

Executives

Traditional methods of rewarding executives with raises, promotions or both may no longer be sufficient in a society of changing individual aspirations, says a Canadian motivational psychologist.

Dr. John Sawatsky, President of International Behavioural Consultants Ltd. of Toronto, says traditional performance rewards may not be adequate to get increased performance from executives or even to keep them in a firm. Dr. Sawatsky, in an interview, cited changing values and the growing routine of executive work as factors that may require changes in how executives are rewarded for their performance.

"You can no longer validly predict that all of your executives will be motivated by the same things," he said. "The bane of employment is the routiness of it and I find that the boredom of the assembly line is creeping into the executive suite."

More and more executives are questioning the worth of what they are doing and are increasingly opting for early retirement, he says. Heads of corporation and personnel managers are going to have to start rewarding their executives with different rewards and in different ways.

"It's not the same for every guy and corporate chiefs are just going to have to get close to them to find out what turns them on. Increasingly, we're going to have to get into quality-of-life themes with regard to executive performance." He listed travel, educational opportunities and the idea of a sabbatical leave as concepts that could replace bonuses, raises or promotions.

He related the case of an executive who more than anything wanted a \$35,000 yacht and was willing to work to improve performance to get it. The executive's boss found out and when performance improved, the man got his yacht. But then the executive wanted extra time off to enjoy his yacht rather than more money.

Snowshoes

Snowshoes, standard winter equipment for many Newfoundland outdoorsmen, were expected to become the most popular item in sporting-goods stores when the provincial government announced new snowmobile regulations.

In anticipation of the demand, all the large department stores in St. John's began displaying racks of snowshoes, harness and boots shortly before Christmas. Sales were reported brisk. An estimated 20,000 to 30,000 snowmobile owners in Newfoundland and Labrador are urban-dwelling weekend pleasure-seekers who have forgotten or never learned the lore of snowshoeing.

The Government proposed to include snowshoes as mandatory safety equipment for snowmobiles operating two or more miles from a road.

Economic Digest

Cost of living

The consumer prices index – interpreted as a main measurement of inflation in Canada – rose again in January. The index had its sharpest rise, 9.1 per cent, in 1973 of the last 22 years, since the Korean war of 1951. But the January increase was at a higher rate still. The overall January rise in typical family living costs was eight-tenths of one per cent – an annual rate of 9.6 per cent. Grocery prices, the chief factor in the 1973 inflation rate, were again the main contributor of the increase in January, rising 1.2 per cent to stand 15.6 per cent higher than a year earlier.

Prime Minister Pierre Trudeau has made it plain, however, that he does not believe a compulsory prices and incomes policy is an effective answer to inflation. In a House of Commons exchange with Opposition Leader Robert Stanfield when the final 1973 consumer prices were published in December, Mr. Trudeau indicated, as he had done before, that he worried that this proposed cure shows evidence of being worse than the inflation disease. He said his government would not bring in its emergency plan for compulsory prices and incomes controls until it was sure "the consequences of bringing in the emergency plan are less serious than the consequences of the inflation."

He agreed with Mr. Stanfield that the inflation rate was serious, but said he wanted to point out that "those countries which attempted formal wage and price controls, such as the United States and the United Kingdom, have a worse rate of inflation and, therefore, more serious consequences with regard to the value of the savings of the little people than has been the case in Canada."

Minimum wage

The minimum wage for Canadian employees in industries under federal government jurisdiction has been raised to \$2.20 per hour, effective 1 April 1974. It had been at \$1.90 per hour since 1 November 1972.

Minimum wage law is an area of jurisdiction shared by the federal and provincial levels of government in Canada. Each province has its own legal minimum wage, which varies to some extent from the federal level, usually somewhat below. The federal legislation affects only about 19,300 of the total Canadian work force of

9,405,000 – but it tends to have a significant influence on the level of provincial wage laws, which cover the rest of Canadian workers.

The minimum wage laws, provincial and federal, include the provision that anyone required to work more than eight hours daily or forty hours weekly must be paid for the extra hours at time and a half.

Canada has had a variety of minimum wage laws stretching back to the 1930s, or earlier. But the more comprehensive application has come into effect in stages since the Second World War. A major revision, including the 40-hour work week, and universal application of the minimum wage level across the work force, came into effect in July, 1965.

Economic future

Shortages of skilled manpower and a lack of manpower mobility could limit Canada's economic growth in the next three years which will see a high demand for private investment construction. That was one of the problems foreseen at the first National Economic Conference in Montreal in December.

John J. Deutsch, Chairman of the Conference, which was sponsored by the Economic Council of Canada, said in summing up the conference's discussions that many industries in Canada are reaching capacity limits that will require them to expand. The construction trades will be among the strongest areas of demand immediately and in the years ahead, he told a news conference.

In a closing statement, the Conference said Canada has enormous potential for economic growth during the next four years, but the unknown effects of the energy crisis, material shortages and inflation will have on the economies of our major trading partners and Canada confront us "with difficulties and uncertainties in the period ahead."