarded to individuals (i.e. total increases from all sources—range merit, economic, progression, etc.)
- Percent of employees receiving an increase: should be expressed as a percentage of employees in category
- Total increase to budget: percentage increase to salary budget (i.e. percentage change in total payroll costs as of December 31) including all budgeted components of your compensation program (e.g. range merit, economic, promotional, progression, etc.)
- Base salary: approximate average annual base salary (range merit increases have been applied)

Chart 2

Regional Compensation Level Differences
(per cent)



- Yes, regional differentials
- Yes, different salary budgets
- No or NA

Source: The Conference Board of Canada.

- Industries where specialized hot skills are required are leading the pack with respect to planned increases for 1999. Employees in high technology, chemicals and pharmaceuticals, communications and telecommunications can all expect increases higher than average. Regionally, employers in Ontario and the Prairies are planning the largest increases.
- For the first time in many years, the gap is narrowing between public and private sector increases, with planned increases of 3.0 per cent and 3.1 per cent, respectively.

Table 2

1999 Planned Compensation Increases—Detailed Breakdowns
(per cent)

	Budget*	Salary range	Average salary increase
Overall	3.1	2.1	3.1
By Industry			
Natural resources/agriculture (n=16)	2.7	2.2	2.7
General manufacturing (n=36)	3.1	2.4	3.2
Food, beverage & tobacco (n=10)	3.4	2.3	3.4
Oil & gas (n=16)	3.5	2.1	3.4
Chemical, pharmaceutical (n=18)	3.0	2.6	3.7
High technology (n=9)	5.5	2.3	4.6
Communications & telecommunications (n=18)	3.8	2.6	3.6
Transportation & utilities (n=30)	2.6	2.1	2.7
Trade (n=16)	3.0	2.4	2.9
Finance, insurance & real estate (n=52)	3.0	1.1	2.9
Education & health (n=12)	3.6	1.9	3.1
Government/not for profit (n=24)	2.7	2.9	2.8
Services (n=12)	3.3	2.1	3.5
By Sector			
Private sector (n=228)	3.1	2.1	3.1
Public sector (n=47)	2.7	2.2	3.0
By Region			
B.C. (n=23)	2.2	1.0	2.1
Prairies (n=59)	3.3	2.1	3.3
Ontario (n=129)	3.3	2.2	3.3
Quebec (n=47)	3.0	2.2	3.1
Atlantic (n=12)	2.6	1.5	2.4
By Size			
Small (fewer than 500 employees) (n=60)	2.9	1.7	2.9
Medium (500 to 5,000 employees) (n=160)	3.1	2.2	3.2
Large (over 5,000 employees) (n=51)	3.1	2.1	3.0

* Budget data may be lower than salary due to different response rates in certain categories.
Source: The Conference Board of Canada.

Table 3

Regional Compensation Levels
(n=69)

	Vancouver	Calgary	Winnipeg	Toronto (Index=100)	Montreal	Ottawa	Halifax
Professional & technical	101	98	95	100	97	96	92
Medical support	101	97	97	100	96	96	91
Service production	101	98	90	100	96	96	91

For ease of comparison, the Toronto area was used as the base (Index=100).
Source: The Conference Board of Canada.

- In 1998, responding organizations increased pay to non-unionized employees by an average of 3.5 per cent, slightly higher than projected last year.
- Employees in the oil & gas, government, and not-for-profit sectors received the largest increases in 1998 at 4.8 and 4.1 per cent, respectively. Increases in the high technology, communications & telecommunications and services industries were also higher than average.
- While most of the 1998 salary budget is reserved for merit and base increases, on average, employers earmarked 0.8 per cent of their "budget dollars" for promotional increases and 0.6 per cent for progression purposes.
- The number of organizations implementing compensation strategies such as broadbanding, competency-based pay and team-based pay continues to increase. Of these approaches, broadbanding has seen the largest increase. Currently, 27 per cent have broadbanding in place compared to 16 per cent in 1995.
- Annual short-term incentives increasingly represent a larger component of an employee's total pay. As variable pay programs become more prevalent, greater emphasis is being placed on valuing total cash compensation.

Table 4

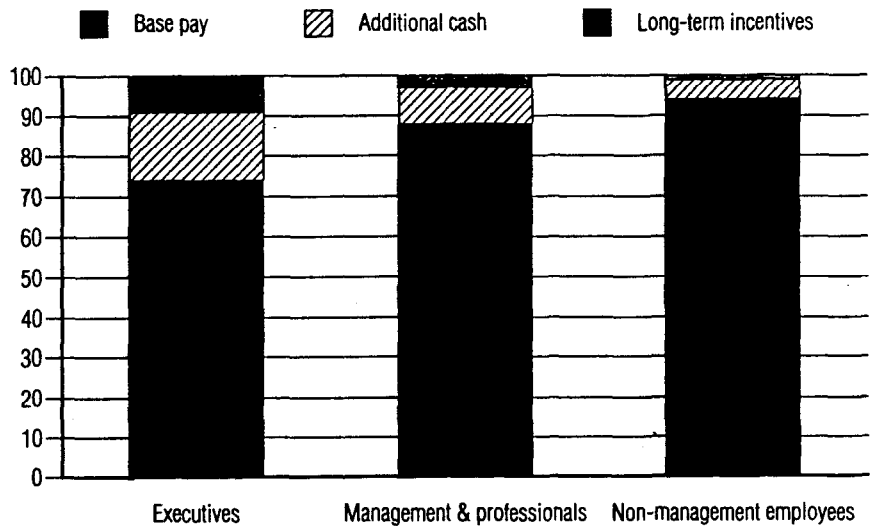
Current Status of Innovative Compensation Strategies
(per cent of organizations)

	Broadbanding	Competency-based pay	Team-based pay	Lump sum merit
Implemented	27	13	9	42
Implemented but discontinued	1	—	—	8
Being considered	29	39	18	9
Considered but decided against	14	17	18	12
Never considered	29	30	56	29

Source: The Conference Board of Canada.

Chart 3

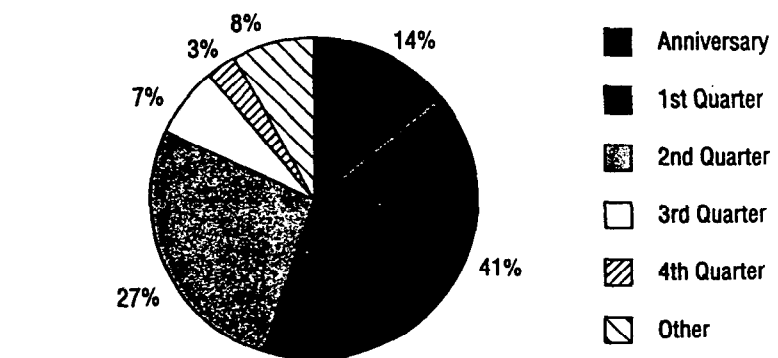
Compensation Cost as a Per Cent of Total Cash Compensation



Source: The Conference Board of Canada.

Chart 4

Effective Date of Increases
(per cent of organizations)



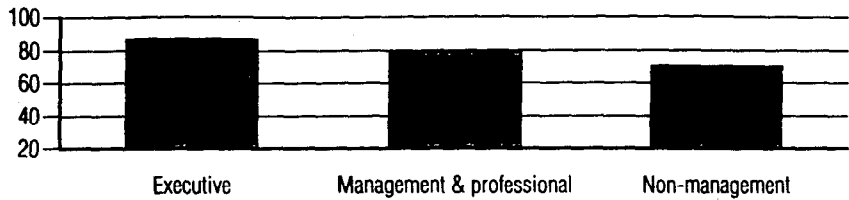
Source: The Conference Board of Canada.

Variable Compensation

- Increased emphasis on variable pay plans continues to be reported for all employee groups.
- There is steady growth in the use of short-term incentive plans for non-management employees, with 70 per cent reporting that these employees received a payout in 1998, compared to only 27 per cent in 1990. Cash bonus/incentive plans, in place in 71 per cent of organizations, are the most common type of short-term incentive.
- Actual payouts were higher than planned targets for all employee groups.
- Overall, long-term incentives (LTIs) are currently in place in 45 per cent of organizations. Eighty-five per cent of those with publicly traded shares offer LTIs.
- Interest in extending long-term incentives to lower levels is growing. While the majority of LTIs are restricted primarily to executives, 24 per cent of respondents with publicly traded shares now offer some type of LTI to non-management employees in their organizations. For example, 40 per cent of publicly traded organizations offer stock options to all employees.
- The value of long-term incentives differs greatly from plan to plan and between employee groups. On an annualized basis, long-term incentives for executives range from 1 per cent to four times annual base salary, LTIs for the management group range from 1 per cent to 170 per cent, with an average value of 43 per cent of base pay, while the range for non-management employees is 1 per cent to 40 per cent, averaging 12 per cent on an annualized basis.

Chart 5

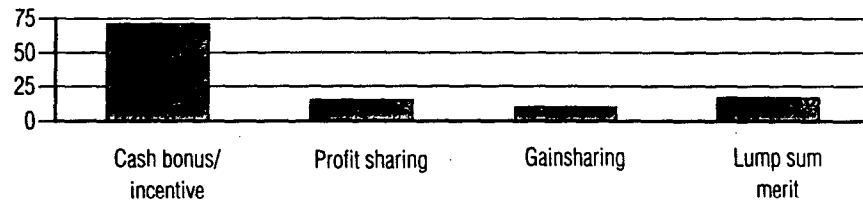
Variable Compensation Plans (per cent of organizations reporting payouts)



Source: The Conference Board of Canada.

Exhibit 1

Variable Compensation—Types of Plans (per cent)



1997 Payouts¹

	Target payout (%)	Actual payout (%)	% receiving
Senior executives	28.3	30.3	91
Executives	20.0	22.0	89
Management	12.4	12.5	86
Professional	7.8	8.4	86
Technical	6.3	7.3	88
Clerical & support	5.1	7.1	86
Service & production	6.5	7.8	80

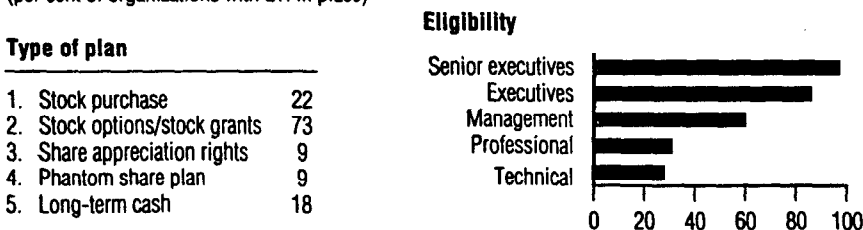
1998 Payouts¹

	Target payout (%)	Plan maximum (%)
Senior executives	29.6	51.3
Executives	22.5	37.7
Management	13.1	22.3
Professional	9.1	15.2
Technical	8.1	13.7
Clerical & support	6.5	11.1
Service & production	4.9	12.9

¹ 1997 payouts refer to payouts based on 1997 results, paid in 1998, and 1998 payouts refer to payouts based on 1998 results, paid in 1999.
Source: The Conference Board of Canada.

Exhibit 2

Long-term Incentive (LTI) Plans (per cent of organizations with LTI in place)



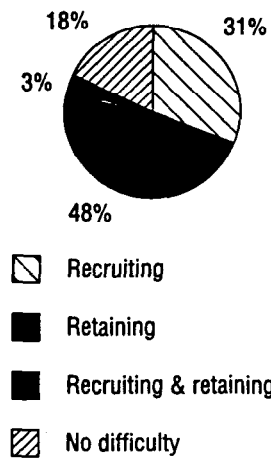
Source: The Conference Board of Canada.

Attracting & Retaining Hot Skills

- More than 80 percent of responding organizations report difficulty recruiting and/or retaining essential skills. Individuals with skills most in demand include general IT staff, engineers, and specialists in integrated business applications such as SAP and Peoplesoft.
- More than half of respondents compared to 34 percent last year, have adopted specific compensation strategies to attract and retain individuals with these skills.
- Adjustments to base pay are the most common approach used for hot skills, followed closely by retention and signing bonuses.
- To support efforts to create an environment fostering employee loyalty, managers are increasingly being given discretion to manage their own salary budgets. Ninety percent of respondents indicate that managers in their organizations have some degree of discretion in determining the size of individual salary increases.

Chart 6

Difficulty Recruiting and Retaining



Source: The Conference Board of Canada.

Exhibit 3

Skills in Demand

- General IT
- Integrated business applications (e.g., SAP)
- Engineering
- Software development
- Sales & marketing
- Financial
- Accounting
- Project management

Source: The Conference Board of Canada.

Table 5

Compensation Strategies Adopted by Organizations (per cent of organizations with strategies, n=154)

Adjustments to base pay	65	Stock options/grants	18
Milestone/project bonuses	23	Enhanced variable pay programs	18
Retention bonuses	43	Signing bonuses	34

Source: The Conference Board of Canada.

Exhibit 4

Compensating Hot Skills

Approach	Who's targeted?	Objective	Range of values
<i>Adjustments to base pay</i> Repositioning of salary ranges to reflect higher value relative to market or adjustments to individual salaries within existing ranges.	Individuals with skills required for regular, on-going work. e.g., executives, general IT staff, economists, engineers	Increased competitive position to attract potential candidates and minimize attrition.	5-15% of base pay.
<i>Retention Bonuses</i> Project completion or milestone bonuses where payouts are connected to successful achievement of milestones.	Individuals working on projects with limited time frames or that have critical milestones, e.g., integrated business application specialists such as SAP, Year 2000 projects or other key resources.	Retention of existing staff.	Payouts can be quite lucrative, given associated costs of losing key people halfway through projects. 5% to 50% of base salary.
<i>Signing Bonuses</i> Recruitment tactic paid upon hire or at intervals following hire.	Traditionally restricted to executives, now also used for key resources, new graduates in IT and other skills in high demand.	Enticement at hire, generally used as an attractant.	10% to 20% of hiring salary. Some payments made in the form of stock.
<i>Stock Options</i>	Executives and high potential individuals.	Retention purposes and rewarding key performers.	Grants of 500 to 1,000 shares.

Human Resources Management

Managing and leading change will be the most important strategic corporate priority in which HR will be involved in the next 12-18 months. HR will also be asked to support organizational strategies surrounding culture change and managing costs.

Two-thirds of organizations currently outsource at least one HR activity, with pension and benefits administration being the most common.

Responding organizations are increasing their reliance on contingent workers, who currently represent approximately 8 per cent of their workforce. Twenty-nine per cent expect an increase in the use of contract, temporary or casual workers. The number of part-time employees is also on the rise, accounting for approximately 7 per cent of employers' workforces.

The voluntary employee turnover rate serves as a valuable indicator of the tight labour market. The rate has increased from 5.2 per cent in 1996 to 7.4 per cent in 1997.

Close to a quarter of respondents have measured the cost of recruiting, included in recruitment cost are advertising, recruiter compensation and benefits, search firm fees and relocation.

Eighty-four per cent currently use a performance appraisal rating system with an average of five performance levels.

A balanced scorecard approach has been adopted by 72 per cent. Close to two-thirds of those using this approach use it for performance planning and appraisal, while the remainder have fully integrated a balanced scorecard approach into the measurement system of the organization.

Exhibit 5

Human Resources Activities

Today

1. Human resources information systems
2. Performance management
3. Retention of key staff
4. Employee and labour relations
5. Management/leadership development

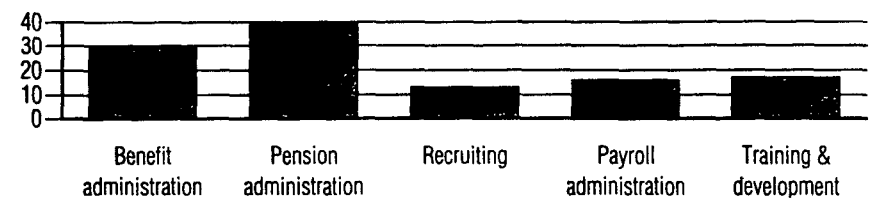
In three to five years

1. Succession planning
2. Management/leadership development
3. Performance management
4. Training and development
5. Retention of key staff

Source: The Conference Board of Canada

Chart 7

Outsourcing Human Resources Activities
(per cent of organizations)



Source: The Conference Board of Canada.

Table 6

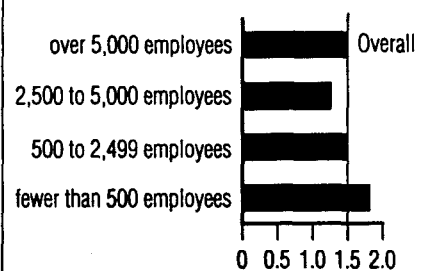
Employment Distribution

Full-time (regular)	83%
Temporary (casual/contract)	8%
Part-time (regular)	7%
Seasonal	2%

Source: The Conference Board of Canada

Chart 8

Human Resources Ratio by Size of Employers

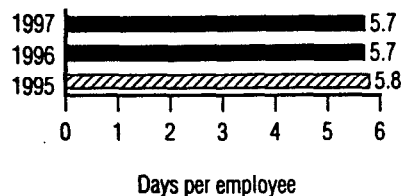


Source: The Conference Board of Canada.

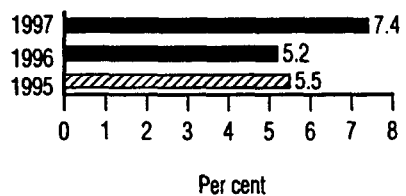
Chart 9

HR Statistics: Absenteeism & Turnover

Absenteeism rate



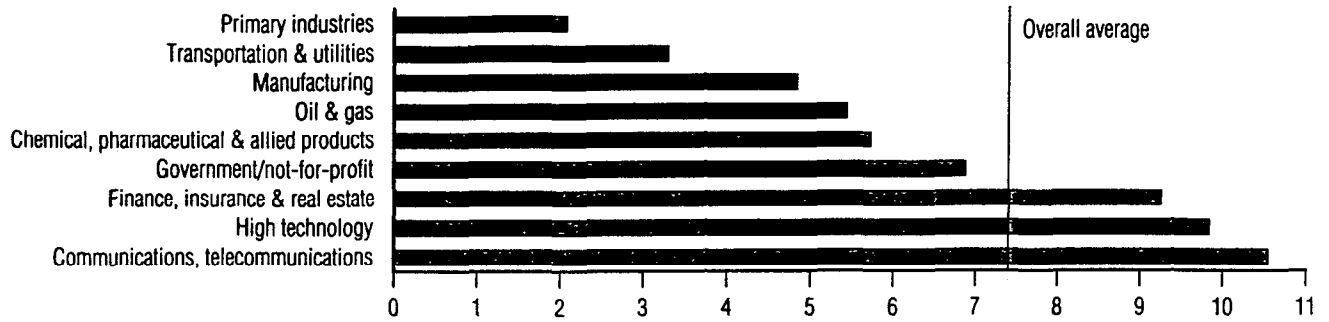
Voluntary employee turnover rate



Source: The Conference Board of Canada.

Chart 10

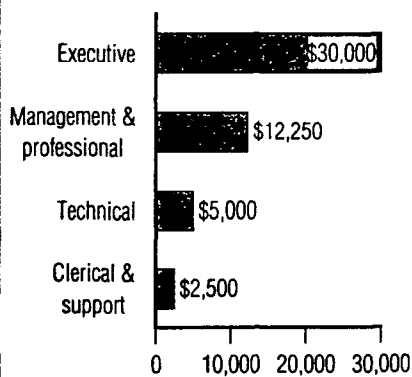
Turnover Rate by Sector
(per cent)



Source: The Conference Board of Canada.

Chart 11

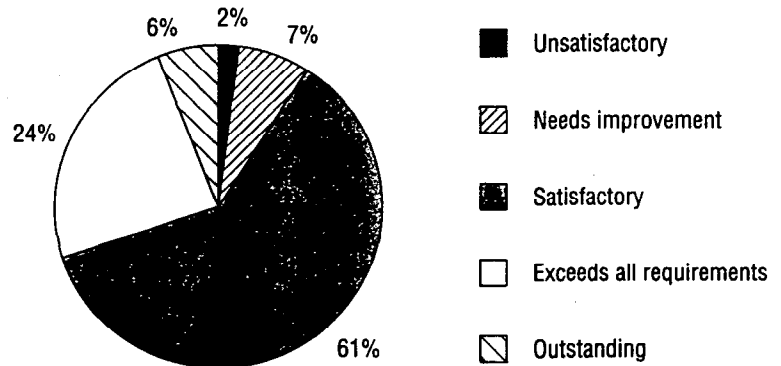
Cost per Hire
(median, n=64)



Source: The Conference Board of Canada.

Chart 12

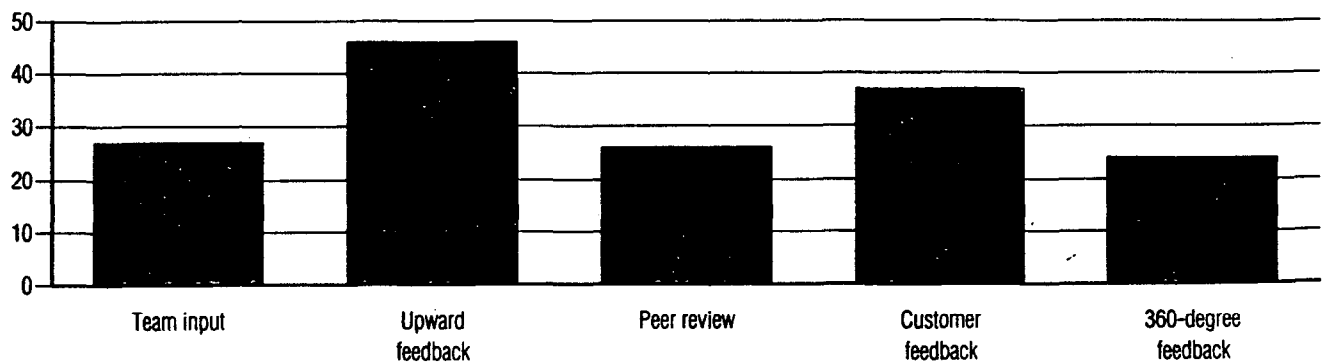
Performance Distribution
(per cent of employees)



Source: The Conference Board of Canada.

Chart 13

Innovative Performance Appraisal Methods
(per cent of organizations using formally or informally)



Source: The Conference Board of Canada.

Benefits & Working Conditions

■ The number of participants offering flexible benefits has almost quadrupled since 1990. Currently 37 per cent of responding organizations have flexible benefits.

■ The prevalence of EAP/EFAPs has also increased substantially over the last eight years. Eighty-six per cent of organizations currently have EAPs in place, up from 58 per cent in 1990.

■ Total benefit costs averaged 27 per cent, a slight increase over 26.1 per cent last year.

■ Absenteeism rates averaged 5.7 days per employee. The highest rates were reported in the education and health sector. Transportation & utilities and communications & telecommunications industries also experienced higher-than-average absenteeism rates.

■ Organizations are focusing on absenteeism by implementing formal attendance management programs, which are currently in place in 38 per cent of companies. The majority report that these programs have been effective in reducing absenteeism. Key success factors are early intervention and regular routine follow-up practices.

■ Growth in the use of flexible work arrangements has been reported since last year. Telecommuting/work at home and flexible hours registered the largest increases.

■ Responding organizations are supporting work and family balance through the establishment of programs such as special leave for family-related reasons and extended parental leaves.

Table 7

Work-Life Benefits (per cent of organizations offering)

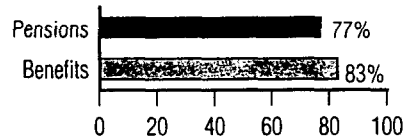
	Stand-alone program	Part of EAP/EFAP
Wellness program	31	22
Stress management program	12	50
Childcare assistance		
• financial assistance	0.4	10
• information/referral services	12	35
• on-site/off-site daycare	12	6
• emergency care	4	7
Eldercare assistance		
• financial assistance	1	7
• information/referral service	11	34

Source: The Conference Board of Canada.

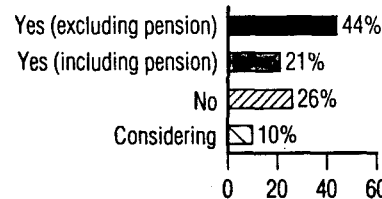
Chart 14

Benefit Eligibility

Part-time employees



Same-sex coverage



Source: The Conference Board of Canada.

Table 8

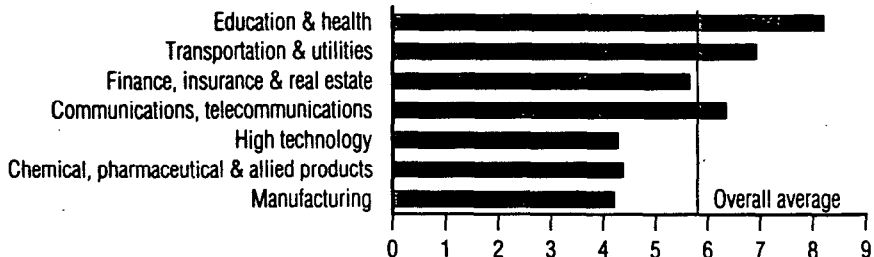
Working Arrangements/Leaves (per cent of organizations offering)

Flexible work arrangements	
• flexible hours	72
• telecommuting/work at home	41
• compressed work week	35
• voluntary reduction of working hours	36
• job sharing	48
• phased-in retirement	14
Leaves	
• special leave for family-related reasons	71
• extended parental leave	60
• unpaid sabbaticals	43
• self-funded sabbaticals	16
• funded sabbaticals	7

Source: The Conference Board of Canada.

Chart 15

Absenteeism by Sector (days per employee)



Source: The Conference Board of Canada.

Collective Bargaining

- Wages, flexible work practices and technological change will dominate negotiations in 1999.
- Only 3 per cent indicate that a work stoppage is probable in 1999.
- Sixty per cent of unionized employers are adopting new co-operative processes to supplement traditional collective bargaining practices. Joint committees dealing with special issues and mutual gains bargaining are the most prevalent types of processes used.

Exhibit 6

Profile of Unionized Employers

- 64 per cent of respondents are unionized
- 1,104 agreements are currently in place
- 310 agreements expire in 1999, covering 139,121 employees

Source: The Conference Board of Canada.

Exhibit 7

Top Negotiation Issues for 1999

1. Wages
2. Flexible work practices
3. Technological and organizational change
4. Outsourcing/contracting out

Source: The Conference Board of Canada.

Table 9

Increases to Compensation

(per cent)

	Base pay	Additional compensation	Total
Actual 1998	2.3	1.2	3.0
Planned 1999	2.3	0.9	2.9

Source: The Conference Board of Canada.



The Conference Board of Canada

255 Smyth Road, Ottawa, ON, K1H 8M7 Canada • Tel. (613) 526-3280 Fax (613) 526-4857
Internet <http://www.conferenceboard.ca>

RÉPONSE DE SCGM À UNE DEMANDE D'INFORMATION

Origine : Audience du 5 novembre 1998

Demandeur : ACIG

Engagement 28

Demandes : Fournir l'annexe à la pièce SCGM-7, doc.1.11

Réponse

Vous trouverez ci-joint l'annexe qui est le formulaire de calcul des résultats.

GAZMÉTROPOLITAIN
Formulaire pour fixer les objectifs et déterminer les bonis
Cadres intermédiaires et spécialisés

(4) INDICE DE RÉALISATION

S'établit ainsi:

- pour un résultat entre Seuil et Cible, Résultat-Seuil/Cible-Seuil, à (4.1);
- pour un résultat à la Cible, inscrire 100%, à (4.1);
- pour un résultat entre Cible et Idéal, Résultat-Cible/Idéal-Cible, à (4.2);
- pour un résultat au-dessus Idéal, inscrire 100%+, à (4.2).

(5) TAUX DE BONI GAGNÉ

S'établit ainsi:

a) Boni corporatif

- pour un résultat entre Seuil et Cible: (4.1) x 3%;
- pour un résultat à la Cible: 3%;
- pour un résultat entre Cible et Idéal: 3% + (4.2) x 3%.

b) Boni divisionnel

- pour un résultat entre Seuil et Cible; (4.1) x 2%;
- pour un résultat à la Cible: 2%;
- pour un résultat entre Cible et Idéal: 2% + (4.2) x 2%.

(6) PONDÉRATION

Il s'agit de la pondération rattachée à chacun des objectifs.

(7) TAUX PONDÉRÉ DE BONI

S'établit en faisant le produit du:
Taux de boni gagné (5) x (6) Pondération.

(10) SALAIRE DE BASE

Ils'agit du salaire de base de la personne pendant l'année en cours.

(11) BONI GAGNÉ

S'établit en appliquant le taux de boni au salaire:
[(8) + (9)] x (10).

RÉPONSE DE SCGM À UNE DEMANDE D'INFORMATION

Origine : Audience du 5 novembre 1998

Demandeur : ACIG

Engagement 29

Demandes : Fournir la description des objectifs corporatifs pour l'année 1997-1998

Réponses :

Les objectifs corporatifs 1997-1998 incorporent des considérations annuelles et pluriannuelles. Nous retrouvons des éléments tels que la qualité de service représentée par les indices de mesure relativement à la réponse téléphonique, au relevé de compteurs, à la réalisation du programme d'entretien préventif et à la rapidité de la réponse aux appels d'urgence; le niveau des dépenses d'exploitation; les livraisons aux petit et moyen débits ainsi qu'à la clientèle grand débit; les nouvelles ventes à la clientèle petit et moyen débits ainsi qu'à la clientèle grand débit.

Vous trouverez ci-joint les objectifs corporatifs 1997-1998 exprimés de façon quantitative.

SOCIÉTÉ EN COMMANDITE GAZ MÉTROPOLITAIN

Objectifs corporatifs 1998

Distribution du gaz au Québec

Objectifs	Indices			Pondération
	Seuil	Cible	Idéal	
<i>A. Considérations annuelles (70%)</i>				
Qualité de service et Rendement autorisé (%)	85,0	90,0	95,0	30%
Réalisation d'un trop-perçu (M \$)	1,3	2,7	4,0	10%
Dépenses d'exploitation et capitalisées (M \$)	115,8	114,6	113,5	10%
Livraisons aux petit et moyen débits (Bcf)	90,2	91,0	91,5	10%
Livraisons à la clientèle grand débit (Bcf) (Avant interruptions)	140,00	143,0	144,0	10%
<i>B. Considérations pluriannuelles (30%)</i>				
Nouvelles ventes à la clientèle PMD (Bcf)	3,8	4,1	4,5	10%
Nouvelles ventes à la clientèle GD (Bcf)	2,5	3,1	3,50	10%
Amélioration position concurrentielle (M \$)	2,0	0,0	(2,0)	<u>10%</u>
Total:				<u>100%</u>

RÉPONSE DE SCGM À UNE DEMANDE D'INFORMATION

Origine : Audience du 5 novembre 1998

Engagement 30

Demandes : Conciliation de l'évolution des dépenses d'exploitation en 1998 compte tenu de l'évolution du nombre d'employés.

Réponses :

Comme nous avons mentionné à la pièce SCGM-6, document 2.2 en réponse à l'engagement 24, l'évolution du nombre d'employés auquel il est fait référence, ne constitue que le résultat de la répartition entre les différentes activités de SCGM (exploitation vs capital) au 30 septembre de chaque année.

Pour concilier l'évolution des dépenses d'exploitation, nous devons tenir compte du nombre moyen d'employés affectés à l'exploitation durant l'année financière.

Dans le tableau soumis en réponse à l'engagement 24, nous constatons que le nombre moyen d'employés affectés à l'exploitation a augmenté de 3,6.

1998 : SCGM -6, document 2.2, page 3, ligne 14	1 074,1
1997 : SCGM -6, document 2.2, page 4, ligne 15	1 070,5
	<u>3,6</u>

Le tableau de la page suivante présente la conciliation de la masse salariale entre les années 1997 et 1998. Nous constatons un écart non concilié de 77 000 \$.

Conciliation de la masse salariale entre 1997 et 1998

		<u>000 \$</u>
1	Masse salariale prévision 5/7 1998 (SCGM-7, doc. 4, page 1, ligne 7)	62 205
2	Masse salariale prévision 5/7 1997 (SCGM-7, doc. 1.15, page 5, ligne 7)	<u>59 670</u>
3	Écart	<u>2 535</u>
4	Inflation 1998 (SCGM-7, doc. 1.15, page 6)	913
5	53 ^e période de paie (SCGM-7, doc. 1.15, page 7, ligne 13)	1 147
6	Augmentation du temps supplémentaire 1998 : SCGM-7, doc. 4, page 1, ligne 3 + 5 1997 : SCGM-7, doc. 1.15, page 5, ligne 3 + 5	<div style="display: flex; justify-content: space-between;"> 2 638 </div> <div style="display: flex; justify-content: space-between;"> <u>2 436</u> 202 </div>
7	Augmentation du nombre moyen d'employés affectés à l'exploitation 3,6 employés @ 54 400 \$ (SCGM-7, doc. 1.15, page 3, ligne 6)	<u>196</u>
8		<u>2 458</u>
9	Écart non concilié	<u>77</u>

Calcul du salaire moyen de 1998

	<u>(000) \$</u>
1 Salaires réguliers (SCGM-7, doc. 4, page 1, ligne 2)	59 051
2 Salaires temporaires (SCGM-7, doc. 4, page 1, ligne 4)	516
3 53e période de paie	<u>(1 147)</u>
4 Masse salariale totale	<u>58 420 \$</u>
5 Nombre moyen d'employés (SCGM-6, doc. 2.2, page 2, ligne 14)	<u>1 074,1</u>
6 Salaire moyen / employé	<u>54 400 \$</u>

Calcul du salaire moyen incluant les avantages sociaux en 1998

	<u>(000) \$</u>
1 Avantages sociaux totaux prévision 5/7 1998 (SCGM-7, doc. 5, ligne 15)	17 748
2 Bonis cadres intermédiaires (note 1) (SCGM-7, doc. 5, ligne 11)	(1 753)
3 Avantages sociaux reliés aux employés affectés aux immobilisations via les frais généraux capitalisés (note 2)	(1 771)
4 Avantages sociaux reliés aux employés affectés aux activités non réglementées (note 2)	(906)
5 Avantages sociaux reliés aux employés affectés aux activités de développement des affaires (note 2)	<u>(282)</u>
6 Avantages sociaux reliés aux employés affectés aux dépenses d'exploitation	<u>13 036 \$</u>
7 Nombre moyen d'employés (SCGM-6, doc. 2.2, page 3, ligne 14)	<u>1 074,1</u>
8 Avantages sociaux moyens / employé	<u>12 137 \$</u>
9 Salaire moyen / employé (SCGM-7, doc. 1.15, page 3, ligne 6)	<u>54 400 \$</u>
10 Salaire moyen incluant les avantages sociaux	<u>66 537 \$</u>

Note 1 : Ne s'applique qu'aux employés cadres

Note 2 : Ces montants se trouvent inclus à l'intérieur des crédits figurant à la pièce SCGM-7, document 4, page 2 :

- frais généraux capitalisés, ligne 143
- activités non réglementées, ligne 144
- crédit – activités de développement, ligne 145

SOCIETE EN COMMANDITE GAZ METROPOLITAIN
DEPENSES D'EXPLOITATION PAR ACTIVITES ET PAR SECTEURS

CAUSE TARIFAIRE 1998
BUDGET 1997 - PREVISION 5-7
(000\$)

No de ligne	Description	Présidence	Ressources humaines	Affaires Corporatives	Finance	V-p Exécutive	Ventes	Approv. Gaziers	Admin. & Règém.	Exploitation	Frais capitalisés	Total
1	Salaires											
2	Salaires réguliers	436	5,190	1,470	825	151	6,465	1,644	9,559	30,906		56,647
3	Temps supplémentaire		4	10	5		44	151	316	1,900		2,430
4	Salaires rég. temporaires		25	2			16	40	22	483		588
5	Temps supp.-temporaires						0	6	0	0		6
6												
7		436	5,219	1,482	829	151	6,526	1,841	9,898	33,289	0	59,670
8	Avantages sociaux											
9	Avantages sociaux		18,492							6		18,498
10	Programme d'aide aux employés		41									41
11	Services médicaux		100									100
12	Uniformes et vêtements								16	780		797
13												
14		0	18,633	0	0	0	0	0	16	786	0	19,436
15	Remboursement de dépenses											
16	Cours, conférences, congrès	19	40	30	27	16	101	19	83	90		424
17	Transport et hébergement	112	24	104	48	16	160	77	47	255		841
18	Repas et représentation	72	60	99	38	15	339	39	65	272		997
19	Associations industrielles	2	3	4	5	2	16	2	2	22		58
20	Cotisations professionnelles	15	5	6	14	1	19	3	18	22		101
21	Allocation de voiture	2	9	95	7		424	3	9	200		750
22	Téléphones cellulaires	5	5	25	7	6	132	5	28	236		448
23												
24		225	146	362	145	54	1,192	148	251	1,098	0	3,620
25	Administration et autres											
26	Administration générales	26	10	8	28	64	33	52	29	207		458
27	Bonis et gratifications	20	674			7				17		718
28	Papeterie boulevard	5	18	10	7	1	30	12	31	65		179
29	Jetons administrateurs		247									247
30	Documentation des systèmes		4		5	6				52		66
31	Courriers commerciaux	7	4	5	4	1	11	3	13	89		136
32	Frais postaux								949	169		1,118
33	Ameublement et équipement	1	3	14	1		15		8	71		112
34	Location d'équipement									78		78
35	Communication terrestre	7	8	38	6	0	39	17	167	171		454
36	Imprimerie	6	38	5	11	4	33	4	154	115		369
37	Micros, imprimantes, fax	19	42	43	8	2	36	14	173	262		598
38	Tournois de golf	4	1	1	7		30	1	0	2		47
39	Papeterie									114		114
40	Photocopie								90			90
41												
42		96	1,049	124	77	85	225	102	1,614	1,411	0	4,783
43												
44	Activités ventes et aff. corporatives											
45	Administration ventes			5			131		9	2		148
46	Commissions aux vendeurs						550					550
47	Intervenants externes			119								119
48	Programme p.e.p.						115					115
49	Relations publiques			105		18	98			27		248
50	Dons et commandites			465								465
51	Membership corporatif			263								263
52	Activités promotionnelles						611		1	3		615
53	Contributions au CTGN			900								900
54	Etudes énergétiques			199								199
55	Entente Scgm-Gaz de France			1,200								1,200
56	Publicité						30					30
57	Autres			81								81
58												
59		0	0	3,337	0	18	1,536	0	10	32	0	4,933
60	Services externes											
61	Traduction			16								16
62	Embauche de personnel											0
63	Consultants	176	129	127	70	94	354	95	199	77		1,321
64	Frais légaux	103	83	32					212			430
65	Frais de négociation		5									5
66	Développement-Formation		184									184
67	Frais divers de financement				118							118
68	Relation avec les investisseurs				87							87
69	Honoraires - Mt. trust				71							71
70	Frais de vérification								192			192
71	Honoraires de fiducie				122							122
72	Impartition				173							173
73	Régie et réglementation								67			67
74	Rapport annuel			106								106
75	Fiscalité				26							26
76												
77		279	401	280	667	94	354	95	670	77	0	2,918
78												

SOCIETE EN COMMANDITE GAZ METROPOLITAIN

REPONSE A UNE DEMANDE D'INFORMATION

CAUSE: R-3376-97 PHASE II
 ORIGINE: LETTRE D'INFORMATION DU 06 JUIN 1997
 DEMANDEUR: REGIE

REFERENCE: GMi107, document 2

QUESTION: No 107.1:

- 1.- Veuillez ventiler le montant de 1.8 millions \$ relié au taux d'inflation de 1.9%.
- 2.- Quel est le pourcentage d'augmentation de la masse salariale qui résulte des conventions de travail déjà conclues. Veuillez détailler les calculs.
- 3.- Est-ce que ce facteur affecte tous les employés de SCGM?

REPONSE:

1.-	Salaires:	Bureau	1.0%	160	
		Heures	1.5%	283	
		Cadres	1.9%	<u>470</u>	
					913
	Avantages sociaux:		1.9%		347
	Autres dépenses:		1.9%		587
					<u>1,848</u>

- 2.- La seule convention de travail conclue à ce jour est pour le personnel de bureau
 1% d'inflation sur une masse salariale de 16 millions
 Augmentation masse salariale - bureau 160
 Augmentation masse salariale totale 913
 % d'augmentation de masse salariale - bureau 17.5%

- 3.- Non, voir réponse fournie à 1.-

**SOCIÉTÉ EN COMMANDITE GAZ MÉTROPOLITAIN
ÉVOLUTION DES DÉPENSES D'EXPLOITATION
CAUSE TARIFAIRE 1998
(MILLIONS \$)**

1 <u>Description</u>	<u>Montant</u>
2 Budget 1997 autorisé par la Régie	95,3
3 Économies anticipées au dossier tarifaire	1,7
4 Économies réalisées	<u>(0,7)</u>
5 Projection 5/7 1997	96,3
 6 <u>Budget 1998</u>	
7 Inflation (1,9 %)	1,8
 8 <u>Autres éléments</u>	
9 Économies du projet radiométrie/téléométrie	(0,4)
10 Besoins supplémentaires avantages sociaux	0,4
11 Révision de la capitalisation des frais généraux	1,1
12 Politique de capitalisation	0,1
13 53e période de paie	1,2
14 Économie à réaliser	<u>(0,5)</u>
15 Dépenses d'exploitation 1998	<u><u>100,0</u></u>

DÉPENSES D'EXPLOITATION

	<u>Montant</u>
Budget 1998	100,0
Frais reliés à la mise en place des projets résidentiels	0,3
Prévision 5/7 1998	<u>100,3</u>
Inflation	1,7
Besoins supplémentaires avantages sociaux	0,3
53 ^e période de paie	(0,9)
Développement résidentiel	1,9
Excédent prévu au 5/7 pour résidentiel	(0,3)
Efficacité énergétique	0,6
Développement du GNV	0,3
Positionnement stratégique transport et approvisionnement	0,4
Réglementation	0,1
Budget 1999	<u><u>104,4</u></u>