

**VARIABLE PAY
FREQUENCY AND CHARACTERISTICS BY SECTOR
1999 Survey**

In this publication the Institut presents a study of the phenomenon of variable pay in Quebec. This study, a first for the Institut, was carried out using specific data collected as part of the *Enquête sur la rémunération globale au Québec* conducted in 1999.

The information gathered pertained to the frequency and characteristics of individual and group variable-pay plans found in establishments of 200 or more employees in 1998. The plans specifically covered by the survey were lump sum merit pay, piece-rate plans, commission plans, profit sharing, gainsharing, stock-based plans and team-based incentives.

Results are provided for most sectors of the labour market: “other Quebec employees” (that is, those employed outside the Quebec government), the private sector, the unionized private sector, the non-unionized private sector and the “other public” sector. The exceptions are the Quebec government, which was not surveyed on this aspect of compensation, and the federal government, which was considered as not offering variable pay. Most occupational categories were also taken into account: management personnel, foremen, professionals, technicians, office employees, maintenance and service employees, production employees and sales employees.

The following are the study’s main findings:

- Variable pay is found in a large number of Quebec organizations. For “other Quebec employees,” when all the occupational categories are considered, 54% of establishments offer at least one group or individual variable-pay plan. This proportion is 57% in the private sector and 28% in the “other public” sector.

Prevalence rates of variable pay, by labour-market sector, in 1998 (% of establishments)	
Other Quebec employees	54
Private sector	57
Unionized private sector	50
Non-unionized private sector	79
“Other public” sector	28

- In general, variable pay is not confined to a single occupational category within an establishment. In fact, only 20% of the establishments that provide variable pay offer it to a single category. Moreover, in most establishments, when variable pay is offered to one employee in an occupational category, it is made available to all employees of the same category.
- Group plans are generally more prevalent than individual plans within the occupational categories, with the exception of management personnel and sales employees.
- Lump sum merit pay are the individual plans found most frequently in most sectors. Among the group plans, profit sharing, gainsharing and stock-based plans are generally the most frequently observed.
- Several types of variable-pay plans exist within organizations, but in most sectors, approximately two out of three establishments offer a single plan, most often profit sharing or lump sum merit pay.

**This publication may be downloaded at no charge on the Institut's Web site:
<http://www.stat.gouv.qc.ca>**

You may also obtain a copy at a cost of \$14.95 (plus GST) at the following addresses:

▲ Institut de la statistique du Québec
Vente des publications
200, chemin Sainte-Foy, 5e étage
Québec (Québec) G1R 5T4
Telephone: (418) 691-2405

▲ Institut de la statistique du Québec
Direction du travail et de la rémunération
10, rue Saint-Antoine Est, bureau 11.70
Montréal (Québec) H2Y 4A5
Téléphone : (514) 876-4384

▲ Les Publications du Québec
C.P. 1005
Québec (Québec) G1K 7B5
(Mailing charges of \$4)