

Compensation Planning Outlook 2015
The Conference Board of Canada



Compensation Planning Outlook 2015.





The Conference Board
of Canada

Compensation Planning Outlook 2015

by Katie Fleming and Nicole Stewart

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Preface

Compensation Planning Outlook 2015 is the 33rd edition of this publication, which summarizes the results of The Conference Board of Canada's annual compensation survey and forecast. In June 2014, a questionnaire was sent to 1,878 predominately large and medium-sized Canadian organizations operating in a variety of regions and sectors. A total of 382 respondents participated in the survey, representing a response rate of 20 per cent.

This publication was prepared under the auspices of the Conference Board's Compensation Research Centre (CRC) and was made possible through the ongoing support of the funding members and survey participants. We owe a special thank you to all the individuals who took the time to answer this year's comprehensive questionnaire and to the many organizations that participate year after year. Their efforts are very much appreciated, as it is through the commitment of respondents that The Conference Board of Canada is able to produce this report.

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Executive Summary

Compensation Planning Outlook 2015

At a Glance

- ♦ Organizations are planning moderate base salary increases for 2015, with the average base pay increase for non-unionized employees projected to be 2.9 per cent.
- ♦ In 2014, 86 per cent of employees received a salary increase, up slightly from the 83 per cent who received increases in 2013.
- ♦ Projected increases are highest in the oil and gas sector (3.9 per cent) and lowest in the health sector (2.2 per cent).
- ♦ Short-term incentive pay plans remain an important part of the total rewards package. The majority of survey respondents (83 per cent) have at least one of these plans in place.
- ♦ Looking ahead to 2015, 16 per cent of compensation planners expect that the size of their workforce will increase, with only 7 per cent anticipating workforce reductions.

employees is projected to be 2.9 per cent for 2015. This increase is 1 percentage point higher than the 1.9 per cent inflation rate forecast for 2015.¹

Salary increases are expected to vary by industry, sector, and region:

- ♦ Projected increases are highest in oil and gas, at 3.9 per cent, followed by the chemical, pharmaceutical, and allied products industry, at 3.2 per cent.
- ♦ The lowest average increases are expected in the health sector, with an average increase of 2.2 per cent.
- ♦ The expected increase in the private sector is 2.9 per cent, while the average increase for employees in the public sector² is expected to be 2.7 per cent.
- ♦ Regionally, Saskatchewan and Alberta lead, with average projected increases of 3.6 and 3.5 per cent, respectively. In this regard, it is interesting to note that Saskatchewan leads all jurisdictions.
- ♦ The lowest average base pay increase is expected in the Atlantic provinces at 2.3 per cent, followed by Ontario at 2.5 per cent.

In a slow-growth Canadian economy, organizations are planning moderate increases for 2015. Based on responses from the 382 organizations that participated in this year's Compensation Planning Outlook survey, the average pay increase for non-unionized

¹ The consumer price index (CPI) forecast for 2015 is from the Conference Board's *Canadian Outlook Economic Forecast: Autumn 2014*.

² The public sector includes federal and provincial government departments, agencies, and Crown corporations; municipalities; hospitals; and universities and colleges.

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The percentage of employees receiving an increase was 86 per cent in 2014, up slightly from the 83 per cent who received increases in 2013. For those who did receive an increase to base salary in 2014, the average adjustment was 3.2 per cent. Only 2 per cent of organizations are planning to freeze base salaries in 2015, compared with 3 per cent in 2014.

Average increases to salary ranges (or “structures”) are expected to be 1.7 per cent in 2015, the same as the 1.7 per cent increase realized in 2014. Eleven per cent of organizations with salary range structures plan to hold their ranges constant in 2015, down from 19 per cent in 2014.

2015 by the Numbers

- 2.9%** average non-unionized projected salary increase
- 3.9%** highest projected salary increase (oil and gas sector)
- 3.6%** highest projected salary increase by region (Saskatchewan)
- 1.9%** projected inflation
- 382** number of participating organizations

Source: The Conference Board of Canada.

Merit budgets—budgets for performance-based base salary increases—were 2.6 per cent in 2014, slightly lower than the anticipated budgets of 2.7 per cent in 2015.

Overall salary budgets (including promotional adjustments and head count changes, etc.) are expected to increase by 3.1 per cent in 2015, compared with an increase of 2.9 in 2014.

Short-term incentive pay plans remain an important tool used by organizations to drive organizational and individual performance. The majority of respondents (83 per cent) have at least one short-term incentive pay plan in place. On average, organizations spent

11.0 per cent as a percentage of total base pay spending on short-term incentive pay plans in 2014, compared with targets of 10.8 per cent. This indicates that, overall, organizations paid out slightly above target. In 2015, organizations expect to spend 10.7 per cent as a percentage of total base pay spending on short-term incentive pay—similar to what was planned for 2014.

Short-term incentive pay plans remain an important tool used by organizations to drive organizational and individual performance.

Canada’s economic growth continues to hover around 2 per cent. However, as business conditions continue to improve south of the border, so does the potential for Canadian exporters and the Canadian economy in general. The Conference Board of Canada does expect improved growth in 2015, with real GDP forecast to increase by 2.6 per cent—up from 2.2 per cent in 2014.

So far, job growth in 2014 has been sluggish. Unless employment picks up significantly over the next few months, 2014 (with the exception of the downturn in 2009) could be on track for one of the weakest annual gains since 2001. Job growth has been slow and the unemployment rate sits at a historic low of about 7 per cent—partly attributed to a lack of labour force growth. The outlook for 2015 is more positive. With business profits improving and trade prospects increasing, the Conference Board expects employment to be stronger in 2015, posting growth of 1.5 per cent. Looking ahead, the services sector will account for much of the new job growth.

In the survey, 64 per cent of organizations report challenges with recruiting and/or retaining employees—up from 58 per cent in 2014. Labour market pressures vary significantly depending on region and industry. Eighty-five per cent of organizations in Saskatchewan and just over three-quarters of organizations (78 per cent) in Alberta struggle with attracting and retaining talent, which is significantly higher than the average.

Eighty-two per cent of those in the health sector report challenges. Organizations report some very specific skill sets that are in high demand. Information technology specialists—followed by engineers and skilled trades—are among the most coveted by organizations. This past year's voluntary turnover rate was 7.0 per cent—similar to the 7.3 per cent reported last year.

Looking ahead to 2015, 16 per cent of compensation planners expect that their workforce will increase, with only 7 per cent anticipating workforce reductions. Sixty-five per cent of organizations expect no significant change to the workforce, while the remainder were unsure.

As the economy continues to improve in 2015, we expect interest rates to start inching up.

The Canadian dollar is expected to remain near the US\$0.90 value over the next year. The Bank of Canada is holding interest rates steady, but as the economy continues to improve in 2015, we expect rates to start inching up. While fiscal restraint is being demonstrated by the federal and provincial governments, the economic situation remains especially challenging for many provinces that are trying to manage their health care budgets.

Compensation planners continue to offer moderate wage increases, but they remain above inflation. While increases in real wages benefit household income and consumer spending, Canada will need to improve on its lagging productivity in order to remain competitive as labour markets tighten in the future.

Résumé

Les perspectives de rémunération en 2015

Aperçu

- ♦ Les organisations prévoient d'augmenter légèrement le salaire de base en 2015, par exemple de 2,9 % en moyenne dans le cas des employés non syndiqués.
- ♦ En 2014, 86 % des employés ont vu leur salaire augmenter, contre 83 % en 2013.
- ♦ C'est dans le secteur pétrolier et gazier que les augmentations prévues seront les plus fortes (3,9 %) et dans le secteur de la santé qu'elles seront les plus faibles (2,2 %).
- ♦ Les régimes d'incitatifs à court terme continuent d'occuper une place importante dans le programme de rémunération globale. La majorité des répondants au sondage (83 %) ont d'ailleurs mis place au moins un de ces régimes.
- ♦ En tout, 16 % des responsables de la planification de la rémunération s'attendent à une augmentation de leur effectif en 2015 et 7 % seulement à une baisse.

rémunération (Compensation Planning Outlook), l'augmentation salariale moyenne des employés non syndiqués devrait ainsi être de 2,9 %, ce qui est supérieur d'un point de pourcentage au taux d'inflation de 1,9 % prévu pour 2015¹.

Les augmentations salariales devraient varier selon les industries, les secteurs et les régions :

- ♦ C'est dans le secteur pétrolier et gazier que les augmentations prévues sont les plus fortes (3,9 %), suivi par l'industrie des produits chimiques, pharmaceutiques et connexes (3,2 %).
- ♦ C'est dans le secteur de la santé que les augmentations moyennes devraient être les plus faibles (2,2 %).
- ♦ La hausse attendue dans le secteur privé est de 2,9 %, tandis que celle prévue pour les employés du secteur public² est en moyenne de 2,7 %.
- ♦ À l'échelle régionale, la Saskatchewan et l'Alberta arrivent en tête, avec des hausses moyennes prévues de 3,6 et 3,5 %, respectivement. Il est intéressant, à cet égard, de noter que la Saskatchewan surpasse toutes les provinces et territoires.

Étant donné la faible croissance de l'économie canadienne, les organisations prévoient des hausses modérées en 2015. D'après les réponses des 382 organisations qui ont participé au sondage de cette année sur les perspectives de

1 Les prévisions concernant l'indice des prix à la consommation (IPC) pour 2015 sont tirées du *Canadian Outlook Economic Forecast: Autumn 2014* [Note de conjoncture canadienne : Résumé automne 2014] du Conference Board.

2 Le secteur public comprend les ministères, sociétés d'État et organismes fédéraux et provinciaux, les municipalités, les hôpitaux, ainsi que les universités et collèges.

- ♦ C'est dans les provinces de l'Atlantique qu'on s'attend à l'augmentation moyenne la plus faible du salaire de base, soit 2,3 %, l'Ontario suivant avec 2,5 %.
- ♦ On prévoit pour les employés syndiqués des augmentations salariales moyennes de 2,0 % en 2015, soit 1,5 % dans le secteur public et 2,2 % dans le secteur privé.

En 2014, 86 % des employés ont bénéficié d'une augmentation de salaire, contre 83 % en 2013. Pour ceux dont le salaire de base a augmenté en 2014, l'ajustement moyen a été de 3,2 %. Seules 2 % des organisations prévoient de geler les salaires de base en 2015, contre 3 % en 2014.

En 2015, les hausses moyennes des échelles (ou structures) salariales devraient s'établir à 1,7 %, comme en 2014. En tout, 11 % des organisations dotées d'échelles ou de structures salariales prévoient de les garder telles quelles en 2015, contre 19 % en 2014.

2015 en chiffres

- 2,9 %** augmentation moyenne prévue du salaire des employés non syndiqués
- 3,9 %** plus forte augmentation salariale prévue (secteur pétrolier et gazier)
- 3,6 %** plus forte augmentation salariale prévue par région (Saskatchewan)
- 1,9 %** taux d'inflation prévu
- 382** nombre d'organisations participantes

Source : Le Conference Board du Canada.

Les budgets réservés à la rémunération au mérite, c'est-à-dire à l'augmentation du salaire de base en fonction du rendement, étaient de 2,6 % en 2014, soit légèrement inférieurs aux 2,7 % prévus pour 2015. Globalement, les budgets salariaux (y compris les ajustements relatifs aux promotions et les changements au relevé des effectifs, etc.) devraient augmenter de 3,1 % en 2015, contre 2,9 % en 2014.

Les régimes d'incitatifs à court terme continuent de représenter pour les organisations un moyen important de stimuler le rendement individuel et collectif. La majorité des répondants au sondage (83 %) ont mis en place au moins un de ces régimes. En moyenne, en 2014, les incitatifs à court terme représentaient 11,0 % des dépenses des organisations au titre de la rémunération totale de base, alors qu'elles visaient 10,8 %. Autrement dit, elles ont dans l'ensemble déboursé légèrement plus qu'elles ne le prévoyaient. En 2015, elles comptent ramener cette part à 10,7 %, soit à peu près la même proportion que celle prévue pour 2014.

Les régimes de rémunération au rendement à court terme restent un outil important qu'utilisent les organisations pour stimuler le rendement organisationnel et individuel.

La croissance économique canadienne continue d'avoisiner les 2 %. Cependant, comme la conjoncture continue de s'améliorer aux États-Unis, le potentiel pour les exportateurs canadiens et pour l'économie canadienne en général s'améliore aussi. Le Conference Board du Canada s'attend à une meilleure croissance en 2015 et à une augmentation de 2,6 % du PIB réel, contre 2,2 % en 2014.

Pour l'instant, la croissance de l'emploi stagne en 2014. Si elle ne redémarre pas sensiblement dans les tout prochains mois, 2014 pourrait se solder par un des gains annuels les plus faibles depuis 2001 (exception faite du ralentissement de 2009). La croissance de l'emploi est faible et le taux de chômage se situe à un creux historique d'environ 7 % attribué en partie à une absence de croissance de la population active. Les perspectives pour 2015 sont plus positives. Les bénéfices des entreprises augmentant et les perspectives commerciales s'améliorant, le Conference Board s'attend en 2015 à une meilleure tenue de l'emploi, qui devrait afficher une croissance de 1,5 %. C'est le secteur des services qui créera la majorité des nouveaux emplois.

En tout, 64 % des organisations sondées en 2015 déclarent avoir du mal à recruter et/ou à maintenir en poste des employés, contre 58 % en 2014. Les pressions exercées sur le marché du travail varient considérablement d'une région et d'une industrie à l'autre. Ainsi, 85 % des organisations de la Saskatchewan et un peu plus des trois quarts (78 %) de celles de l'Alberta peinent à attirer et à retenir des talents, ce qui est nettement supérieur à la moyenne. En tout, 82 % des organisations du secteur de la santé font état de difficultés. Elles déclarent que certaines compétences bien particulières sont très recherchées. Les spécialistes des technologies de l'information — suivis des ingénieurs et des métiers spécialisés — sont parmi les plus convoités. Au cours de l'année écoulée, le taux de roulement volontaire était de 7,0 %, ce qui n'est guère différent des 7,3 % rapportés l'an dernier.

En tout, 16 % des responsables de la planification de la rémunération s'attendent à une augmentation de leur effectif en 2015 et 7 % seulement à une baisse. En fait, 65 % des organisations ne prévoient aucun changement significatif dans leur effectif, les autres n'étant pas certains.

Le dollar canadien devrait continuer de s'échanger autour de 0,90 USD sur l'année à venir. La Banque du Canada maintient les taux d'intérêt au même niveau, mais l'économie continuant de s'améliorer en 2015, nous nous attendons à ce qu'elle commence à les relever. Les gouvernements fédéral et provinciaux appliquent des restrictions budgétaires, mais la conjoncture économique reste particulièrement difficile pour de nombreuses provinces qui essaient de gérer leurs budgets de soins de santé.

L'économie continuant de s'améliorer en 2015, nous nous attendons à un relèvement graduel des taux d'intérêt.

Les responsables de la planification de la rémunération continuent d'offrir des hausses salariales modérées qui sont cependant supérieures à l'inflation. Si l'augmentation des salaires réels profite au revenu des ménages et alimente les dépenses de consommation, le Canada devra toutefois, pour rester compétitif, améliorer sa productivité toujours à la traîne, alors que les marchés du travail qui ne manqueront pas de se resserrer.

Chapter 1

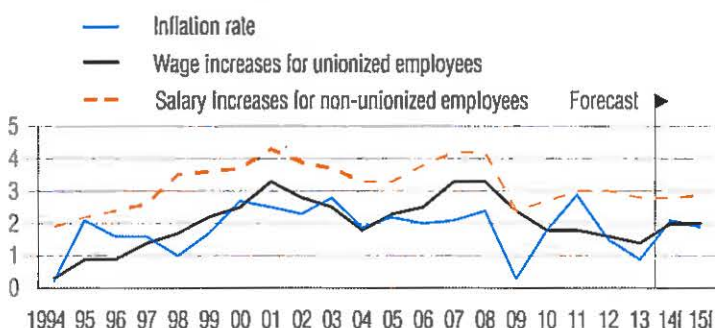
Compensation Planning and Practices

Chapter Summary

- ◆ Keeping pace with the past couple of years, organizations are planning moderate base salary increases for 2015. The average pay increase for non-unionized employees is projected to be 2.9 per cent in 2015—almost exactly in line with actual increases of 2.8 per cent in 2014.
- ◆ Most organizations are planning salary increases for 2015, with 2 per cent of organizations anticipating a base salary freeze for all employees.
- ◆ Eighty-three per cent of respondents have short-term incentive pay plans—typically cash bonuses or incentives—with an average cost of 11.0 per cent of total base pay spending in 2014. Average actual payouts exceeded targets in 2014 in approximately half of organizations, across all employee groups.

Chart 1

Inflation vs. Increases, 1994–2015
(percentage change)



f = forecast

Note: Wage increases for unionized employees from 1994–2013 are actuals as reported by Employment and Social Development Canada, Workplace Information Directorate. Wage increases for unionized employees for 2014 (actual) and 2015 (projected) are from the Compensation Outlook 2015 survey.

Sources: The Conference Board of Canada; Employment and Social Development Canada, Workplace Information Directorate.

non-unionized employees is projected to be 2.9¹ per cent in 2015—1 percentage point higher than the 1.9 total inflation rate forecast for the year ahead.² (See Chart 1.)

MANAGING BASE PAY

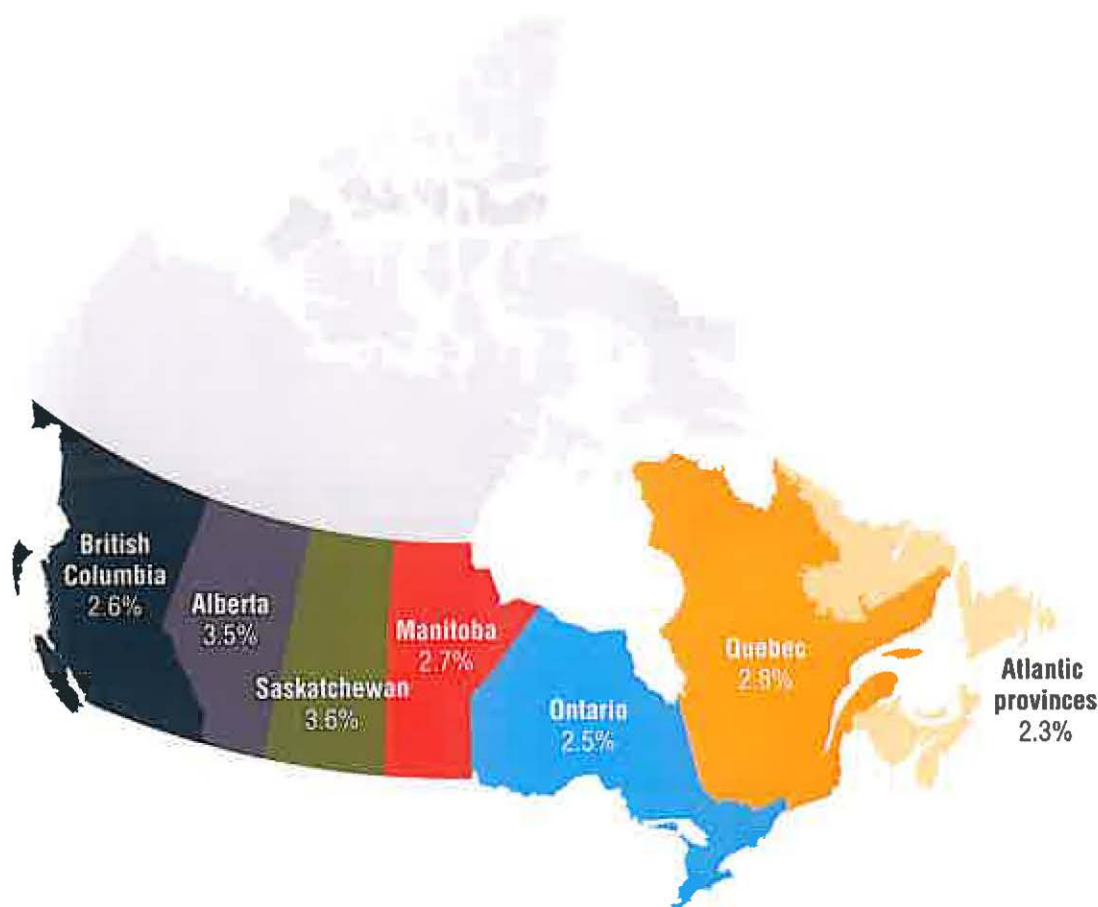
According to information provided by the 2015 Compensation Planning Outlook's 382 survey respondents, the average pay increase for

¹ Note: Unless stated otherwise, all average salary increase percentages reported in the text include zero per cent increases. For averages excluding zero per cent increases, please consult tables 1–4.

² The consumer price index forecast for 2015 is from the *Canadian Outlook Economic Forecast: Autumn 2014*.

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Exhibit 1
Planned Average Salary Increases, by Region, 2015
(per cent)



Source: The Conference Board of Canada.

The actual overall increase for 2014 was 2.8 per cent, slightly lower than what was projected by compensation planners in last year's survey (2.9 per cent). Similar to the past few years, the public sector³ anticipates a slightly lower increase of 2.7 per cent, while the private

sector is looking at an increase of 2.9 per cent. Neither sector is straying far from the base pay increases given in 2014, which were 2.9 in the private sector and 2.6 in the public sector. (See Exhibit 1; tables 1–4; and charts 2 and 3.)

³ Note: The public sector includes federal and provincial government departments, agencies, and Crown corporations; municipalities; hospitals; and universities and colleges.

Table 1
2014 Actual Compensation Increases, by Employee Group
(non-unionized employees)

Employee group*	Policy line (range increase; %)**		Merit budget (%)		Employees receiving an increase (%)	Average salary increase for those receiving one (%)	Average increase among all employees (%)		2014 average base salary (\$)
	zeros included	zeros excluded	zeros included	zeros excluded			zeros included	zeros excluded	
Senior executives	1.4	2.1	2.5	2.8	80.0	3.6	2.9	3.2	292,051
	1.6	2.0	2.8	3.0	100.0	3.2	3.0	3.0	265,854
Executives	1.6	2.3	2.6	2.8	84.6	3.4	2.9	3.1	190,034
	1.8	2.0	2.9	3.0	100.0	3.1	3.0	3.0	183,037
Management	1.8	2.2	2.7	2.8	89.1	3.2	2.9	3.0	114,867
	2.0	2.0	3.0	3.0	97.0	3.0	2.9	2.9	110,000
Professional—technical	1.8	2.2	2.7	2.8	88.3	3.2	2.9	3.0	86,827
	2.0	2.0	3.0	3.0	98.0	3.0	2.8	2.8	82,207
Professional—non-technical	1.7	2.2	2.7	2.8	89.3	3.2	2.9	2.9	79,470
	2.0	2.0	3.0	3.0	97.0	3.0	2.8	2.8	76,776
Technical and skilled trades	1.7	2.2	2.8	3.0	87.7	3.1	2.8	2.9	70,871
	2.0	2.0	3.0	3.0	100.0	3.0	2.9	2.9	67,808
Clerical and support	1.6	2.1	2.7	2.8	88.1	3.1	2.8	2.8	52,314
	2.0	2.0	3.0	3.0	95.1	3.0	2.8	2.8	51,735
Service and production	1.5	2.0	2.6	2.9	86.4	2.9	2.6	2.7	53,185
	2.0	2.0	2.9	3.0	96.0	2.8	2.5	2.8	49,112
Overall	1.7	2.1	2.6	2.7	85.9	3.2	2.8	2.9	n.a
	1.9	2.0	2.8	2.9	95.1	3.0	2.8	2.9	n.a

***Employee Category Definitions**

Senior executives: all executives reporting directly to the CEO

Executives: all other executives

Management: senior and middle management who plan, develop, and implement policies and programs

Professional—technical: computer analysts, engineers, information technology specialists, developers, etc.

Professional—non-technical: all other professionals such as accountants, lawyers, doctors, etc., *excluding sales*

Technical and skilled trades: technologists, technicians, millwrights, etc.

Clerical and support: administrative staff, clerks, coordinators, assistants, etc.

Service and production: employees providing service, production, maintenance, transportation, etc.

****Definitions**

Policy line/range increase: percentage increase to salary ranges, among organizations with ranges (often associated with increase to cost of living, economic adjustment)

Merit budget: budget for performance-based base salary increases, expressed as a percentage of base pay

Employees receiving base salary increase: percentage of employees receiving a base salary increase, as a percentage of all employees in category

Average salary increase for those receiving one: total percentage increase to base salary from all sources—range, merit, economic, progression (excluding increases due to promotions). Excludes employees receiving a zero per cent increase

Overall average salary increase: total percentage increase to base salary from all sources—range, merit, economic, progression (excluding increases due to promotions). Includes employees receiving a zero per cent increase

Average annual base salary: the average annual base salary in dollars after the increases have been applied

Notes: For each result, the top number is the average (mean) and the bottom number (in italics) is the median. "Zeros" refers to organizations that reported a zero increase. One organization's range increases were excluded due to a significant market adjustment.

n.a. = not applicable

Source: The Conference Board of Canada.

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Table 2
2015 Planned Compensation Increases, by Employee Group
(non-unionized employees)

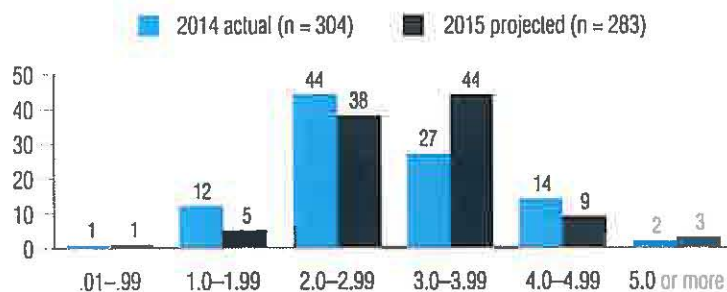
Employee group*	Policy line (range increase; %)		Meril budget (%)		Average increase among all employees (%)	
	zeros included	zeros excluded	zeros included	zeros excluded	zeros included	zeros excluded
Senior executives	1.6 2.0	2.0 2.0	2.7 3.0	3.0 3.0	2.8 3.0	3.0 3.0
Executives	1.7 2.0	2.1 2.0	2.7 3.0	2.9 3.0	2.8 3.0	3.0 3.0
Management	1.8 2.0	2.0 2.0	2.8 3.0	2.9 3.0	2.9 3.0	3.0 3.0
Professional—technical	1.9 2.0	2.1 2.0	2.8 3.0	2.9 3.0	2.9 3.0	3.0 3.0
Professional—non-technical	1.8 2.0	2.0 2.0	2.8 3.0	2.8 3.0	3.0 3.0	3.0 3.0
Technical and skilled trades	1.9 2.0	2.1 2.0	2.8 3.0	3.0 3.0	2.8 3.0	3.0 3.0
Clerical and support	1.8 2.0	2.0 2.0	2.7 3.0	2.8 3.0	2.9 3.0	2.9 3.0
Service and production	1.8 2.0	2.0 2.0	2.6 3.0	2.8 3.0	2.7 3.0	2.8 3.0
Overall	1.7 2.0	2.0 2.0	2.7 3.0	2.8 3.0	2.9 3.0	2.9 3.0

Notes: For each result, the top number is the average (mean) and the bottom number (in italics) is the median. "Zeros" refers to organizations that reported a zero increase. One organization's range increases were excluded due to a significant market adjustment.

*see Table 1 for definitions

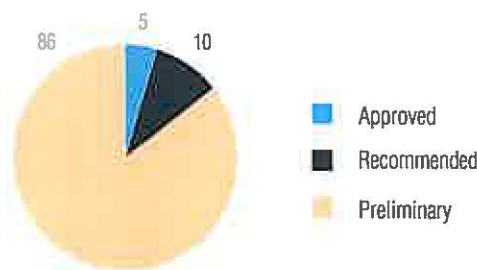
Source: The Conference Board of Canada.

Chart 2
Average Salary Increase Distribution
(percentage of organizations)



Source: The Conference Board of Canada.

Chart 3
Current Status of Salary Budget Recommendations
for 2015
(n = 382; percentage of organizations)



Source: The Conference Board of Canada.

Table 3
2014 Actual Compensation Increases by Industry, Sector, and Region
(non-unionized employees)

	Policy line (range increase; %)		Merit budget (%)		Employees receiving an increase (%)	Average increase for those receiving one (%)	Average increase among all employees (%)	
	zeros included	zeros excluded	zeros included	zeros excluded			zeros included	zeros excluded
Overall (n = 371)	1.7	2.1	2.6	2.7	85.9	3.2	2.8	2.9
Industry								
Oil and gas (n = 26)	2.6	2.9	3.8	4.0	91.5	4.4	4.0	4.1
Chemical, pharmaceutical, and allied products (n = 8)	2.2	2.2	2.6	2.6	96.8	3.0	2.9	2.9
Services—accommodation, food, and personal (n = 16)	1.6	1.8	2.8	2.8	94.5	3.1	2.9	2.9
Services— scientific, construction, and engineering (n = 15)	2.1	2.4	2.9	3.2	79.3	3.5	2.8	3.1
Natural resources, excluding oil and gas (n = 14)	1.7	1.9	2.5	2.5	87.6	3.0	2.7	2.9
Food, beverage, and tobacco (n = 9)	1.8	2.1	2.6	2.6	93.3	3.2	3.0	3.0
High technology (n = 18)	1.5	2.3	2.6	2.8	76.8	3.0	2.4	2.5
Government (n = 38)	1.8	2.0	2.4	2.6	81.1	3.0	2.7	2.9
Retail trade (n = 17)	1.3	2.3	2.2	2.2	79.4	3.0	2.5	2.5
Transportation (n = 23)	1.8	2.2	2.9	2.9	86.8	2.9	2.8	2.8
Finance, insurance, and real estate (n = 63)	1.6	2.0	2.7	2.7	90.7	3.2	3.0	3.0
Utilities (n = 22)	1.7	2.0	2.8	3.1	84.3	3.5	3.0	3.3
Wholesale trade (n = 7)	1.9	2.3	2.8	2.8	82.7	3.0	2.6	2.6
Services—professional and technical services (n = 13)	1.5	1.9	2.4	2.7	82.1	3.8	2.9	2.9
Not-for-profit (n = 20)	1.1	1.8	2.6	2.8	86.0	3.2	2.8	2.8
Education (n = 17)	1.6	1.8	2.1	2.1	70.9	3.1	2.5	2.5
Manufacturing (n = 23)	1.9	2.4	2.4	2.5	93.5	2.6	2.5	2.5
Communications and telecommunications (n = 13)	1.6	1.6	1.8	1.8	79.7	2.7	2.1	2.1
Health (n = 9)	0.9	1.2	1.1	1.4	83.3	2.3	1.9	1.9
Sector								
Private sector (n = 275)	1.7	2.1	2.7	2.8	87.9	3.2	2.9	2.9
Public sector (n = 96)	1.6	1.9	2.3	2.5	79.1	3.1	2.6	2.8

Note: Sample sizes above indicate the number of organizations providing a response for at least one actual or projected increase.
Source: The Conference Board of Canada.

(continued ...)

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Table 3 (cont'd)
2014 Actual Compensation Increases by Industry, Sector, and Region
(non-unionized employees)

Region	Policy line (range increase; %)		Merit budget (%)		Employees receiving an increase (%)	Average increase for those receiving one (%)	Average increase among all employees (%)	
	zeros included	zeros excluded	zeros included	zeros excluded			zeros included	zeros excluded
Atlantic provinces (n = 16)	2.0	2.7	1.7	2.0	79.4	2.9	2.3	2.8
Quebec (n = 45)	1.8	1.9	2.5	2.5	87.7	3.1	2.7	2.8
Ontario (n = 167)	1.4	1.9	2.3	2.4	83.4	2.8	2.5	2.5
Manitoba (n = 8)	1.6	1.9	2.3	3.0	82.7	4.0	3.1	3.1
Saskatchewan (n = 26)	2.0	2.0	3.0	3.1	94.7	3.8	3.6	3.6
Alberta (n = 77)	2.1	2.6	3.4	3.4	91.4	3.9	3.6	3.6
British Columbia (n = 32)	1.5	2.1	2.6	2.8	78.0	3.2	2.6	3.0

Note: Sample sizes above indicate the number of organizations providing a response for at least one actual or projected increase.
Source: The Conference Board of Canada.

Table 4
2015 Planned Compensation Increases by Industry, Sector, and Region
(non-unionized employees)

	Policy line (range increase; %)		Merit budget (%)		Average increase among all employees (%)	
	zeros included	zeros excluded	zeros included	zeros excluded	zeros included	zeros excluded
Overall (n = 371)	1.7	2.0	2.7	2.8	2.9	2.9
Industry						
Oil and gas (n = 26)	2.8	2.8	3.9	3.9	3.9	3.9
Chemical, pharmaceutical, and allied products (n = 8)	1.7	2.0	3.0	3.0	3.2	3.2
Services—accommodation, food, and personal (n = 16)	2.2	2.2	2.8	2.8	3.0	3.0
Services—scientific, construction, and engineering (n = 15)	2.1	2.1	3.9	3.9	3.0	3.2
Natural resources, excluding oil and gas (n = 14)	2.2	2.2	2.6	2.6	3.0	3.0
Food, beverage, and tobacco (n = 9)	1.4	1.9	2.7	2.7	2.9	2.9
High technology (n = 18)	1.7	2.0	2.9	2.9	2.9	2.9
Government (n = 38)	1.8	2.0	2.4	3.2	2.8	2.9
Retail trade (n = 17)	1.5	2.1	2.6	2.6	2.8	2.8
Transportation (n = 23)	1.9	1.9	2.5	2.5	2.8	2.8
Finance, insurance, and real estate (n = 63)	1.7	1.9	2.5	2.5	2.8	2.8
Utilities (n = 22)	1.5	1.9	2.8	3.0	2.8	3.0

Note: Sample sizes above indicate the number of organizations providing a response for at least one actual or projected increase.
Source: The Conference Board of Canada.

(continued ...)

Table 4 (cont'd)
2015 Planned Compensation Increases by Industry, Sector, and Region
(non-unionized employees)

	Policy line (range increase; %)		Merit budget (%)		Average increase among all employees (%)	
	zeros included	zeros excluded	zeros included	zeros excluded	zeros included	zeros excluded
Industry						
Wholesale trade (n = 7)	1.7	2.1	2.8	2.8	2.8	2.8
Services—professional and technical services (n = 13)	1.7	1.9	2.4	2.6	2.7	2.7
Not-for-profit (n = 20)	1.3	1.7	3.0	3.0	2.7	2.7
Education (n = 17)	1.8	1.9	2.0	2.3	2.6	2.9
Manufacturing (n = 23)	1.7	1.7	2.2	2.5	2.5	2.5
Communications and telecommunications (n = 13)	1.4	1.6	1.9	1.9	2.3	2.3
Health (n = 9)	1.5	1.5	1.3	1.5	2.2	2.2
Sector						
Private sector (n = 275)	1.8	2.0	2.8	2.9	2.9	2.9
Public sector (n = 96)	1.7	1.9	2.2	2.6	2.7	2.9
Region						
Atlantic provinces (n = 16)	1.3	1.9	1.6	1.8	2.3	2.3
Quebec (n = 45)	1.9	1.9	2.6	2.7	2.8	2.8
Ontario (n = 167)	1.5	1.8	2.4	2.5	2.5	2.6
Manitoba (n = 8)	2.0	2.0	1.8*	2.4	2.7	2.7
Saskatchewan (n = 26)	2.2	2.2	2.9	3.0	3.6	3.6
Alberta (n = 77)	2.3	2.4	3.6	3.7	3.5	3.6
British Columbia (n = 32)	1.6	1.9	2.6	2.7	2.6	2.8

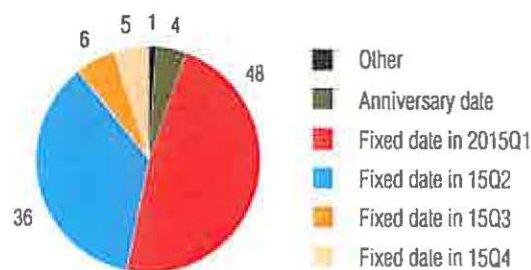
Note: Sample sizes above indicate the number of organizations providing a response for at least one actual or projected increase.

*caution must be exercised in interpreting data from the region for merit budget due to small sample size

Source: The Conference Board of Canada.

Only 2 per cent of organizations are projecting that they will freeze salaries next year. The vast majority of organizations (95 per cent) provide annual salary increases on a fixed date as opposed to on an anniversary date. (See Chart 4.)

Chart 4
Planned Implementation of Salary Increases for 2015
(n = 370; percentage of organizations)



Note: Total does not add to 100 due to rounding.

Source: The Conference Board of Canada.

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In 2014, the average actual salary increase among non-unionized employees across all responding organizations was 2.8 per cent. Eighty-six per cent of employees received an increase to base salary in 2014, up slightly from 2013 when 83 per cent received an increase. For those employees who did receive a raise, the average increase was 3.2 per cent. Three per cent of organizations reported a salary freeze for all employees in 2014.

Many organizations make an effort to differentiate base pay increases between different levels of performance.

Average increases to salary ranges (or “structures”) are expected to be 1.7 per cent in 2015, the same range of movement seen in 2014. Eleven per cent of organizations with salary range structures plan to hold their ranges constant in 2015, down from 19 per cent in 2014. Merit budgets, the budget for performance-based base salary increases, were 2.6 per cent in 2014 and are forecast to be 2.7 per cent in 2015.

In 2014, increases to salary budgets were 2.9 per cent. Looking ahead to 2015, organizations are anticipating salary budgets will increase by 3.1 per cent. At the time of the survey, most organizations (86 per cent) were still working with preliminary budgets.

DIFFERENTIATING BASE PAY

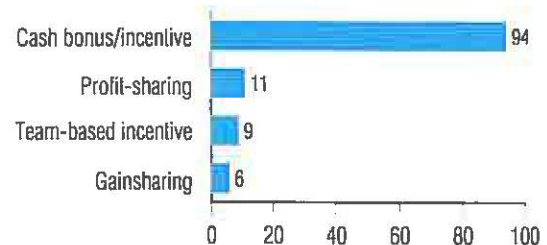
Over three-quarters of organizations (79 per cent) link base pay to performance. “Top” performers received an average salary increase of 4.0 per cent, compared with 2.7 per cent for “satisfactory” performers and 0.7 per cent for “poor” performers. Many organizations make an effort to differentiate base pay increases between different levels of performance. Eighty-seven

per cent reward top performers with increases that are up to twice the average increase given to satisfactory performers. Thirteen per cent reward “outstanding” performance with increases that are two to three times the average increase for satisfactory performance. One per cent of organizations reported that the average increases for outstanding performers are more than three times those given to satisfactory performers.

SHORT-TERM INCENTIVE PLANS

The majority of survey respondents (83 per cent) have at least one short-term incentive pay plan (STIP) in place. These plans are especially popular in the private sector, where 92 per cent of organizations reported having at least one plan in place. By comparison, 56 per cent of public sector organizations have one (or more) short-term incentive pay plan. Cash bonuses or incentive plans are, by far, the most common form—used by 94 per cent of organizations that have at least one of these types of short-term incentive pay plans in effect. (See Chart 5; and tables 5 and 6.)

Chart 5
Short-Term Incentive Pay—Plan Types
(n = 290; per cent, based on organizations that have at least one plan)



Note: Figures do not add to 100 because some respondents have more than one plan.
Source: The Conference Board of Canada.

Table 5

Overall Prevalence of Incentive Plans, by Sector and Employee Group
(per cent, based on all organizations)

	Short-term incentive plans			Long-term incentive plans		
	Public sector (n = 98)	Private sector (n = 284)	Overall (n = 382)	Public sector (n = 98)	Private sector (n = 284)	Overall (n = 382)
Overall	56	92	83	6	59	46
Senior executives	56	88	80	6	58	44
Executives	49	87	77	4	53	40
Management	45	90	78	2	27	21
Professional—technical	35	84	72	0	13	10
Professional—non-technical	35	82	71	0	10	8
Technical and skilled trades	25	63	54	0	9	7
Clerical and support	35	70	62	0	5	4
Service and production	23	58	51	0	5	4

Note: Overall prevalence of incentive plans refers only to ongoing plans. For the purposes of this question, any ad hoc rewards of stock options or grants are excluded.

Source: The Conference Board of Canada.

Average actual payouts exceeded targets in 2014 in nearly half of organizations, across all employee groups. (See Table 7.) In 2014, the actual cost of short-term incentive pay plans averaged 11.0 per cent of total base pay spending, higher than the 10.8 per cent that was planned for the year. The percentage of eligible employees receiving a payout varies by employee group, ranging from 90 to 97 per cent. In 2015, organizations expect to spend 10.7 per cent as a percentage of total base pay spending on short-term incentive pay.

Table 6

Short-Term Incentive Pay, by Sector and Employee Group
(per cent*)

	Public sector (n = 55)	Private sector (n = 262)	All sectors combined (n = 317)
Senior executives	100	96	97
Executives	92	95	95
Management	80	97	94
Professional—technical	60	91	85
Professional—non-technical	58	90	85
Technical and skilled trades	40	69	64
Clerical and support	58	77	73
Service and production	37	62	59

*based on organizations that reported having short-term incentive pay for at least one employee category—non-unionized employees

Source: The Conference Board of Canada.

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Table 7
Annual Short-Term Incentive Pay Plan Payouts, by Employee Group
(percentage of base salary, non-unionized employees)

2014 Payouts*		Average payout				Percentage of organizations			
Employee group	(n =)	Target payout	Actual payout	Eligible for payouts	Receiving payouts***	(n =)	Exceeded target	Met target	Fell short of target
Senior executives	223	43.5	46.9	99	97	197	45	12	43
Executives	210	32.1	33.9	98	96	185	44	11	44
Management	236	17.1	17.5	97	95	216	48	9	43
Professional—technical	178	11.3	11.7	95	94	158	48	13	40
Professional—non-technical	186	10.6	10.6	94	94	168	48	13	39
Technical and skilled trades	72	8.2	8.9	95	93	66	55	15	30
Clerical and support	163	7.1	7.0	97	94	147	48	14	38
Service and production	67	7.1	6.9	94	90	59	41	20	39

2015 Projected Payouts**			
Employee group	(n =)	Target payout	Plan maximum
Senior executives	208	43.6	71.3
Executives	190	31.2	51.4
Management	214	17.3	29.3
Professional—technical	156	11.6	19.3
Professional—non-technical	171	10.6	17.5
Technical and skilled trades	67	8.4	13.5
Clerical and support	151	6.9	11.1
Service and production	57	7.1	10.7

*2014 payouts refer to payouts based on 2013 results, paid in 2014. Sample size indicates the number of organizations providing a response for a target for that employee group

**2015 payouts refer to payouts based on 2014 results, to be paid in 2015. Sample size indicates the number of organizations providing a response for a target for that employee group

***percentage of employees in category

Source: The Conference Board of Canada.

When comparing short-term incentive pay targets as a percentage of base pay, targets vary widely across employee groups and industries. Organizations in the oil and gas and natural resources industries have the

highest targets overall, and across most employee groups. Government⁴ targets remain the most conservative. (See tables 8 and 9.)

4 Note: The government sector includes federal governments, provincial governments, and municipalities, but excludes Crown corporations.

Table 8
2015 Short-Term Incentive Pay Plan Targets for Selected Industries, by Employee Group
(percentage of base salary)

Employee group	Oil and gas (n = 21)	Natural resources (n = 11)	Manufacturing (n = 15)	Transportation (n = 16)	Finance, insurance, and real estate (n = 49)	Communications/telecommunications (n = 9)	High technology (n = 17)	Services—accommodation, food, personal (n = 11)	Government (n = 10)	Retail trade (n = 12)	Utilities (n = 19)	Services—scientific, construction and engineering (n = 16)	Services—professional and technical (n = 9)
Senior executives	62.2	53.6	36.2	45.3	48.5	56.6	42.1	40.5	19.9	40.0	32.7	52.3	38.0
Executives	45.8	40.4	28.9	28.6	33.5	34.6	31.5	22.2	14.9	27.6	23.3	43.0	27.4
Management	26.6	20.3	18.2	14.5	16.3	14.8	16.2	14.8	10.3	15.7	15.8	24.1	13.3
Professional—technical	16.8	12.3	12.9	12.1	10.3	9.0	9.5	*	7.3	12.4	11.2	15.0	7.8
Professional—non-technical	14.9	11.1	9.8	10.9	10.3	*	8.1	*	8.4	8.7	10.6	16.0	7.3
Technical and skilled trades	10.9	9.5	7.1	*	6.6	*	*	*	*	*	6.5	*	*
Clerical and support	9.8	8.5	7.3	5.9	6.0	*	6.1	*	5.7	5.6	7.5	*	7.6
Service and production	10.0	8.9	7.8	*	5.4	*	*	*	*	*	*	*	*

Note: sample size indicates the number of organizations providing a target for at least one employee group

*not shown due to small sample size

Source: The Conference Board of Canada.

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Table 9

Short-Term Incentive Pay Plan Target Adjustments, by Employee Group
(per cent, based on organizations providing 2014 and 2015 targets)

Employee group	Adjusting target	Increasing	Average target increase	Decreasing	Average target decrease	Overall average target movement*
Senior executives	12.7	7.8	7.1	4.9	-6.7	1.8
Executives	10.7	7.0	7.4	3.7	-5.1	2.2
Management	14.2	7.5	3.4	6.6	-2.1	0.8
Professional—technical	14.1	11.5	2.0	2.6	-2.8	1.2
Professional—non-technical	12.9	8.2	2.3	4.7	-2.6	0.5
Technical and skilled trades	13.6	9.1	4.5	4.5	-4.2	1.6
Clerical and support	10.9	5.4	1.6	5.4	-2.3	-0.32
Service and production	10.5	7.0	2.2	3.5	-2.0	0.8

*average target movements based on data provided by those organizations adjusting targets
Source: The Conference Board of Canada.

DIFFERENTIATING SHORT-TERM INCENTIVES

More than two-thirds of organizations (68 per cent) with short-term incentive pay plans link their performance management system to their plans. The majority of organizations (79 per cent) provide outstanding or top performers with short-term incentive payouts that are up to twice the amount given to satisfactory performers. Fifteen per cent provide short-term incentive payouts that are two to three times the average payout for satisfactory performance, and 6 per cent offer more than three times the typical short-term incentive payout to their top performers. The average short-term incentive payout made to top performers was 15.9 per cent of base pay, compared with 10.2 per cent to satisfactory performers and 3.3 per cent to poor performers. Among those organizations with short-term incentive plans, average base salary increases tend to rise with higher short-term incentive payouts. (See Table 10.)

Table 10

2014 Average Base Salary Increases by Per Cent of Base Payroll Spent on Short-Term Incentive Plans
(per cent)

STIP spent as % payroll	n =	Average base salary increase 2014
0.01–5	49	2.6
5–10	40	2.8
10–15	36	3.0
15–20	11	3.4
20+	24	3.4

Source: The Conference Board of Canada.

Organizations were asked to list the top three objectives of their short-term incentive pay plans. The top objectives are to drive organizational (71 per cent) and individual (61 per cent) performance. (See Table 11.) The majority of organizations feel that their plans are effective in driving both these objectives. (See Table 12.)

Table 11
Objectives of Short-Term Incentive Pay Plans
(percentage of organizations; n = 306)

Drive organizational performance	71
Drive individual performance	61
Link individual performance to corporate performance	54
Employee retention	33
Market competitiveness	31
Drive team performance	19
Employee attraction	11
Support corporate culture	9
Improve customer satisfaction	5
Other (recognition, employee engagement etc.)	2

Note: Respondents were asked to select (from a list) the top three objectives of their short-term incentive pay plans.
Source: The Conference Board of Canada.

Table 12
Effectiveness at Meeting Objectives of Short-Term Incentive Plans
(percentage of organizations)

	n =	Not at all effective	Not very effective	Somewhat effective	Effective	Highly effective
Drive individual performance	176	1	2	29	51	18
Drive team performance	54	6	0	33	46	15
Drive organizational performance	197	1	7	25	52	15
Employee retention	87	2	5	30	52	12
Employee attraction	26	0	8	35	46	12
Improve customer satisfaction	15	0	7	47	27	20
Link individual performance to corporate performance	151	1	5	30	48	16
Market competitiveness	91	0	6	20	55	20
Support corporate culture	27	0	0	30	52	19

Note: Respondents were asked to rate the effectiveness of their short-term incentive pay plans at meeting their top three objectives of these plans.
Source: The Conference Board of Canada.

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Short-Term Incentive Plans by the Numbers

- 83%** have at least one plan in place
- Of these:
 - 68%** link short-term incentives to performance management
 - 79%** provide top performers with short-term incentive payouts that are twice that of satisfactory performers
 - 15%** provide top performers with short-term incentive payouts that are two to three times that of satisfactory performers
 - 40%** or more paid out at above target across all employee groups
 - 11.0%** is the average cost of short-term incentive plans as a percentage of total base pay spending.

Source: The Conference Board of Canada.

MID-TERM INCENTIVE PLANS

Sixteen per cent of organizations have “medium-term” or “mid-term” plans that pay out after two or three years. They are more common in the private sector where 21 per cent of private sector organizations use these types of plans, as compared with 2 per cent of public sector organizations.

LONG-TERM INCENTIVE PLANS

The prevalence of long-term incentive plans (LTIPs) remains stable. Close to half of respondents (46 per cent) have LTIPs, and an additional 3 per cent are considering putting them in place for the upcoming year. This figure is influenced mostly by LTIP use in the private sector, where 59 per cent of organizations reported LTIP use. By comparison, LTIPs are not common in the public sector—only 6 per cent have such plans. Most publicly traded firms offer LTIPs (87 per cent), as do most of the firms controlled by a publicly traded company (67 per cent).

Chart 6

Long-Term Incentive Plans—Plan Types

(n = 182; per cent, based on organizations that reported having at least one type of plan)



Notes: Figures do not add up to 100 because some respondents have more than one plan. Plan types refer only to ongoing plans. For purposes of this question, any ad hoc rewards of stock options or grants are excluded.

Source: The Conference Board of Canada.

Traditional stock option plans remain the most prevalent form of LTIP. Slightly less than half (41 per cent) of organizations with an LTIP currently have this type of plan—down from a high of 73 per cent in 1998 when the Conference Board first collected this information. Two-thirds (67 per cent) of privately owned firms with LTIPs in place have a long-term cash incentive, making it the most common type of plan among this group. In most organizations, eligibility for long-term incentives still resides mostly among the senior executive and executive ranks. (See Table 13 and Chart 6.)

The average grant value of long-term incentives provided to senior executives is 100.7 per cent of base salary; executives can expect about half that percentage at 57.9 per cent of base pay. (See Table 14.)

Table 13
Long-Term Incentive Plans—Eligibility, by Employee Group
(per cent*)

	Organizations with LTIP for this category (n = 172)	Employees eligible for LTIPs	Employees receiving LTI in 2014**
Senior executives	99	98	95
Executives	87	95	94
Management	46	71	93
Professional—technical	20	79	85
Professional—non-technical	17	81	79
Other non-management	8	72	80

*based on organizations that reported having LTIPs for at least one employee category, non-unionized employees

**based on percentage eligible

Source: The Conference Board of Canada.

Table 14
Grant Value of LTI Awards in 2014
(grant value as a percentage of base pay)

	(n =)	Mean
Senior executives	104	100.7
Executives	94	57.9
Management	60	33.9
Professional—technical	21	25.9
Professional—non-technical	20	25.9
Other non-unionized	12	23.1

Source: The Conference Board of Canada.

REWARDS STRATEGY AND PRIORITIES

Similar to last year, the top three rewards priorities for organizations over the next 12 to 18 months are:

1. Maintain a competitive market position.
2. Retain talent.
3. Review strategy and ensure alignment with business objectives.

Maintaining a competitive position still holds the number one spot, with nearly half of the responding organizations (48 per cent) selecting it as a top priority. Retaining talent continues to be a top priority on the agenda among 46 per cent of human resource

Table 15
Top Rewards Activities and Priorities*
(n = 379; percentage of organizations)

Next 12 to 18 months

1. Maintaining competitive position	48
2. Retaining talent	46
3. Reviewing strategy and ensuring alignment with business objectives	42
4. Connecting pay and performance	39
5. Attracting talent	37
6. Communicating rewards to employees	20
7. Containing benefit costs	15
8. Managing rewards on a total rewards basis	12
9. Maximizing effectiveness of variable pay	11
10. Containing pension costs	8
11. Managing executive compensation	6
12. Other	2
13. Talent management	1
14. Employee engagement	1

*respondents were asked to select (from a list) their top three rewards activities/priorities over the next 12 to 18 months

Source: The Conference Board of Canada.

professionals, moving slightly up from the 45 per cent who indicated it as a top priority last year. Reviewing strategy and ensuring alignment with business objectives continues to be seen in the top three priorities, increasing 6 percentage points to 42 per cent this year. (See Table 15.)

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Base pay represents the most significant component of total direct compensation, particularly in the public sector. The proportion of compensation represented by short-, medium-, and long-term incentives remains steady in both sectors as compared with a year ago. (See Chart 7.)

Nineteen per cent of responding organizations use regional rates of pay. The highest rates of pay are in Fort McMurray, Calgary and the capitals of the Northern territories. (See Chart 8.)

Chart 7
Distribution of Total Direct Compensation, by Sector*
(percentage of total direct compensation)

Public Sector

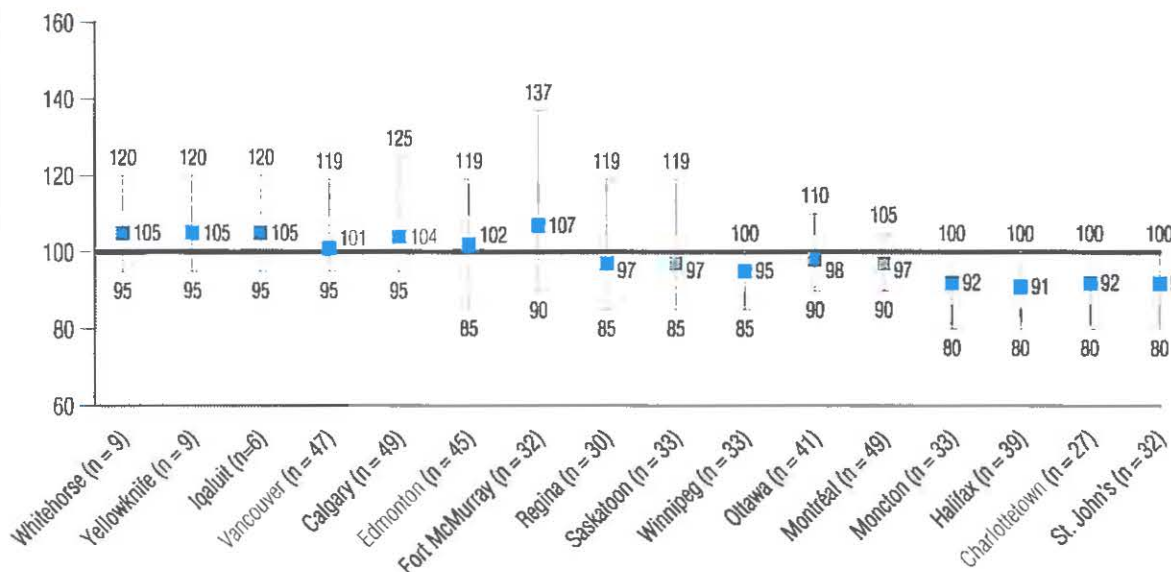


Private Sector



Note: Direct compensation can be defined as all compensation that is paid directly to the employee through base salary and incentives.
*refers to the desired distribution of total direct compensation components based on the design of the total direct compensation strategy
Source: The Conference Board of Canada.

Chart 8
Regional Compensation Levels
(Toronto Index = 100)



Source: The Conference Board of Canada.

Chapter 2

Human Resources Management

Chapter Summary

- ♦ Compared with 2013, more organizations are having difficulty retaining and attracting talent, increasing from 58 per cent in 2013 to 64 per cent in 2014. Regionally, Saskatchewan and Alberta continue to have the most difficulty in this area.
- ♦ Voluntary turnover has declined slightly in the past year, averaging 7.0 per cent.
- ♦ The overall average absenteeism rate for 2013–14 was 7.0 days per employee. The health sector has the highest absenteeism rate with an average of 9.6 days per employee.

RECRUITMENT AND RETENTION

The percentage of organizations experiencing difficulty recruiting and retaining particular skills has increased to 64 per cent—up from 58 per cent in 2014. Labour market pressures continue in Saskatchewan and Alberta, where 85 per cent and 78 per cent of employers are reporting difficulty attracting and retaining talent. To the east, pressure is reduced, with only 43 per cent of organizations in Manitoba,

Chart 9
Difficulty Recruiting and Retaining Particular Skills
(n = 374; percentage of organizations)



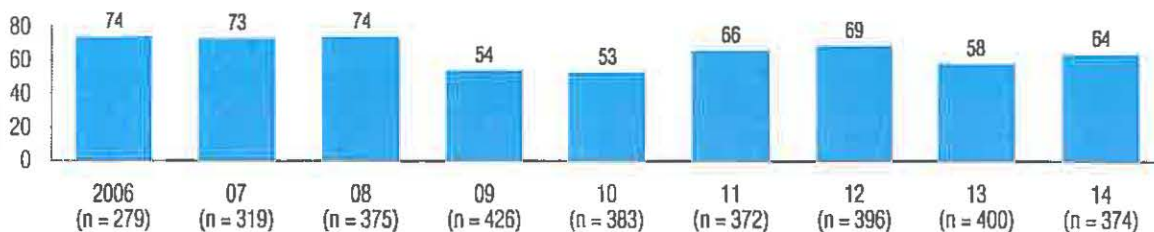
Source: The Conference Board of Canada.

55 per cent in Quebec, and 56 per cent in Ontario reporting difficulty recruiting and retaining particular skills. There was little variance between the public (68 per cent) and private (62 per cent) sectors in terms of difficulty recruiting and/or retaining talent. (See charts 9 and 10.)

There was little variance between the public and private sectors in terms of difficulty recruiting and/or retaining talent.

Chart 10

Difficulty With Recruiting and Retaining—Trend Over Time
(percentage of organizations reporting difficulties with recruitment and/or retention)



Source: The Conference Board of Canada.

By industry, pressure is high in the health sector where 82 per cent of organizations are facing challenges recruiting and retaining employees. This is significantly higher than last year when 46 per cent of organizations in the health sector reported difficulty. This profound change is driven by the increasing demand for highly specialized knowledge occupations in the health care sector.

In the health sector 82 per cent of organizations are facing challenges recruiting and retaining employees.

Attraction and retention continues to be a challenge in the services industry—scientific, construction, and engineering (77 per cent); utilities (76 per cent); and oil and gas (76 per cent). Pressure has eased in the chemical, pharmaceutical, and allied products sector where 54 per cent had trouble recruiting and retaining talent in 2013, compared with only 38 per cent this year.

The top five specializations in highest demand are specialist IT, engineering, skilled trades, management, and sales and marketing. This is roughly in line with what organizations have reported since the Conference Board started collecting these data over a decade ago. However, sales and marketing are slightly more in demand than accounting and finance positions, which held the fifth spot last year. The demand for specialist IT positions saw the biggest increase, from 32 per cent

Table 16

Top Professions/Specializations/Position Types in Demand

(n = 227; per cent; based on organizations reporting difficulty recruiting and/or retaining particular skills)

1. Specialist IT	36
2. Engineering—electrical, mechanical, etc.	35
3. Skilled trades	31
4. Management	21
5. Sales and marketing	15
6. Accounting/finance	14
7. General IT	10
8. Human resources	6
9. Executives	4
10. Senior executives	4
11. Physical sciences	3

Note: Respondents were asked to select their top three professions/specializations/position types. A wide variety of other responses were provided, representing a broad range of industries and occupations. The most common were nurses, legal professionals (including lawyers, legal counsel, and legal compliance positions), and actuarial positions from a variety of professions.

Source: The Conference Board of Canada.

in last year's survey to 36 per cent this year. The demand for professionals in this field surpassed the need for engineering professionals in this year's survey. (See Table 16.)

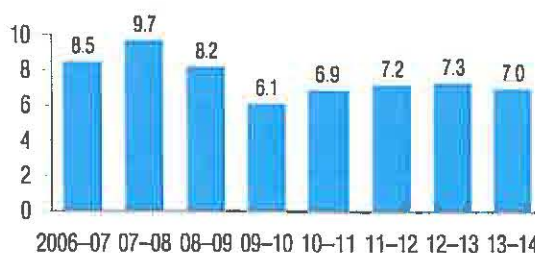
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According to findings from The Conference Board of Canada's *Human Resources Trends and Metrics: HR Measurement Benchmarking* report,¹ organizations continue to find conventional recruitment strategies and methods—such as corporate Internet sites, online job search websites, and employee referrals—the most effective ways to recruit talent. However, social media and social networking recruitment strategies are on the rise. Nearly half of respondents (47 per cent) reported that LinkedIn was one of their top three tactics to recruit for executive and management roles.

Voluntary turnover rates have dropped slightly with organizations reporting an average of 7.0 per cent. After dropping to 6.1 per cent in 2010 (after the economic downturn), turnover rates have been holding steady between 6.9 per cent and 7.3 per cent as workers are finding more opportunities. However, rates are not yet back to what we saw prior to the downturn, reaching a high of 9.7 per cent in 2008. The private sector still

faces higher rates of voluntary turnover, with an overall average rate of 7.9 per cent, compared with 4.5 per cent in the public sector. (See Chart 11 and tables 17–20.)

Chart 11
Voluntary Turnover Rates*
(average percentage for employees)



*refer to Table 17 for definitions
Source: The Conference Board of Canada.

Table 17
Voluntary and Involuntary Turnover Rates, by Sector and Industry
(per cent)

	Voluntary turnover rates		Involuntary turnover rates	
	(n =)	(%)	(n =)	(%)
Overall	317	7.0	304	4.0
By sector				
Private sector	236	7.9	230	4.7
Public sector	81	4.5	74	1.9
By industry				
Natural resources, excluding oil and gas	10	6.4	10	3.9
Oil and gas	25	7.0	25	5.6
Manufacturing	19	4.3	19	3.9
Food, beverage, and tobacco products	7	5.3	7	3.9

Definitions

Voluntary turnover: turnover that is due to an employee-initiated departure. Sometimes referred to as avoidable or regrettable turnover. Excludes retirements, dismissals, severances, redundancies, transfers, deaths, and leaves (e.g., disability, parental, sabbatical, and other leaves of absence)

Involuntary turnover: an employee departure that is initiated by the employer (e.g., severances, dismissals, redundancies)

Employee turnover: determined by first calculating the average number of employees during a one-year period (add headcount for each month in the year/12), excluding casual, contract, temporary, or seasonal workers. Second, calculate the annual turnover rate (total number of exits/average number of employees during a one-year period) x 100

Source: The Conference Board of Canada.

(continued ...)

1 Martin, Wright, and Cowan, *Human Resources Trends and Metrics*.

Table 17 (cont'd)

Voluntary and Involuntary Turnover Rates, by Sector and Industry
(per cent)

	Voluntary turnover rates		Involuntary turnover rates	
	(n =)	(%)	(n =)	(%)
By Industry				
High technology	18	5.6	16	4.2
Communications and telecommunications	10	7.0	10	5.6
Transportation	20	5.0	20	1.7
Finance, insurance, and real estate	56	6.4	53	3.3
Wholesale trade	7	9.9	7	5.2
Retail trade	11	16.0	11	5.7
Education*	15	4.7	13	1.4
Government	31	4.2	28	2.4
Not-for-profit	20	7.1	19	4.3
Services—accommodation, food, personal	16	10.3	16	6.1
Services—professional and technical	8	9.9	8	4.3
Utilities	18	4.6	19	2.9
Health	7	5.8	6	2.9
Services—scientific, construction, and engineering	14	15.4	13	8.7

Definitions

Voluntary turnover: turnover that is due to an employee-initiated departure. Sometimes referred to as avoidable or regrettable turnover. Excludes retirements, dismissals, severances, redundancies, transfers, deaths, and leaves (e.g., disability, parental, sabbatical, and other leaves of absence)

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*In this industry, one organization's turnover rate was excluded as it increased the average turnover by approximately 50 per cent.

Note: not all industries are shown due to a small sample size.

Source: The Conference Board of Canada.

Table 18

Voluntary Turnover Rates Among Specific
Employee Groups
(average percentage)

	n =	%
Senior executives	187	3.1
Executives	168	3.9
Management	206	4.8
Professional—technical	174	6.3
Professional—non-technical	182	6.2
Technical and skilled trades	107	4.6
Clerical and support	196	6.2
Service and production	105	7.3

Source: The Conference Board of Canada.

Table 19

Voluntary Turnover Rates Among Performance
Employee Groups
(average percentage)

	n =	%
Top performers	128	2.9
Satisfactory performers	129	5.6
Poor performers	118	9.0

Source: The Conference Board of Canada.

Table 20
Voluntary Turnover Rates Among Regions
(average percentage)

	n =	%
Newfoundland and Labrador	27	8.2
Prince Edward Island	21	5.3
Nova Scotia	45	7.6
New Brunswick	35	7.2
Quebec	78	7.1
Ontario	144	5.7
Manitoba	51	8.6
Saskatchewan	65	11.0
Alberta	117	12.1
British Columbia	92	7.4
Northern Territories	13	9.2

Source: The Conference Board of Canada.

Employee turnover remains high in certain sectors. The retail trade industry faced the highest turnover rates in 2014, at 16.0 per cent. The services industry—scientific, construction, and engineering—also has voluntary turnover rates higher than those of many other sectors, at 15.4 per cent. The lowest turnover rate—4.2 per cent—is in the government.

Organizations are focused on retaining their top talent and critical-skill employees.

This year, employers were surveyed on voluntary turnover rates among employees with critical skills and “hot” skills. Survey respondents indicated that, on average, 4.8 per cent of employees with critical skills (e.g., managerial positions, scientists, and professional groups essential to organizations or industry/sector) had left due to voluntary turnover within the most recent 12 months. Additionally, on average, 3.4 per cent of employees with hot skills in jobs that are in short supply (e.g., truck drivers, nurses) left as a result of voluntary turnover. The turnover rate among top

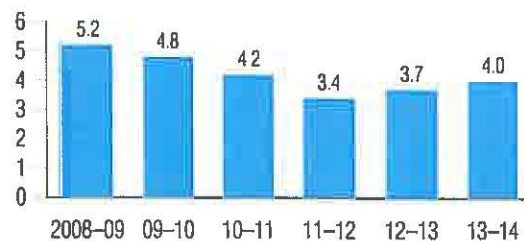
performers is low, at 2.9 per cent. These findings indicate that organizations are focused on retaining their top talent and critical-skill employees.

Survey respondents were also asked to indicate the percentage of employees with less than one year and two years of service who left as a result of voluntary turnover. Employers indicated that on average, 8.1 per cent of employees with less than one year of service had left the organization within the past 12 months. Among those employees with less than two years of service, the average voluntary turnover was 7.6 per cent.

Alberta had the highest turnover rate, at 12.1 per cent, followed by Saskatchewan, at 10.9 per cent. Given the tight labour markets in these regions, it is not surprising to see higher than average rates.

For the sixth year in a row, employers were also surveyed on their involuntary turnover rates—defined as exits from the organization that are initiated by the employer (severances, dismissals, etc.). The overall involuntary turnover rate for 2014 was 4.0 per cent, with the highest rates reported in the services sectors—scientific, construction, and engineering (8.7 per cent) and chemical, pharmaceutical, and allied products (6.4 per cent). In 2014, the private sector again reported a higher rate of involuntary turnover (4.7 per cent) than the public sector (1.9 per cent). (See Chart 12.)

Chart 12
Involuntary Turnover Rates*
(average percentage of employees)

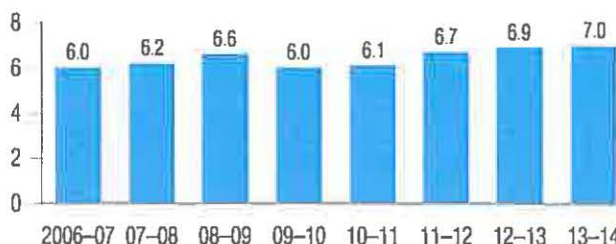


*refer to Table 17 for definitions
Source: The Conference Board of Canada.

The overall average retirement rate for 2013–14 was 2.0 per cent—2.5 in the public sector and 1.8 in the private sector. Projecting forward, organizations are anticipating 2.8 per cent of employees to retire next year. When looking even further ahead, the percentage of employees expected to retire within five years is 9.7 per cent.

The overall absenteeism rate was 7.0 days per employee. This rate was higher in the public sector (8.7 days) than in the private sector (6.1 days). By industry, health had the highest absenteeism rate, at 9.6 days, while the lowest (3.7 days) was found in the oil and gas industry. (See Chart 13 and Table 21.)

Chart 13
Absenteeism Rates*
(days per employee)**



*refer to Table 21 for the definition

**absenteeism for 2008-09 and 2011-12 are in days per full-time equivalent employee

Source: The Conference Board of Canada.

Table 21
Absenteeism Rates, by Sector and Industry
(days per employee)

	n =	Days per employee
Overall	140	7.0
By sector		
Private sector	94	6.1
Public sector	46	8.7
By industry*		
Oil and gas	7	3.7
Manufacturing	9	6.4
High technology	5	5.0
Transportation	11	8.3
Finance, insurance, and real estate	29	5.7
Education	5	7.3
Government	20	9.6
Not-for-profit	16	5.8
Utilities	10	7.9
Health	6	9.6

*not all industries are shown due to small sample sizes

Definition

Absenteeism: absenteeism is defined as absences (with or without pay) of an employee from work due to his or her own illness, disability, or personal or family responsibility, for a period of at least half a day but less than 52 consecutive weeks. Please exclude maternity, adoption, paternity and parental leaves, vacation and holidays, bereavement leave, and jury duty.

Source: The Conference Board of Canada.

Chapter 3

Collective Bargaining

Chapter Summary

- ♦ For 2015, the projected average wage increase among unionized employees is 2.0 per cent. The average increase for 2014 was also 2.0 per cent.
- ♦ A little more than a quarter of respondents have short-term incentive pay plans for their unionized employees, with cash bonuses or incentives being the most common. Unionized workers in these organizations received payouts averaging 4.8 per cent of base pay in 2014.
- ♦ Wages remain the key bargaining issue for both management and unions.

Profile of Unionized Employers

- 58%** of responding organizations have unionized employees
- 1,781** agreements are currently in place
- 374** agreements expire in 2015, covering 139,417 employees

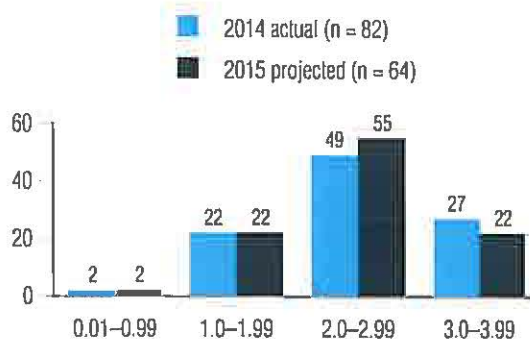
Source: The Conference Board of Canada.

BASE PAY INCREASES

For unionized employees, average projected wage increases for 2015 are 2.0 per cent—1.5 per cent in the public sector and 2.2 per cent in the private sector. (See Chart 14 and Table 22.)

The average actual negotiated increase in 2014 was 2.0 per cent. Negotiated increases in the public sector were 1.4 per cent, compared with 2.3 per cent in the private sector.

Chart 14
Distribution of Base Wage Increases*
(per cent)



*a base wage increase refers to the average increase applied to the base wage rate for the year specified (includes any cost of living allowance increases)

Source: The Conference Board of Canada.

Table 22
Base Wage Increases*
(per cent, except for years in contract)

		Average no. of years in contract (n = 87)	Year 1 2014 (n = 93)	Year 2 2015 (n = 91)	Year 3 2016 (n = 78)
Contracts negotiated since Jan. 1, 2014	(mean)	3.3	2.0	2.1	2.2
	(median)	3.0	2.0	2.0	2.0
		Average no. of years in contract (n = 67)	Year 1 2015 (n = 71)	Year 2 2016 (n = 69)	Year 3 2017 (n = 63)
Contracts to be negotiated before Dec. 31, 2015	(mean)	3.4	2.0	2.0	2.1
	(median)	3.0	2.0	2.0	2.0

*a base wage increase is the rate for the year specified (includes any cost of living allowance increases)
Source: The Conference Board of Canada.

Organizations were also asked to provide overall salary increases (as a percentage of base) for unionized employees (including in-range adjustments, merit, step progression, etc.). The overall average increase for unionized employees in 2014 averaged 2.3 per cent and is projected to be the same in 2015. The public sector reported the same increase for 2014 (2.1 per cent) as it anticipates for 2015. The private sector's 2015 projected increase of 2.4 per cent is the same as its actual increase of 2.4 per cent in 2014.

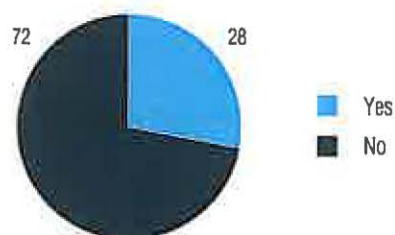
Nearly 6 out of 10 unionized employees (59 per cent) are at the maximum of their pay ranges.

SHORT-TERM INCENTIVE PAY

A little more than a quarter of unionized organizations (28 per cent) have short-term incentive pay plans for unionized employees. These plans are more common in the private sector where 35 per cent have short-term incentive pay plans for their unionized employees,

compared with 16 per cent of employers in the public sector. Over half of the plans (52 per cent) exceeded payout targets in 2014. Almost all eligible employees received a payout (92 per cent), averaging 4.8 per cent, compared with targets of 4.6 per cent. (See Chart 15 and Table 23.)

Chart 15
Prevalence of Short-Term Incentive Pay for Unionized Employees
(n = 221; percentage of unionized organizations)



Source: The Conference Board of Canada.

Table 23
Short-Term Incentive Pay Plan Payouts
(percentage of base pay)

2014 payouts (actual, based on 2013 performance)	
Target payout (n = 32)	4.6
Actual payout (n = 32)	4.8
% of eligible employees receiving (n = 35)	92.0
% of organizations falling short of target (n = 31)	36.0
% of organizations meeting target (n = 31)	13.0
% of organizations surpassing target (n = 31)	52.0
2015 payouts (projections, based on 2014 performance)	
Target payout (n = 30)	4.8
Plan maximum (n = 31)	7.1

Source: The Conference Board of Canada.

NEGOTIATION ISSUES

The majority (90 per cent) of unionized organizations do not expect any work stoppages in 2015. Only one respondent reported that a stoppage “will definitely occur.” Six in ten organizations (60 per cent) rated the overall union–management climate in their organization as cooperative. Three out of four organizations (75 per cent) anticipate that the relationship with their union counterparts will remain the same in 2015.

In recent contract negotiations, the vast majority of union members (97 per cent) voted to ratify the contract that was accepted by union representatives. The average percentage of union members voting in favour of the contract was 80 per cent. That said, one-quarter (25 per cent) of organizations have negotiated at least one contract in the past that the union membership failed to ratify.

The leading issue for the year ahead—on both sides of the negotiation table—continues to be wages. Productivity and business competitiveness are also top of mind for management. Similar to last year, management expects employment security and health benefits to be key issues for unions. (See Table 24.)

Table 24
Current Negotiation Issues
(percentage of unionized organizations)

Management issues	(n = 157)
1. Wages	66
2. Productivity	34
3. Business competitiveness	32
4. Flexible work practices	31
5. Organizational change	27
6. Health benefits	23
7. Pensions	20
8. Outsourcing and contracting out	14
9. Employment and pay equity	13
10. Employment security	9
11. Training and skills development	6
12. Variable pay	6
13. Technological change	6
14. Other (e.g., vacation, type of work, etc.)	8

Union issues	(n = 154)
1. Wages	85
2. Employment security	44
3. Health benefits	34
4. Pensions	31
5. Outsourcing and contracting out	24
7. Employment and pay equity	16
6. Flexible work practices	14
8. Organizational change	13
9. Training and skills development	8
10. Variable pay	7
11. Technological change	7
12. Productivity	3
13. Business competitiveness	2
14. Other (e.g., vacation, type of work, etc.)	7

Note: Respondents were provided with a list of 14 possible choices and asked to indicate the top three negotiation issues for both management and union.

Source: The Conference Board of Canada.

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Appendix A

Glossary

EMPLOYEE CATEGORY DEFINITIONS

Senior executives: all executives reporting directly to the CEO

Executives: all other executives

Management: senior and middle management who plan, develop, and implement policies and programs

Professional—technical: computer analysts, engineers, information technology specialists, developers, etc.

Professional—non-technical: all other professionals such as accountants, lawyers, doctors, etc., excluding sales

Technical and skilled trades: technologists, technicians, millwrights, etc.

Clerical and support: administrative staff, clerks, coordinators, assistants, etc.

Service and production: employees providing service, production, maintenance, transportation, etc.

BASE PAY INCREASE DEFINITIONS

Policy line/range increase: percentage increase to salary ranges, among organizations with ranges (often associated with increase to cost of living, economic adjustment)

Merit budget: budget for performance-based base salary increases, expressed as a percentage of base pay

Employees receiving base salary increase: percentage of employees receiving a base salary increase, as a percentage of all employees in category

Average salary increase for those receiving one: total percentage increase to base salary from all sources—range, merit, economic, progression (excluding increases due to promotions). Excludes employees receiving a zero per cent increase

Overall average salary increase: total percentage increase to base salary from all sources—range, merit, economic, progression (excluding increases due to promotions). Includes employees receiving a zero per cent increase

Average annual base salary: the average annual base salary in dollars after the increases have been applied

Appendix B

Respondent Profile

(Total number of responding organizations = 382)

	Percentage of organizations		Percentage of organizations
Industrial Classification		<i>Ownership</i>	
Natural resources, excluding oil and gas	4	Publicly traded shares	25
Oil and gas	7	Controlled by Canadian publicly traded company	4
Manufacturing	6	Controlled by foreign publicly traded company	12
Food, beverage, and tobacco products	2	Privately held	25
Chemical, pharmaceutical, and allied products	2	Not applicable	36
High technology	5		
Communications and telecommunications	3	<i>Assets (Canadian operations)</i>	
Transportation	6	\$0–\$99 million	13
Finance, insurance, and real estate	17	\$100–\$999 million	22
Wholesale trade	2	\$1 billion and over	45
Retail trade	5	Not reported	21
Education	5		
Government	10	<i>Annual sales/service revenue (Canadian operations)</i>	
Not-for-profit	5	\$0–\$99 million	15
Services—accommodation, food, personal	4	\$100–\$999 million	33
Services—professional and technical	3	\$1 billion and over	41
Utilities	6	Not reported	11
Health	3		
Services—Scientific, construction and engineering	5	<i>Number of employees</i>	
Characteristics of Responding Organizations		Fewer than 500	26
<i>Sector</i>		500–1,499	26
Private sector corporation	74	1,500–5,000	26
Public sector organization	26	Over 5,000	22
<i>Operations</i>		Total number of employees	1,873,187
Canadian only	65	Total non-unionized employees	956,730
North American	10		
Global	25		

Appendix C

Participating Organizations

A total of 382 organizations participated in the Compensation Planning Outlook 2015 survey. The following participants have authorized the publication of their names.

3M Canada Company	Atlantic Central and League Savings and Mortgage Company
A&W Food Services of Canada Inc.	Atlas Copco Canada Inc.
ABB Inc.	Atomic Energy of Canada Limited
Accreditation Canada	Aviva Canada
AGF Management Limited	Bank of Canada
Agnico Eagle Mines Limited	Bayer Inc.
Agropur Coopérative	Baylis Medical Company
Air Canada	BC Hydro
Air Canada Vacations	Bell Aliant
Alberta Central	Bell Canada
Alberta Energy Regulator	Belron Canada Inc.
Alberta Health Services	Bombardier Aerospace
Alberta Innovates Technology Futures	Bow Valley College
Alberta Medical Association	BP Canada Energy Corporation
Alberta Motor Association	British Columbia Automobile Association
Alberta Pacific Forest Industries Inc.	Brookfield Residential Properties Inc.
Alberta Securities Commission	Burlington Hydro Inc.
Allstate Insurance Company of Canada	Business Development Bank of Canada
AltaGas Ltd.	CAE Inc.
Aquatera Utilities Inc.	Caisse de dépôt et placement du Québec
ARC Resources Ltd.	Calfrac Well Services
ArcelorMittal Dofasco	Calgary Co-operative Association Limited
AREVA Resources Canada Inc.	Cameco Corporation
Arla Foods Inc.	Canada Mortgage and Housing Corporation
Association of Universities and Colleges of Canada	Canada Post Corporation
Assumption Life	Canadian Agency for Drugs and Technologies in Health
ATB Financial	Canadian Blood Services
ATCO Electric Ltd.	

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Canadian Foundation for Healthcare Improvement	Corus Entertainment
Canadian Institute for Health Information	Credit Union Central of Manitoba
Canadian Institutes of Health Research	Crombie REIT
Canadian Medical Association	Crown Investments Corporation of Saskatchewan
Canadian Medical Protective Association	CSA Group
Canadian Museum of Nature	Dalhousie University
Canadian National Railway Company	Davis Martindale LLP
Canadian Nuclear Safety Commission	Deloitte
Canadian Pacific Railway Company	Delta Hotels and Resorts
Canadian Payments Association	DIALOG
Canadian Tire Corporation, Limited	Domtar Corporation
Canlan Ice Sports Corporation	Douglas College
Capgemini	Dragados Canada, Inc.
Capital Power Corporation	Economical Insurance Group
Catalyst Paper Corporation	Edmonton International Airport
CBC/Radio-Canada	Empire Life Insurance Company
Celero Solutions	Enbridge Inc.
Cenovus Energy	Encana Corporation
Central 1 Credit Union	Enerflex Ltd.
Champlain Community Care Access Centre	Énergie Valero Inc.
CI Financial Income Fund	Enerplus Corporation
CIMA+	ENMAX Corporation
Cineplex Inc.	Ensign Energy Services Inc.
City of Brampton	EPCOR Utilities Inc.
City of Brandon	Equitable Life Insurance Company of Canada
City of Burlington	Ericsson Canada Inc.
City of Edmonton	EVRAZ Inc. NA
City of Guelph	Export Development Canada
City of Lethbridge	Familiprix Inc.
City of Medicine Hat	Farm Credit Canada
City of Mississauga	Federal Express Canada Ltd.
City of Ottawa	Federated Co-operatives Limited
City of Regina	Federation of Canadian Municipalities
City of Saint John	Finning (Canada)
City of Saskatoon	First Calgary Financial Credit Union Limited
City of Vancouver	First West Credit Union
Civeo Canada	Ford Motor Company of Canada, Limited
Coast Capital Savings	Foresters
Columbia Power Corporation	FortisAlberta Inc.
Combined Insurance Company	FortisBC Energy Inc.
Compass Group Canada	Franklin Templeton Investments
Concentra Financial	FT Services
Concordia University	Gaz Métro
Conexus Credit Union	General Dynamics Land Systems Canada
ConocoPhillips Canada	General Electric Canada
Co-operators Group Ltd.	Gibson Energy
Corix Group of Companies	Glencore Canada Corporation

GM Financial Canada Ltd.	Laurentian Bank of Canada
Government of Alberta	Ledcor Group of companies
Government of British Columbia	Liquor Control Board of Ontario
Government of New Brunswick	Loblaw Companies Limited
Graham Group Ltd.	London Health Sciences Centre
Greater Edmonton Foundation—Housing for Seniors	London Life Insurance Company
Greater Toronto Airports Authority	Lowe's Companies Inc.
Groupe Deschênes	Lululemon Athletica
Hadrian Manufacturing Inc.	Manulife Financial
Halifax International Airport Authority	Maple Leaf Foods Inc.
Halifax Port Authority	Marine Atlantic Inc.
Halifax Regional Municipality	McCain Foods (Canada)
Hamilton Health Sciences	McGill University
Harlequin Enterprises Ltd.	McMaster University
Healthcare Insurance Reciprocal of Canada	Memorial University
Henry Schein Canada, Inc.	Meridian Credit Union
Heritage Park Society	Metro Richelieu Inc.
Hewlett-Packard Canada	Microsoft Canada Inc.
Hoffmann-La Roche Ltd.	Morneau Shepell
Holcim (Canada) Inc.	Mother Parkers Tea & Coffee
Humber College Institute of Technology & Advanced Learning	Mountain Equipment Coop
Husky Energy Inc.	MTS Allstream Inc.
Hydro-Québec	NAL Resources Management Limited
IBM Canada Ltd.	National Bank of Canada
Imperial Oil Limited	National Leasing
Industrielle Alliance, Assurance et services financiers inc.	NAV CANADA
Innovatia	New Brunswick Power Holding Corporation
Innovation Credit Union	Newalta Corporation
Insurance Corporation of British Columbia	Nexen Inc.
International Development Research Centre	Niagara Region
Investors Group Inc.	Nordion Inc.
Ivanhoé Cambridge	North American Construction Group Inc.
John Deere Canada ULC	North Atlantic Refining Ltd.
Jones Packaging Inc.	North Shore Credit Union/BlueShore Financial
K+S Potash	NOVA Chemicals Corporation
Kellogg Canada Inc.	NovAtel Inc.
Keyera Corp.	Ontario Centres of Excellence
Kiewit Energy Canada Corporation	Ontario Power Generation Inc.
Kinder Morgan Canada Inc.	Ontario Securities Commission
Kinross Gold Corporation	Ontario Teachers' Pension Plan
KPMG	OPTrust
L-3 Communications—Wescam Inc.	Ottawa Community Housing
La Capitale groupe financier	Ottawa International Airport Authority
La Coop fédérée	Ottawa Police Service
Laricina Energy Ltd.	Pacific & Western Bank of Canada
	Pacific Northern Gas
	Panasonic Canada Inc.

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Parmalat Canada	SaskPower
Pelmorex Media Inc.	SaskTel
PenFinancial Credit Union	Savanna Energy Services Corporation
Pengrowth Energy Corporation	Scotiabank
People First HR Services	Servus Credit Union
PepsiCo Canada	Shell Canada Ltd.
PharmaScience Inc.	Shoppers Drug Mart/Pharmaprix
Pitney Bowes Inc.	Siemens Canada Limited
Port Metro Vancouver	Silvera for Seniors
Postmedia Network Inc.	Sleeman Breweries Ltd.
Potash Corporation of Saskatchewan	Sleep Country Canada
PowerStream Inc.	Société de transport de Montréal
Pratt & Whitney Canada	Société des alcools du Québec
PricewaterhouseCoopers LLP	Sodexo Canada Ltd.
Prince Rupert Port Authority	Spectra Energy
Princeton Holdings Limited	St. Joseph's Health Care London
Progress Energy Canada Ltd.	St. Lawrence Seaway Management Corporation
PSP Investments	Standard Life Canada
Purolator Inc.	Staples Inc.
Pusateri's Fine Foods	Strathcona County
Québecor Media Inc.	Strathcona Paper
Quinn Contracting Ltd.	Suncor Energy Inc.
RBC Financial Group	Synchrude Canada Ltd.
Red River College	Tarion Warranty Corporation
Regional Municipality of Peel	TCU Financial Group
Revera Inc.	TD Bank Group
Richards-Wilcox Canada	Teck Resources Limited
Rio Tinto	Telesat Canada
Ritchie Brothers Auctioneers	TELUS Communications Inc.
Rocky Mountaineer Vacations	Teranet Inc.
Rocky View County	Tervita Corporation
Rogers Communications Inc.	The Banff Centre
Royal Canadian Mint	The Beer Store
Royal Ottawa Mental Health Centre	The Calgary Airport Authority
Russel Metals Inc.	The City of Calgary
Ryerson University	The Desjardins Group
Saipem Canada Inc.	The Hospital for Sick Children
SAIT Polytechnic	The Law Society of British Columbia
Samsung Electronics Canada	The Ottawa Hospital
Samuel, Son & Co., Limited	The Wawanesa Mutual Insurance Company
Sanofi-aventis Canada Inc.	TimberWest Forest Corp.
Saputo Inc.	TMX Group Ltd.
Saskatchewan Blue Cross	Toronto Hydro
Saskatchewan Government Insurance	Toronto Transit Commission
Saskatchewan Indian Gaming Authority	Town of Banff
Saskatchewan Public Service Commission	Town of Oakville
SaskEnergy Incorporated	Town of Richmond Hill

Toyoto Motor Manufacturing Canada Inc.
 Toys 'R' Us Canada Ltd.
 TransAlta Corporation
 Transat A.T. Inc.
 Transcontinental Inc.
 Translink
 Troy Life & Fire Safety Ltd.
 UAP Inc.
 University Health Network
 University of Alberta
 University of Calgary
 University of Ontario Institute of Technology
 University of Regina
 University of Saskatchewan
 University of Toronto
 UPS Canada

Vale Canada Limited
 VIA Rail Canada
 Ville de Montréal
 Viterra
 Walmart Canada Corp.
 Weatherford Canada Partnership
 Wescast Industries Inc.
 Western Energy Services
 WestJet Airlines Ltd.
 Westminster Savings Credit Union
 Woodbridge Group of Companies
 Workers' Compensation Board of Alberta
 Workplace Safety and Insurance Board of Ontario
 WSP Canada Inc.
 Xerox Canada
 Zurich Canada

Appendix D

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