

Private Members' Business

4,500 managers in the Public Service is eligible for the bonus.

For the 1990-91 fiscal year bonuses of about \$17.8 million were paid to the eligible managers in the Public Service. The study says that this performance pay has long been an annoyance to other groups in the Public Service. They see it as a way around the wage and salary limits that hold for the majority of the Public Service. Even those within the management category have expressed dissatisfaction with the performance pay system.

Let me quote from the 1989 report of the Auditor General. The Auditor General cited several sources of grievance with respect to the system. These are: deciding on performance ratings without documenting or formally reviewing performance; documenting performance and deciding on a performance rating without input or discussion with the employer being evaluated; rotating "superior" performance ratings among employees for reasons other than performance; granting two ratings, one used in determining pay, generally lower, and the other for performance assessment purposes; allocating a greater proportion of "superior" ratings to senior levels, thus limiting the possibility of recognizing or financially rewarding equivalent or better performance at the lower levels of the management category; as a departmental policy, refusing to consider or acknowledge superior performance, whatever the performance, for people seconded to other organizations, participating in task forces, et cetera, to give more to those who were in the department during the same period; failure or inability to recognize special or exemplary contributions of employees not rated superior or outstanding; and granting merit increases or bonuses without input from or consultation with the immediate superior of the employee being rewarded.

• (1145)

These are serious concerns that have been expressed by the Auditor General.

The question of fairness and performance pay in the Public Service therefore has at least two aspects. The first is the perception of unfairness voiced by these groups that are not eligible. The second is the perception

of unfairness voiced by some in the management category, especially those in the lower rungs of the category.

That the bonus is not being paid for the 1991-92 fiscal year adds a new element of perceived unfairness and also highlights one of the flaws. In some instances people have been used to receiving this on a regular basis. Because they have been receiving it and since they no longer will be receiving it until the freeze is lifted, they believe they are being doubly penalized.

In addition to the managers in the Public Service, heads of Crown corporations and Order in Council appointees have in the past received performance pay. At the time that the pay freeze for the general Public Service was announced, there were rumours that about 800 would receive such bonuses.

In fact, and I want to correct the record or the rumour if you wish, there were only about 250 Order in Council appointees who were eligible for these bonuses. The bonuses for that year were roughly \$800,000. That is still a lot of people and it is still a lot of money.

Let me emphasize another point. The performance bonuses for managers are concentrated on a small group of Public Service employees. Those in the management category make up just over 1 per cent of all of the employees.

Almost every manager receives a bonus. The typical bonus is about 5 per cent of the manager's annual salary. Being widely spread even over a relatively small proportion of Public Service employees, the performance pay of managers may be too little, to quote this study, to provide an incentive to increase productivity.

We have also been looking at the Public Service in the future. Public Service 2000 is an initiative to renew the Public Service of Canada. It was announced some will recall in 1989. Its objective was to improve the Public Service in light of the probable demands of the 21st century, a very laudable objective.

As a first step, several task forces were set up and they reported in 1990. Not surprisingly, compensation and benefits including performance pay were areas examined by the task forces. Public Service 2000 recognized the deficiencies. It was not just Ron Duhamel, member of