

***Compensation Planning Outlook 2016***  
**The Conference Board of Canada**



# Compensation Planning Outlook 2016.





The Conference Board  
of Canada

## Compensation Planning Outlook 2016

by Allison Cowan, Heather McAteer, and Nicole Stewart

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### Preface

*Compensation Planning Outlook 2016* is the 34th edition of this publication, which summarizes the results of The Conference Board of Canada's annual compensation survey and forecast. In June 2015, a questionnaire was sent to 2,286 predominately large and medium-sized Canadian organizations operating in a variety of regions and sectors. A total of 370 respondents participated in the survey, representing a response rate of 16 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 2016

### At a Glance

- ◆ Organizations are planning moderate base salary increases for 2016, with the average base pay increase for non-unionized employees projected to be 2.6 per cent. In 2015, 74 per cent of employees received a salary increase, down from the 86 per cent who received increases in 2014.
- ◆ Projected increases are highest in government (3.0 per cent) and lowest in the health sector (1.5 per cent).
- ◆ Short-term incentive pay plans remain an important part of the total rewards package. The majority of survey respondents (82 per cent) have at least one of these plans in place.
- ◆ Looking ahead to 2016, 14 per cent of compensation planners expect that the size of their workforce will increase, with only 7 per cent anticipating workforce reductions.

non-unionized employees is projected to be 2.6 per cent for 2016. This increase is slightly higher than the 2.4 per cent inflation rate predicted for 2016.<sup>1</sup>

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

- ◆ Projected increases are highest in government, at 3.0 per cent,<sup>2</sup> followed by the chemical, pharmaceutical, and allied products industry at 2.9 per cent.
- ◆ The lowest average increases are expected in the health sector, with an average increase of 1.5 per cent.
- ◆ The expected increase in the private sector is 2.5 per cent, while the average increase for employees in the public sector<sup>3</sup> is expected to be 2.6 per cent.
- ◆ Regionally, Saskatchewan leads, with an average projected increase of 3.2 per cent.
- ◆ The lowest average base pay increase is expected in British Columbia at 2.3 per cent, followed by Alberta at 2.4 per cent.

In a slow-growth 2015 Canadian economy, organizations are planning moderate increases for 2016. Based on responses from the 370 organizations who participated in this year's Compensation Planning Outlook survey, the average pay increase for

1 The consumer price index (CPI) forecast for 2016 is from the Conference Board's *Canadian Outlook Economic Forecast: Autumn 2015*.

2 The government sector includes federal and provincial government departments and agencies, and municipalities, but excludes Crown corporations.

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

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- ♦ Anticipated wage increases for unionized employees are projected to be 1.9 per cent in 2016—1.4 per cent in the public sector and 2.1 per cent in the private sector.

The percentage of employees receiving an increase was 74 per cent in 2015, down from the 86 per cent who received increases in 2014. For those who did receive an increase to base salary in 2015, the average adjustment was 3.2 per cent. Only 5 per cent of organizations are planning to freeze base salaries in 2016, compared with 12 per cent in 2015.

Average increases to salary ranges (or “structures”) are expected to be 1.6 per cent in 2016, up slightly from the 1.4 per cent increase realized in 2015. Sixteen per cent of organizations with salary range structures plan to hold their ranges constant in 2016, down from 23 per cent in 2015.

### 2016 by the Numbers

<b>2.6%</b>	average non-unionized projected salary increase
<b>3.0%</b>	highest projected salary increase by industry (government)
<b>3.2%</b>	highest projected salary increase by region (Saskatchewan)
<b>2.4%</b>	projected inflation
<b>370</b>	number of participating organizations

Source: The Conference Board of Canada.

Short-term incentive pay plans remain an important tool used by organizations to drive organizational and individual performance. The majority of respondents (82 per cent) have at least one short-term incentive pay plan in place. On average, organizations spent 10.8 per cent as a percentage of total base pay spending on short-term incentive pay plans in 2015, the same as the target for that year. This indicates, overall, that

organizations paid out on target. In 2016, organizations expect to spend 10.8 per cent as a percentage of total base pay spending on short-term incentive pay.

Canada’s economic growth faltered over the first half of 2015. Low oil prices along with a number of external events, including slowing growth in China and other developing economies, has hurt Canadian exports and investment. However, as conditions continue to improve south of the border, so does the potential for the Canadian economy. The Conference Board of Canada expects improved growth in 2016, with GDP forecast to increase by 2.3 per cent—up from 1.3 per cent in 2015.

So far, job growth in 2015 has been slow but positive—particularly in light of the previous year that saw the weakest job growth since 2009. While labour markets are expected to slowly tighten, weak employment growth in 2015 will continue to create a significant amount of slack in the job market. However, the unemployment rate sits at a historic low of about 7 per cent—partly attributed to a lack of labour force growth. While employment growth in 2015 is expected to be a modest 0.8 per cent, The Conference Board of Canada expects employment growth to accelerate to 1.3 per cent by 2017.

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

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In the survey, 59 per cent of organizations reported challenges with recruiting and/or retaining employees—down from 64 per cent in 2014. Labour market pressures vary significantly depending on region and industry. Organizations in Alberta are still having difficulty recruiting and retaining talent with particular skills. Seventy-nine per cent of organizations with operations in Alberta reported difficulty recruiting or retaining key talent in the province, compared with 83 per cent in 2014. Less pressure exists in Saskatchewan, with approximately the same number of



organizations with operations in that region reporting difficulty recruiting and retaining key talent in 2015 (54 per cent) and in 2014 (57 per cent). In comparison, organizations with operations in Ontario reported increased challenges recruiting and retaining key talent. In 2014, 67 per cent of organizations indicated that they are experiencing difficulty with recruitment and retention within their Ontario operations, compared with 74 per cent in 2015.

Recruitment and retention challenges are felt most strongly in the communications and telecommunications sector and in the services—accommodation, food, and personal—sector. Organizations report some very specific skill sets that are in high demand. IT specialists—followed by skilled trades and engineers—are among the most coveted by organizations.

This past year's voluntary turnover rate was 7.6 per cent—up from the 7.0 per cent reported last year. On average, 2 per cent of employees retired in the past 12 months. The overall involuntary turnover rate for 2015 is 5.4 per cent, up from 4.0 per cent in 2014. The highest involuntary turnover rate of 13.4 per cent was seen in the scientific, construction, and engineering services sector, up from 8.7 per cent last year. The oil and gas and natural resources sectors saw involuntary turnover rates nearly double since last year, increasing to 10.4 and 7.5 per cent, respectively. These changes are unsurprising, given decreased investment in the energy sector and supporting industries due to the low price of oil.

Looking ahead to 2016, 14 per cent of compensation planners expect that the size of their workforce will increase, with only 7 per cent anticipating workforce reductions. Sixty-six per cent of organizations expect no significant change to the workforce, while the remainder are unsure.

The Canadian dollar is expected to remain near the US\$0.75 value over the next year. Despite slow economic conditions, The Conference Board of Canada expects the Bank of Canada to stand pat on interest rates, with the next upward move not expected until late 2016. While fiscal restraint is being demonstrated by the federal and provincial governments, the economic situation continues to be challenging for many provinces—where slow revenue growth, a drop in resource royalties, and a growing demand for services will make balancing the books difficult.

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**The economic situation continues to be challenging for many provinces.**

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Compensation planners continue to offer moderate wage increases, but they remain above inflation. While more positive growth is predicted for the future, the slow pace of acceleration in Canada's economy lends itself to more cautious spending and, ultimately, to downward pressure on wages across many industries.

## Résumé

# Planification salariale – Perspectives 2016

### Aperçu

- ♦ Les organisations prévoient des hausses modérées du salaire de base en 2016, l'augmentation moyenne du salaire de base des employés non syndiqués prévue s'établissant à 2,6 %. En 2015, 74 % des employés ont obtenu une augmentation de salaire, alors que la proportion correspondante s'élevait à 86 % en 2014.
- ♦ Les hausses prévues sont les plus élevées dans le secteur du gouvernement (3 %) et les plus basses dans celui de la santé (1,5 %).
- ♦ Les régimes de rémunération incitative à court terme demeurent un volet important de la rémunération globale. La majeure partie des répondants au sondage (82 %) ont mis en place au moins un de ces régimes.
- ♦ Pour 2016, 14 % des spécialistes de la planification salariale s'attendent à ce que la taille de leurs effectifs augmente, et seulement 7 % prévoient des réductions d'effectif.

Dans un contexte de faible croissance économique au Canada en 2015, les organisations planifient des hausses salariales modérées pour 2016. Selon les réponses des 370 organisations qui ont pris part cette année au

sondage Planification salariale — Perspectives 2016, le taux moyen d'augmentation de la rémunération des employés non syndiqués devrait se chiffrer à 2,6 % en 2016. Cette progression est légèrement supérieure au taux d'inflation de 2,4 % prévu pour 2016.<sup>1</sup>

Les hausses salariales devraient varier selon le secteur d'activité, le secteur et la région :

- ♦ Les augmentations prévues sont les plus fortes, soit 3 %, dans le secteur du gouvernement,<sup>2</sup> suivi des secteurs des produits chimiques, des produits pharmaceutiques et des produits connexes (2,9 %).
- ♦ Les augmentations les plus faibles sont prévues dans le secteur de la santé, la hausse moyenne devant se situer à 1,5 %.
- ♦ Une progression de 2,5 % est prévue dans le secteur privé alors que la hausse moyenne de la rémunération des employés du secteur public<sup>3</sup> devrait être de 2,6 %.
- ♦ À l'échelle régionale, la Saskatchewan est en tête, avec une augmentation moyenne prévue de 3,2 %.

1 Le secteur du gouvernement comprend l'administration fédérale et les administrations provinciales et municipales; les sociétés d'État en sont exclues.

2 Les projections de l'indice des prix à la consommation (IPC) pour 2016 sont tirées d'une étude du Conference Board, intitulée *Canadian Outlook Economic Forecast: Autumn 2015*.

3 Le secteur public comprend les administrations fédérale et provinciales, les organismes et les sociétés d'État, les municipalités, les hôpitaux et, enfin, les universités et les collèges.



- ♦ La hausse moyenne du salaire de base la plus faible, soit 2,3 %, est prévue en Colombie-Britannique, cette province étant suivie de l'Alberta (2,4 %).
- ♦ Selon les projections, les hausses salariales des employés syndiqués s'élèveront à 1,9 % en 2016, soit 1,4 % dans le secteur public et 2,1 % dans le secteur privé.

La proportion des employés qui ont obtenu une augmentation de salaire en 2015 s'est élevée à 74 %, soit une baisse par rapport à 2014, la proportion correspondante ayant atteint 86 %. Dans le cas des employés qui ont effectivement touché une augmentation de leur salaire de base en 2015, l'ajustement moyen s'est établi à 3,2 %. Seulement 5 % des organisations planifient un gel des salaires de base en 2016, comparativement à 12 % en 2015.

Les augmentations moyennes des fourchettes (ou « structures ») salariales devraient se chiffrer à 1,6 % en 2016, ce qui représente une légère croissance par rapport au taux d'augmentation de 1,4 % enregistré en 2015. Seize pour cent des organisations dotées de structures salariales planifient de maintenir leurs fourchettes de salaires en 2016, comparativement à 23 % en 2015.

Les régimes de rémunération incitative à court terme continuent de représenter un outil important auquel les organisations ont recours pour stimuler le rendement organisationnel et individuel. La majorité des répondants (82 %) ont mis en place au moins un régime de rémunération incitative à court terme. Les organisations ont consacré en moyenne 10,8 % de leurs dépenses totales au titre du salaire de base à des régimes de rémunération incitative à court terme en 2015, soit une proportion comparable au niveau cible de cette année-là. Cela indique dans l'ensemble que les organisations ont versé une rémunération conforme au niveau cible. En 2016, les organisations prévoient affecter 10,8 % de leurs dépenses totales au titre du salaire de base à des incitatifs à court terme.

La croissance économique du Canada s'est repliée au premier semestre de 2015. Les faibles prix du pétrole et un certain nombre d'événements externes, dont le ralentissement de la croissance en Chine et

dans d'autres pays en développement, ont plombé les exportations canadiennes et les investissements au pays. Cependant, dans un contexte où les conditions continuent de s'améliorer au sud de la frontière, le potentiel de croissance de l'économie canadienne se renforce. Le Conference Board du Canada prévoit une amélioration de la croissance en 2016, le PIB étant appelé à augmenter de 2,3 %, alors que son taux de croissance a été de 1,3 % en 2015.

#### 2016 en chiffres

<b>2,6 %</b>	hausse moyenne prévue des salaires des employés non syndiqués
<b>3 %</b>	hausse prévue la plus élevée par secteur d'activité (administration publique)
<b>3,2 %</b>	hausse prévue la plus élevée par région (Saskatchewan)
<b>2,4 %</b>	inflation prévue
<b>370</b>	nombre d'organisations participantes

Source : Le Conference Board du Canada

Jusqu'à maintenant, la croissance des emplois en 2015 a été lente, mais positive, d'autant plus que le taux de croissance enregistré en 2014 avait été le plus bas depuis 2009. Quoique les marchés du travail soient appelés à se raffermir lentement, la faible croissance des emplois en 2015 continuera de peser sur le marché de l'emploi. Toutefois, le taux de chômage se maintient à un creux historique d'environ 7 %, ce qui s'explique en partie par la non-croissance de la population active. Quoique la croissance des emplois en 2015 soit appelée à être modérée (0,8 %), le Conference Board du Canada prévoit qu'elle s'accélérera et montera à 1,3 % d'ici 2017.

Dans le sondage, 59 % des organisations ont signalé qu'elles avaient du mal à recruter du personnel ou à le conserver; la proportion correspondante s'est établie à 64 % en 2014. Les pressions exercées sur le marché du travail varient considérablement selon la région et le secteur d'activité. En Alberta, les organisations éprouvent encore de la difficulté à recruter et à fidéliser des personnes talentueuses qui possèdent les

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compétences recherchées. Ainsi 79 % des organisations qui exercent des activités en Alberta ont fait état de la difficulté à recruter ou à fidéliser les talents recherchés dans la province, comparativement à 83 % en 2014. Les pressions sont moins fortes en Saskatchewan, car la proportion des organisations exerçant des activités dans cette région qui ont fait état de difficultés à recruter des talents et à les conserver a été comparable en 2015 (54 %) et en 2014 (57 %). À titre de comparaison, les organisations implantées en Ontario ont déclaré qu'elles avaient plus de difficulté à recruter et à fidéliser des candidats de haut calibre. En 2014, 67 % des organisations ont indiqué qu'elles avaient du mal à recruter et à fidéliser des candidats solides dans leurs établissements de l'Ontario, comparativement à 74 % en 2015.

Les difficultés associées au recrutement et à la fidélisation des talents touchent principalement le secteur des communications et des télécommunications et celui des services, à savoir l'hébergement, l'alimentation et les services personnels. Les organisations ont indiqué que certaines compétences très précises étaient fortement en demande. Les spécialistes des TI — suivis des travailleurs spécialisés et des ingénieurs — font partie des candidats les plus prisés.

Le taux de roulement volontaire enregistré l'an dernier s'est chiffré à 7,6 %, en hausse par rapport à 7 % en 2014. En moyenne, 2 % des employés ont pris leur retraite au cours des 12 derniers mois. Le taux de mobilité non volontaire a atteint globalement 5,4 % en 2015, ce qui représente une hausse par rapport au 4 % de 2014. Le taux de mobilité non volontaire le plus fort, soit 13,4 %, a été observé dans les secteurs des sciences, de la construction et du génie; il se chiffrait à 8,7 % en 2014. Le secteur pétrolier et gazier et celui des ressources naturelles ont vu presque doubler leurs taux de mobilité non volontaire en 2015, ceux-ci ayant augmenté à 10,4 % et 7,5 % respectivement. Ces changements ne sont guère étonnants, étant donné la diminution des investissements dans le secteur de l'énergie et les secteurs qui le soutiennent, en raison du faible prix du pétrole.

Pour 2016, 14 % des spécialistes de la planification salariale s'attendent à ce que la taille de leurs effectifs augmente; seulement 7 % prévoient des réductions d'effectif. Soixante-six pour cent des organisations ne prévoient aucun changement important pour ce qui est de la main-d'œuvre, alors que les autres organisations sont indécises.

Le dollar canadien devrait se maintenir à près de 0,75 \$US l'an prochain. Malgré le rythme lent de l'activité économique, le Conference Board du Canada prévoit que la Banque du Canada maintiendra sa position à l'égard des taux d'intérêt et ne s'attend pas à un relèvement de taux avant la fin de 2016. Bien que les administrations fédérale et provinciales aient adopté des politiques d'austérité, une conjoncture économique défavorable persiste dans de nombreuses provinces où la faible croissance des recettes, la chute des redevances dans le secteur des ressources et la hausse de la demande de services rendront difficile l'atteinte de l'équilibre budgétaire.

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**Une conjoncture économique défavorable persiste dans de nombreuses provinces.**

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Les spécialistes de la planification salariale continuent d'offrir des hausses salariales modérées, mais supérieures au niveau d'inflation. Bien qu'une croissance plus vigoureuse soit prévue pour l'avenir, la lenteur du rythme d'accélération de l'économie canadienne commande une prudence accrue dans les dépenses et, en définitive, exerce des pressions à la baisse sur les salaires dans de nombreux secteurs d'activité.



## Chapter 1

# Compensation Planning and Practices

### Chapter Summary

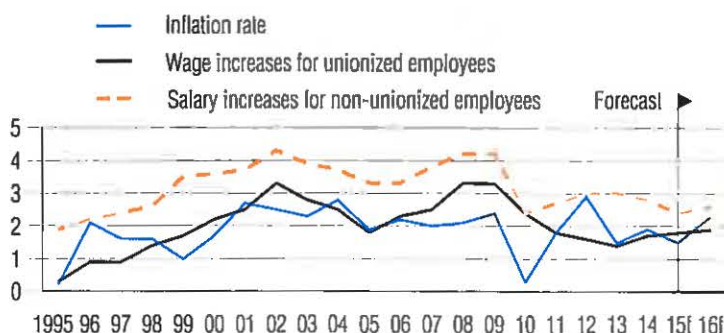
- ◆ Keeping pace with the past couple of years, organizations are planning moderate base salary increases for 2016. The average pay increase for non-unionized employees is projected to be 2.6 per cent in 2016—nearly in line with actual increases of 2.4 per cent in 2015.
- ◆ Most organizations are planning salary increases for 2016, with 5 per cent of organizations anticipating a base salary freeze for all employees.
- ◆ Eighty-two per cent of respondents have short-term incentive pay plans—typically cash bonuses or incentives—with an average cost of 10.8 per cent of total base pay spending in 2015. Average actual payouts exceeded targets in 2015 in approximately half of organizations, across all employee groups.

### MANAGING BASE PAY

According to information provided by the 2016 Compensation Planning Outlook's 370 survey respondents, the average pay

**Chart 1**

Inflation vs. Increases, 1995–2016  
(percentage change)



f = forecast

Note: Wage increases for unionized employees from 1994–2014 are actuals as reported by Employment and Social Development Canada, Workplace Information Directorate. Wage increases for unionized employees for 2015 (actual) and 2016 (projected) are from the Compensation Outlook 2016 survey.

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

increase for non-unionized employees is projected to be 2.6<sup>1</sup> per cent in 2016—slightly higher than the 2.4 per cent total inflation forecast for the year ahead.<sup>2</sup> (See Chart 1.) The actual overall increase

<sup>1</sup> Note: Unless stated otherwise, all average salary increase percentages reported in the text include 0 per cent increases. For averages excluding 0 per cent increases, please consult tables 1–4.

<sup>2</sup> The consumer price index (CPI) forecast for 2016 is from the Conference Board's *Canadian Outlook Economic Forecast: Autumn 2015*.

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



Source: The Conference Board of Canada.

for 2015 was 2.4 per cent, lower than what was projected by compensation planners in last year's survey (2.9 per cent). The public sector<sup>3</sup> anticipates a slightly higher increase of 2.6 per cent, while the private sector is looking at an increase of 2.5 per cent. The projected base pay increases in the private sector are exactly in line with those given in 2015 (2.5 per cent), while the

public sector is anticipating higher base salary increases than the 2.0 per cent given in 2015. (See Chart 1, Exhibit 1, tables 1–4, and Chart 2.)

In 2015, the average actual salary increase among non-unionized employees across all responding organizations was 2.4 per cent. Seventy-four per cent of employees received an increase to base salary in 2015, down from 2014, when 86 per cent received an increase. For those employees who did receive a raise, the average increase was 3.2 per cent.

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

**Table 1**  
2015 Actual Compensation Increases, by Employee Group  
(non-unionized employees)

Employee group*	Policy line (range increase; %)**		Employees receiving an increase (%)	Average salary increase for those receiving one (%)	Average increase among all employees (%)		2015 average base salary (\$)
	zeros included	zeros excluded			zeros included	zeros excluded	
Senior executives	1.3	2.1	67.1	3.8	2.4	3.2	285,460
	1.5	2.0	100.0	3.0	2.5	3.0	262,612
Executives	1.3	1.9	70.8	3.4	2.3	3.0	196,270
	1.5	2.0	99.0	3.0	2.5	2.9	190,637
Management	1.5	2.0	76.8	3.2	2.5	2.9	116,723
	1.9	2.0	95.0	3.0	2.8	2.9	110,691
Professional—technical	1.5	2.0	75.4	3.1	2.3	2.8	87,685
	1.9	2.0	96.2	3.0	2.5	2.8	83,492
Professional—non-technical	1.4	2.0	76.3	3.1	2.4	2.8	81,607
	1.8	2.0	95.0	3.0	2.6	2.8	80,011
Technical and skilled trades	1.3	2.1	62.5	2.9	2.0	2.8	73,953
	1.5	2.0	93.7	3.0	2.4	2.8	68,000
Clerical and support	1.4	1.9	77.3	3.0	2.4	2.8	53,402
	1.8	2.0	95.0	2.9	2.6	2.8	52,961
Service and production	1.4	2.0	69.2	3.0	2.2	2.7	52,357
	1.8	2.0	93.0	2.9	2.5	2.8	49,571
Overall	1.4	1.9	74.1	3.2	2.4	2.7	n.a.
	1.7	2.0	90.3	3.0	2.5	2.7	n.a.

**\*Employee Group 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:** Analysts, engineers, information technology specialists, developers, etc.

**Professional—non-technical:** All other professionals, such as accountants, lawyers, and doctors, 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, or economic adjustment).

**Employees receiving an increase:** Percentage of employees receiving a base salary increase, as a percentage of all employees in category.

**Average salary increase among all employees in category (overall salary increase budget):**

The 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 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" refer to organizations that reported a zero increase.

n.a. = not applicable

Source: The Conference Board of Canada.



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**Table 2**  
2016 Planned Compensation Increases, by Employee Group  
(non-unionized employees)

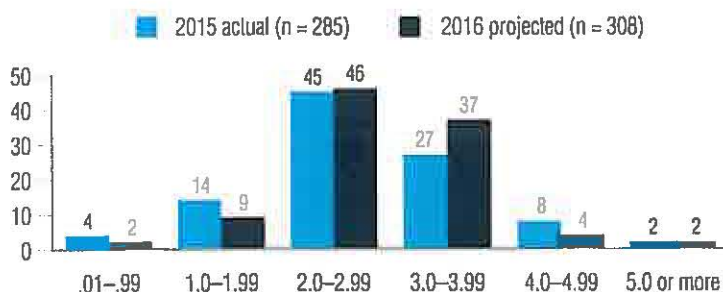
Employee group*	Policy line (range increase; %)		Average increase among all employees (%)	
	zeros included	zeros excluded	zeros included	zeros excluded
Senior executives	1.5	2.0	2.6	2.8
	<i>1.9</i>	<i>2.0</i>	<i>2.8</i>	<i>3.0</i>
Executives	1.4	1.9	2.5	2.8
	<i>1.8</i>	<i>2.0</i>	<i>2.8</i>	<i>2.9</i>
Management	1.6	1.9	2.6	2.8
	<i>2.0</i>	<i>2.0</i>	<i>2.8</i>	<i>3.0</i>
Professional—technical	1.6	1.9	2.6	2.7
	<i>2.0</i>	<i>2.0</i>	<i>2.8</i>	<i>2.8</i>
Professional—non-technical	1.6	1.9	2.6	2.7
	<i>2.0</i>	<i>2.0</i>	<i>2.8</i>	<i>2.8</i>
Technical and skilled trades	1.6	2.1	2.3	2.7
	<i>2.0</i>	<i>2.0</i>	<i>2.5</i>	<i>2.8</i>
Clerical and support	1.7	1.9	2.5	2.7
	<i>2.0</i>	<i>2.0</i>	<i>2.8</i>	<i>2.8</i>
Service and production	1.6	2.0	2.4	2.7
	<i>2.0</i>	<i>2.0</i>	<i>2.5</i>	<i>2.8</i>
<b>Overall</b>	<b>1.6</b>	<b>1.9</b>	<b>2.6</b>	<b>2.7</b>
	<i><b>1.9</b></i>	<i><b>2.0</b></i>	<i><b>2.7</b></i>	<i><b>2.8</b></i>

Notes: For each result, the top number is the average (mean) and the bottom number (in italics) is the median. "Zeros" refer to organizations that reported a zero increase.

\*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.

**Table 3**  
2015 Actual Compensation Increases by Industry, Sector, and Region  
(non-unionized employees)

	Policy line (range increase; %)**		Employees receiving an increase (%)	Average increase for those receiving one (%)	Average increase among all employees (%)	
	zeros included	zeros excluded			zeros included	zeros excluded
<b>Overall (n = 367)</b>	1.4	1.9	74.1	3.2	2.4	2.7
<b>Industry</b>						
Government (n = 37)	1.5	1.7	78.6	3.4	2.3	2.8
Chemical, pharmaceutical, and allied products (n = 7)	2.3	2.6	96.2	3.1	3.3	3.3
Finance, insurance, and real estate (n = 62)	1.4	1.8	79.7	3.4	2.8	3.0
High technology (n = 17)	2.0	2.2	78.3	2.8	2.3	2.3
Services—accommodation, food, and personal (n = 11)	1.4	1.9	78.3	3.5	2.4	2.6
Education (n = 13)	1.4	1.7	80.7	2.9	2.6	2.6
Food, beverage, and tobacco (n = 6)	1.0	1.9	90.2	2.6	2.5	2.5
Services—professional and technical (n = 14)	1.1	1.9	80.9	3.4	2.8	2.8
Not-for-profit (n = 28)	1.5	1.9	84.0	2.7	2.4	2.6
Retail trade (n = 21)	1.3	1.6	82.4	2.7	2.4	2.4
Transportation (n = 17)	1.9	2.2	82.4	3.3	2.5	2.9
Communications and telecommunications (n = 11)	0.9	1.3	58.7	3.1	2.0	2.5
Manufacturing (n = 18)	1.2	1.6	71.8	2.8	1.9	2.5
Natural resources, excluding oil and gas (n = 19)	1.5	1.8	81.1	3.2	2.8	2.8
Wholesale trade (n = 8)	1.6	2.2	57.7	2.8	1.5	1.8
Services—scientific, construction, and engineering (n = 23)	0.8	1.6	44.3	3.9	1.9	2.9
Utilities (n = 23)	1.6	2.1	72.6	3.0	2.1	2.7
Oil and gas (n = 26)	1.6	2.6	50.5	3.6	1.9	2.6
Health (n = 6)	1.0	1.2	71.2	2.4	1.5	2.1
<b>Sector</b>						
Private sector (n = 281)	1.5	1.9	75.3	3.2	2.5	2.7
Public sector (n = 86)	1.4	1.7	70.4	3.2	2.0	2.7
<b>Region</b>						
Atlantic provinces (n = 13)	2.0	2.0	97.0	2.8	2.8	2.8
Quebec (n = 38)	1.7	1.9	81.9	3.0	2.4	2.7
Ontario (n = 171)	1.3	1.7	79.1	2.9	2.3	2.5
Manitoba (n = 8)	2.1	2.1	95.8	3.8	3.3	3.3
Saskatchewan (n = 25)	1.7	1.9	60.6	3.7	2.4	3.3
Alberta (n = 76)	1.5	2.3	59.4	3.7	2.0	2.9
British Columbia (n = 34)	1.3	1.8	72.3	3.4	2.6	2.9

Notes: Sample sizes indicate the number of organizations providing a response for at least one actual or projected increase. Only the average (mean) is provided.  
Source: The Conference Board of Canada.

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**Table 4**  
**2016 Planned Compensation Increases by Industry, Sector, and Region**  
 (non-unionized employees)

	Policy line (range increase; %)		Average increase among all employees (%)	
	zeros included	zeros excluded	zeros included	zeros excluded
<b>Overall (n = 367)</b>	<b>1.6</b>	<b>1.9</b>	<b>2.6</b>	<b>2.7</b>
<b>Industry</b>				
Government (n = 37)	1.7	1.9	3.0	3.1
Chemical, pharmaceutical, and allied products (n = 7)	2.1	2.1	2.9	2.9
Finance, insurance, and real estate (n = 62)	1.7	1.9	2.8	2.8
High technology (n = 17)	1.9	2.2	2.8	2.8
Services—accommodation, food, and personal (n = 11)	2.1	2.4	2.8	2.8
Education (n = 13)	1.2	1.7	2.6	2.6
Food, beverage, and tobacco (n = 6)	2.0	2.0	2.6	2.6
Services—professional and technical (n = 14)	2.0	2.0	2.6	2.6
Not-for-profit (n = 28)	1.4	1.9	2.6	2.7
Retail trade (n = 21)	1.3	1.7	2.6	2.6
Transportation (n = 17)	1.7	2.0	2.6	2.6
Communications and telecommunications (n = 11)	1.4	1.4	2.4	2.4
Manufacturing (n = 18)	1.6	2.0	2.4	2.4
Natural resources, excluding oil and gas (n = 19)	1.4	1.7	2.4	2.4
Wholesale trade (n = 8)	1.6	1.9	2.4	2.4
Services—scientific, construction, and engineering (n = 23)	1.1	1.8	2.3	2.8
Utilities (n = 23)	1.6	1.9	2.3	2.6
Oil and gas (n = 26)	1.8	2.0	2.1	2.8
Health (n = 6)	0.6	0.8	1.5	1.9
<b>Sector</b>				
Private sector (n = 281)	1.6	1.9	2.5	2.7
Public sector (n = 86)	1.5	1.7	2.6	2.8
<b>Region*</b>				
Atlantic provinces (n = 13)	1.9	2.3	2.8	2.8
Quebec (n = 38)	1.9	1.9	2.7	2.7
Ontario (n = 171)	1.4	1.7	2.5	2.5
Manitoba (n = 8)	2.3	2.3	2.9	2.9
Saskatchewan (n = 25)	1.7	1.8	3.2	3.2
Alberta (n = 76)	1.6	2.1	2.4	2.9
British Columbia (n = 34)	1.4	1.9	2.3	2.5

Notes: Sample sizes indicate the number of organizations providing a response for at least one actual or projected increase. Only the average (mean) is provided.

\*averages provided by organizations in the North were excluded from regional breakdowns due to small sample size

Source: The Conference Board of Canada.



Average increases to salary ranges (or “structures”) are expected to be 1.6 per cent in 2016, up slightly from the range movement of 1.4 per cent seen in 2015.

Sixteen per cent of organizations with salary range structures plan to hold their ranges constant in 2016, down from 23 per cent in 2015. Twelve per cent of organizations reported a salary freeze for all employees in 2015. Most organizations are not planning salary freezes for next year, with only 5 per cent of organizations anticipating a base salary freeze for all employees in 2016. However, the prevalence of salary and range freezes varies by region and industry. For example, looking specifically at Alberta, 24 per cent of

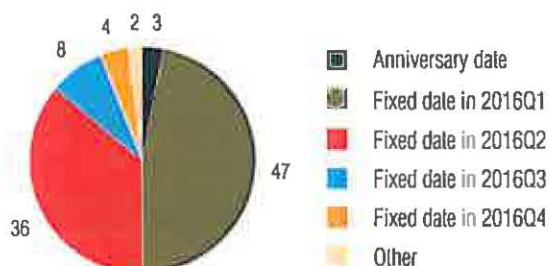
organizations reported that they are planning to freeze ranges and 17 per cent are planning an overall salary freeze in 2016. In the oil and gas industry, 9 per cent of organizations are planning to freeze ranges, while 25 per cent are planning to freeze salaries in 2016.

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 3.) At the time of the survey, most organizations (85 per cent) were still working with preliminary salary budgets. (See Chart 4.)

## DIFFERENTIATING BASE PAY

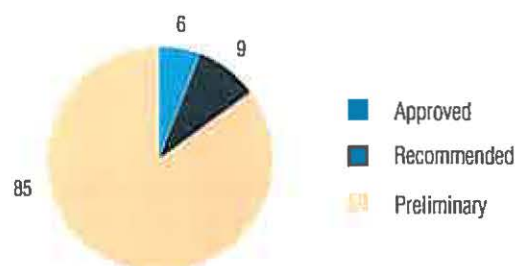
Over three-quarters of organizations (78 per cent) link base pay to performance. In 2015, “top” performers received an average salary increase of 3.8 per cent, compared with 2.4 per cent for “satisfactory” performers and 0.5 per cent for “poor” performers. Many organizations make an effort to differentiate base pay increases between different levels of performance. Seventy-nine per cent reward top performers with increases that are up to twice the average increase given to satisfactory performers. Seventeen per cent reward “outstanding” performance with increases that are two to three times the average increase for satisfactory performance. Three per cent of organizations reported that the average increases for outstanding performers are more than three times those given to satisfactory performers.

**Chart 3**  
Planned Implementation of Salary Increases for 2016  
(n = 350; percentage of organizations)



Source: The Conference Board of Canada.

**Chart 4**  
Current Status of Salary Budget Recommendations for 2016  
(n = 370; percentage of organizations)



Source: The Conference Board of Canada.

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**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 = 87)	Private sector (n = 283)	Overall (n = 370)	Public sector (n = 87)	Private sector (n = 283)	Overall (n = 370)
<b>Overall</b>	<b>54</b>	<b>91</b>	<b>82</b>	<b>7</b>	<b>58</b>	<b>46</b>
Senior executives	54	88	80	6	58	45
Executives	45	88	77	5	54	42
Management	43	89	78	3	29	23
Professional—technical	35	79	68	1	13	10
Professional—non-technical	36	79	68	0	11	8
Technical and skilled trades	19	57	47	0	9	7
Clerical and support	36	69	61	0	6	4
Service and production	20	62	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.

**Table 6**Short-Term Incentive Pay, by Sector and Employee Group  
(per cent\*)

	Public sector (n = 47)	Private sector (n = 258)	All sectors combined (n = 305)
Senior executives	100	98	98
Executives	86	97	95
Management	79	97	94
Professional—technical	72	87	85
Professional—non-technical	67	87	84
Technical and skilled trades	50	64	63
Clerical and support	68	75	74
Service and production	50	71	68

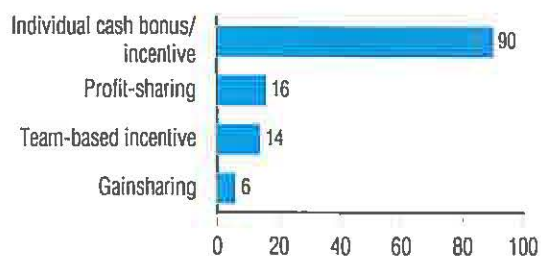
\*based on organizations that reported having short-term incentive pay for at least one employee category—non-unionized employees

Source: The Conference Board of Canada.

**Chart 5**

Short-Term Incentive Pay—Plan Types

(n = 289; per cent, based on organizations that have at least one plan)



Note: Figures do not add up to 100 because some respondents have more than one plan.

Source: The Conference Board of Canada.

**SHORT-TERM INCENTIVE PLANS**

The majority of survey respondents (82 per cent) have at least one short-term incentive pay plan (STIP) in place. These plans are especially popular in the private sector, where 91 per cent of organizations reported having at least one plan in place. By comparison,

54 per cent of public sector organizations have one (or more) short-term incentive pay plan. Individual cash bonuses or incentive plans are, by far, the most common form—used by 90 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.)



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

2015 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	211	43.9	45.7	99	94	186	46	12	43
Executives	193	31.7	33.9	99	94	169	47	15	38
Management	231	16.5	17.0	97	92	203	46	14	40
Professional—technical	173	10.9	11.4	95	93	150	44	16	40
Professional—non-technical	182	10.1	10.5	95	92	159	48	15	37
Technical and skilled trades	71	8.1	7.7	96	92	62	48	18	34
Clerical and support	164	6.6	7.0	96	91	146	50	15	35
Service and production	76	7.3	7.0	92	92	62	48	18	34

2016 Projected Payouts**			
Employee group	(n = )	Target payout	Plan maximum
Senior executives	192	44.5	73.6
Executives	171	31.7	55.2
Management	208	16.7	29.2
Professional—technical	155	11.0	21.3
Professional—non-technical	164	10.3	19.1
Technical and skilled trades	66	7.9	13.5
Clerical and support	147	6.5	13.4
Service and production	66	7.2	11.9

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

\*\*2016 payouts refer to payouts based on 2015 results, to be paid in 2016. 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.

Average actual payouts exceeded targets in 2015 in nearly half of organizations, across all employee groups. (See Table 7.) In 2015, the actual cost of short-term incentive pay plans averaged 10.8 per cent of total base pay spending, the same as what was planned for the year. The percentage of eligible employees receiving a payout varies slightly by employee group, ranging from 91 per cent to 95 per cent. In 2016, organizations expect to spend 10.8 per cent as a percentage of total base pay spending on short-term incentive pay.

When comparing short-term incentive pay targets as a percentage of base pay, targets vary widely across employee groups and industries. Organizations in the scientific, construction, and engineering services industry have the highest targets overall and across many employee groups. Government<sup>4</sup> targets remain the most conservative. (See tables 8 and 9.)

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

**Table 8**  
2016 Short-Term Incentive Pay Plan Targets for Selected Industries, by Employee Group  
(percentage of base salary)

Employee group*	Natural resources (n = 12)	Oil and gas (n = 18)	Manufacturing (n = 11)	Transportation (n = 12)	Finance, insurance, and real estate (n = 45)	Communications/telecommunications (n = 10)	High technology (n = 17)	Services—professional and technical (n = 10)	Services—scientific, construction and engineering (n = 12)	Government (n = 10)	Retail trade (n = 14)	Utilities (n = 19)
Senior executives	59.7	53.9	55.6	46.1	46.4	54.5	39.2	35.7	74.0	17.0	45.2	38.7
Executives	41.0	39.1	30.2	27.2	29.9	34.9	26.9	30.0	63.0	13.4	32.6	26.6
Management	21.2	24.0	15.4	20.8	15.7	14.3	14.5	14.0	22.1	8.5	16.8	14.3
Professional—technical	13.5	16.0	11.2	11.9	10.2	9.1	8.4	6.5	14.6	7.5	11.2	10.9
Professional—non-technical	11.8	15.0	10.1	10.3	9.8	9.3	8.6	6.2	13.2	6.5	11.1	9.7
Technical and skilled trades	10.0	11.4	5.1	*	5.9	*	*	*	*	*	*	6.9
Clerical and support	8.2	9.1	8.1	7.6	5.6	*	6.0	*	9.2	5.0	4.4	6.5
Service and production	9.3	10.5	5.9	*	5.2	*	8.2	*	*	*	*	*
Unionized	*	6.9	*	*	4.0	*	*	*	*	*	*	4.7

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.

**Table 9**  
Short-Term Incentive Pay Plan Target Adjustments, by Employee Group  
(per cent, based on organizations providing 2015 and 2016 targets)

Employee group	Adjusting target	Increasing	Average target increase	Decreasing	Average target decrease	Overall average target movement*
Senior executives	14.4	8.5	8.8	5.9	-12.0	0.3
Executives	14.4	7.7	6.0	6.5	-5.1	0.9
Management	12.9	7.9	5.3	5.0	-3.6	1.9
Professional—technical	14.7	10.7	2.1	4.0	-2.4	0.9
Professional—non-technical	14.4	8.8	3.0	5.6	-1.4	1.3
Technical and skilled trades	12.3	7.7	1.5	4.6	-1.9	0.2
Clerical and support	13.3	6.3	2.5	7.0	-2.4	-0.1
Service and production	14.1	10.9	1.3	3.1	-1.3	0.7

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

### Short-Term Incentive Plans by the Numbers

- 82%** have at least one plan in place
- Of these:
  - 68%** link short-term incentives to performance management
  - 88%** provide top performers with short-term incentive payouts that are twice that of satisfactory performers
  - 11%** provide top performers with short-term incentive payouts that are two to three times that of satisfactory performers
  - 44%** or more paid out at above target across all employee groups
  - 10.8%** is the average cost of short-term incentive plans as a percentage of total base pay spending.

Source: The Conference Board of Canada.

Over 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 (88 per cent) provide outstanding or top performers with short-term incentive payouts that are up to twice the amount given to satisfactory performers. Eleven per cent provide short-term incentives payouts that are two to three times the average payout for satisfactory performance, and only 1 per cent offer more than three times the typical short-term incentive payout to their top performers. In 2015, the average short-term incentive payout made to top performers was 14.2 per cent of base pay, compared with 9.4 per cent to satisfactory performers and 3.3 per cent to poor performers.

### MEDIUM-TERM INCENTIVE PLANS

Twelve 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 15 per cent of 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 1 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 58 per cent of organizations reported LTIP use. By comparison, LTIPs are not

common in the public sector—only 7 per cent have such plans. Most publicly traded firms offer LTIPs (88 per cent), as do most of the firms controlled by a publicly traded company (77 per cent).

The top three long-term incentive plan types include performance share plans (PSUs) (46 per cent), restricted share units (RSUs) (39 per cent), and traditional stock options (34 per cent).

**Table 10**  
Long-Term Incentive Plans—Eligibility, by Employee Group  
(per cent\*)

	Organizations with LTIP for this category (n = 167)	Employees eligible for LTIPs	Employees receiving LTIP in 2015**
Senior executives	99	96	97
Executives	88	95	95
Management	50	78	87
Professional—technical	23	79	86
Professional—non-technical	18	79	83
Other non-unionized	11	89	92

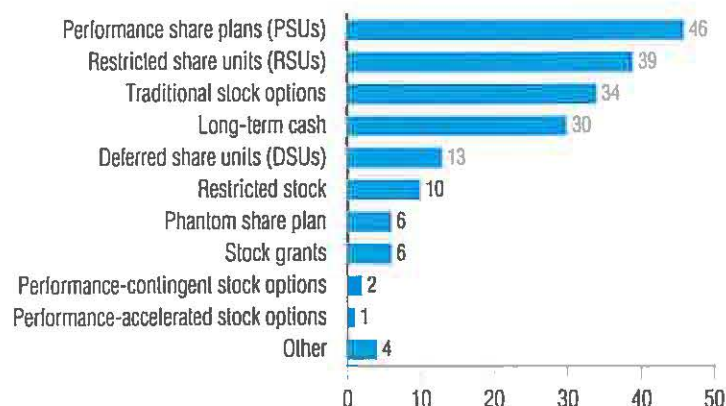
\*based on organizations that reported having LTIPs for at least one employee category, non-unionized employees

\*\*based on percentage eligible

Source: The Conference Board of Canada.

**Chart 6**

Long-Term Incentive Plans—Plan Types  
(n = 158; 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. Refers 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.

**Table 11**

Grant Value of LTI Awards in 2015  
(grant value as a percentage of base pay)

	(n =)	Mean
Senior executives	101	104.8
Executives	97	58.1
Management	55	28.0
Professional—technical	22	16.1
Professional—non-technical	20	13.6
Other non-unionized	8	11.6

Source: The Conference Board of Canada.

Over time, traditional stock options have been decreasing in prevalence, from a high of 82 per cent in 1999 shortly after the Conference Board began collecting 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 10 and Chart 6.)

The average grant value of long-term incentives provided to senior executives is 104.8 per cent of base salary. Executives can expect just over half that percentage at 58.1 per cent of base pay. (See Table 11.)

## 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. Review strategy and ensure alignment with business objectives.
3. Retain talent.

Maintaining a competitive position still holds the number one spot, with nearly half of the responding organizations (50 per cent) selecting it as a top priority. Reviewing strategy and ensuring alignment with business objectives continues to be seen in the top three priorities, increasing 6 percentage points to 48 per cent this year. Retaining talent continues to be a top priority on the agenda among 43 per cent of human resource professionals, moving slightly down from the 46 per cent who indicated it as a top priority last year. (See Table 12.)

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.)

**Table 12**

Top Rewards Activities and Priorities\*  
 (n = 361; percentage of organizations)

### Next 12 to 18 months

1. Maintaining competitive position	50
2. Reviewing strategy and ensuring alignment with business objectives	48
3. Retaining talent	43
4. Connecting pay and performance	39
5. Attracting talent	34
6. Containing benefit costs	14
7. Ensuring internal equity	14
8. Communicating rewards to employees	13
9. Managing rewards on a total rewards basis	12
10. Maximizing effectiveness of variable pay	12
11. Containing pension costs	8
12. Managing executive compensation	5
13. Learning and leadership development	1
14. Managing costs	1
15. Other	3

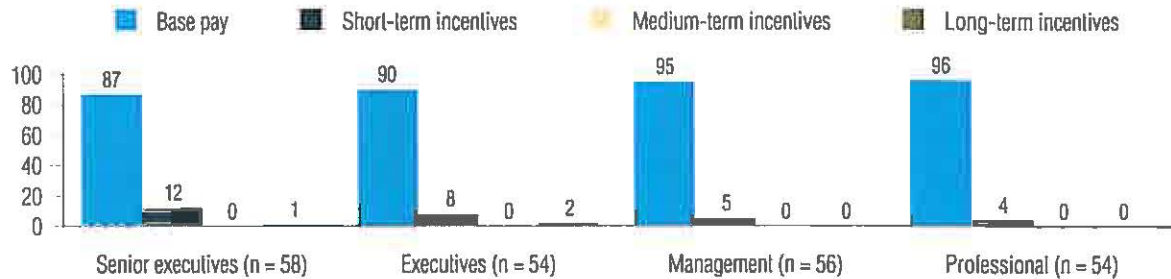
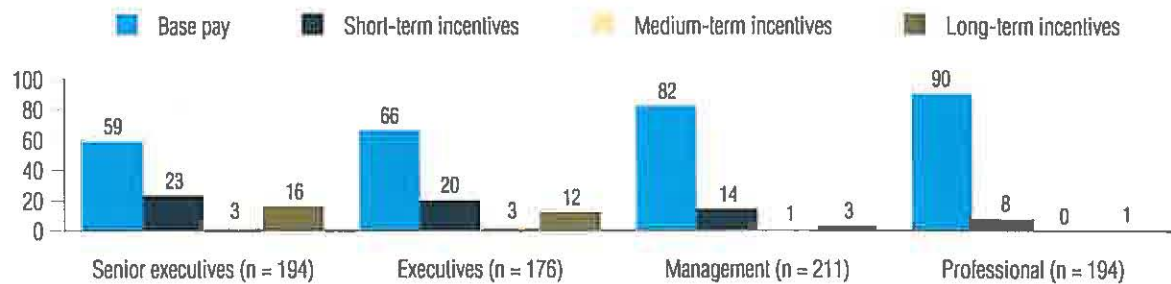
\*respondents were asked to select (from a list) their top three rewards activities/priorities over the next 12 to 18 months  
 Source: The Conference Board of Canada.

Twenty-six per cent of responding organizations use regional rates of pay. The highest rates of pay are in the capitals of the Northern territories. However, municipalities in Alberta continue to have higher regional rates of pay. (See Chart 8.)



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

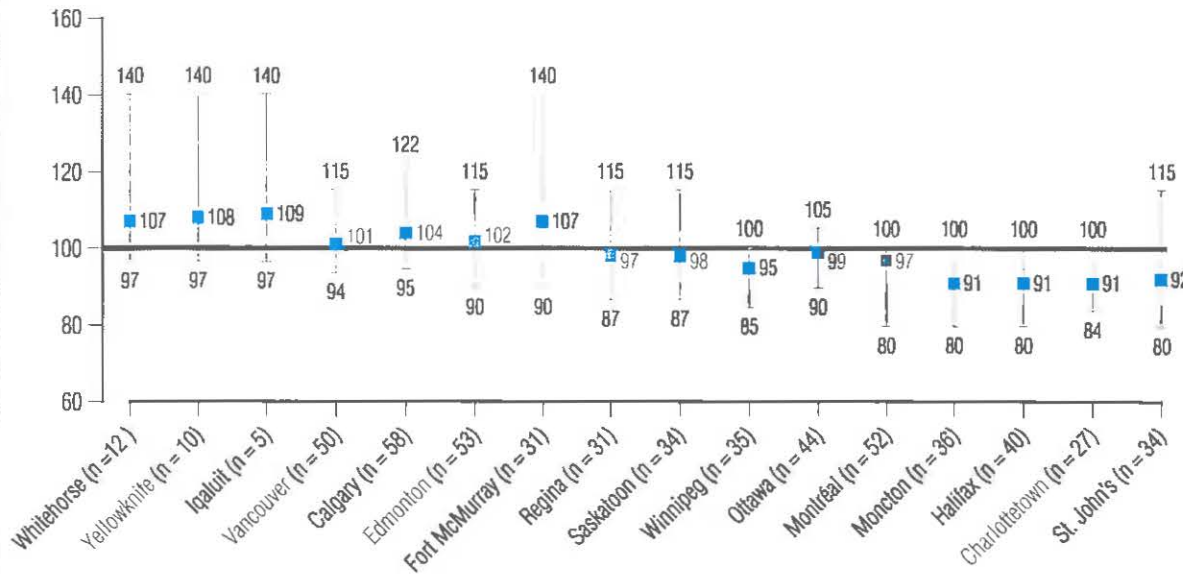
**Public Sector****Private Sector**

Note: Direct compensation can be defined as all compensation that is paid directly to the employee through base salary and incentives. Totals may not add up to 100 due to rounding.

\*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

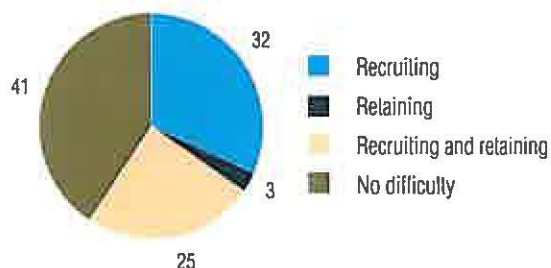
# Human Resources Management

### Chapter Summary

- ◆ Compared with 2014, fewer organizations are having difficulty retaining and attracting talent, decreasing from 64 per cent in 2014 to 59 per cent in 2015. These challenges vary significantly by region.
- ◆ Voluntary turnover has increased slightly in the past year, averaging 7.6 per cent.
- ◆ The overall average absenteeism rate for 2014–15 was 6.5 days per employee. The transportation sector has the highest absenteeism rate, with an average of 9.0 days per employee.

**Chart 9**

Difficulty Recruiting and Retaining Particular Skills  
(n = 367; percentage of organizations)



Note: Total may not add up to 100 due to rounding.  
Source: The Conference Board of Canada.

### RECRUITMENT AND RETENTION

The percentage of organizations experiencing difficulty recruiting and retaining particular skills has decreased to 59 per cent—down from 64 per cent last year. However, the prevalence of these difficulties varies significantly by region and industry. Even in Alberta—where the effects of the drop in oil prices has been felt most strongly—recruiting and retaining top talent and particular skills remains a challenge. Seventy-nine per cent of employers with operations in Alberta reported difficulty attracting and retaining talent, compared with 83 per cent in

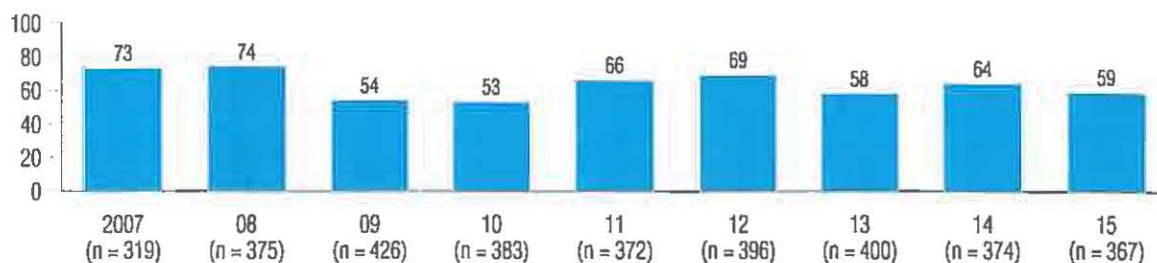
2014. Meanwhile, organizations with operations in Saskatchewan have experienced little change over the past year in the level of difficulty recruiting and retaining talent in the province. Fifty-seven per cent reported challenges recruiting and retaining in 2014, compared with 54 per cent this year. In comparison, organizations with operations in Ontario are having more difficulty recruiting and retaining top talent—from two-thirds reporting such challenges in 2014, to just under one-quarter (74 per cent) this year. Once again, there was little variance between the public (62 per cent) and private (58 per cent) sectors in terms of difficulty recruiting and/or retaining talent. (See charts 9 and 10.)



**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.

The greatest changes in recruitment and retention challenges were observed in the oil and gas and natural resources industries. In 2014, 76 per cent of organizations in the oil and gas industry reported challenges with recruiting and retaining, along with 73 per cent of organizations in natural resources (excluding oil and gas). These numbers have decreased significantly this year, with only 54 per cent of oil and gas and 58 per cent of natural resources companies now reporting difficulty recruiting and retaining talent. This is unsurprising given the drop in resource prices and reduced business investment in both of these sectors.

Attraction and retention continues to be a challenge in the communications and telecommunications (73 per cent) and manufacturing (72 per cent) industries. The demand for talent in the accommodation, food, and personal services industry has increased significantly over the past year. In 2014, 50 per cent of companies in this industry reported challenges recruiting and retaining talent, compared with 73 per cent this year.

The top five specializations in highest demand are specialist IT, skilled trades, engineering, 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, skilled trades are slightly more in demand than engineering positions, which held the second spot last year. Specialist IT positions continue

to be in the highest demand, although this demand has decreased slightly from 36 per cent last year to 33 per cent this year. The demand for engineering positions saw a greater decrease, from 35 per cent last year to 28 per cent this year. (See Table 13.)

**Table 13**

**Top Professions/Specializations/Position Types in Demand**

(n = 210; per cent; based on organizations reporting difficulty recruiting and/or retaining particular skills)

1. Specialist IT	33
2. Skilled trades	30
3. Engineering—electrical, mechanical, etc.	28
4. Management	26
5. Sales and marketing	20
6. Accounting/finance	17
7. General IT	13
8. Human resources	7
9. Executives	4
10. Physical sciences	4
11. Senior executives	3

Notes: 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 engineers, millwrights, project managers, analysts, software developers and programmers, accountants and other finance roles, and skilled tradespeople.

Source: The Conference Board of Canada.

**Table 14**  
**Voluntary and Involuntary Turnover Rates, by Sector and Industry**  
 (average percentage)

	Voluntary turnover rates		Involuntary turnover rates	
	(n = )	(%)	(n = )	(%)
<b>Overall</b>	<b>306</b>	<b>7.6</b>	<b>291</b>	<b>5.4</b>
<b>By sector</b>				
Private sector	241	8.4	232	6.2
Public sector	65	4.5	59	2.1
<b>By industry</b>				
Natural resources, excluding oil and gas	14	6.9	14	7.5
Oil and gas	24	5.3	24	10.4
Manufacturing	17	4.0	15	2.7
Food, beverage, and tobacco products	*	*	*	*
Chemical, pharmaceutical, and allied products	*	*	*	*
High technology	17	6.6	16	6.4
Communications and telecommunications	7	9.5	7	6.8
Transportation	12	4.7	11	1.8
Finance, insurance, and real estate	56	7.5	54	3.7
Wholesale trade	8	13.2	8	8.3
Retail trade	13	21.8	13	10.1
Education	10	6.5	6	1.1
Government	29	4.5	27	2.7
Not-for-profit	26	6.7	25	3.5
Services—accommodation, food, personal	11	10.8	11	6.6
Services—professional and technical	12	9.9	12	4.0
Services—scientific, construction, and engineering	17	11.1	16	13.4
Utilities	21	5.6	21	2.8
Health	*	*	*	*

#### 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.

\* not shown due to small sample size

Source: The Conference Board of Canada.

Voluntary turnover rates have increased from last year with organizations reporting an average of 7.6 per cent. After dropping to 6.1 per cent in 2010, following the economic downturn, turnover rates had been holding steady between 6.9 and 7.3 per cent. Increased turnover rates for 2015 may reflect improved confidence about the labour market and the availability of new job 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. This adds to the importance of organizations remaining focused on retaining their top talent and critical skills. The private sector still faces higher rates of voluntary turnover, with an overall average rate of 8.4 per cent compared with 4.5 per cent in the public sector. (See Chart 11 and tables 14–17.)

**Table 15**  
Voluntary and Involuntary Turnover Rates Among Specific Employee Groups  
(average percentage)

	Voluntary turnover rates		Involuntary turnover rates	
	(n =)	(%)	(n =)	(%)
Senior executives	153	4.1	156	4.5
Executives	139	3.0	139	3.6
Management	178	5.4	175	4.8
Professional—technical	157	7.0	158	3.4
Professional—non-technical	171	6.8	169	3.9
Technical and skilled trades	98	6.2	95	6.2
Clerical and support	177	7.1	175	4.8
Service and production	105	7.8	102	7.9

Source: The Conference Board of Canada.

**Table 16**  
Voluntary Turnover Rates Among Performance Employee Groups  
(average percentage)

	n =	%
Top performers	97	4.4
Satisfactory performers	105	6.9
Poor performers	94	10.1

Source: The Conference Board of Canada.

**Chart 11**  
Voluntary Turnover Rates\*  
(average percentage of employees)



\*refer to Table 14 for definitions  
Source: The Conference Board of Canada.

**Table 17**  
Voluntary and Involuntary Turnover Rates Among Regions  
(average percentage)

	Voluntary turnover rates		Involuntary turnover rates	
	(n =)	(%)	(n =)	(%)
Newfoundland and Labrador	29	13.9	29	3.9
Prince Edward Island	14	10.6	16	9.2
Nova Scotia	45	7.6	47	5.3
New Brunswick	32	8.9	34	7.0
Quebec	58	7.2	62	6.9
Ontario	127	7.1	127	4.8
Manitoba	47	9.1	48	4.6
Saskatchewan	61	9.5	61	6.7
Alberta	106	9.9	107	8.3
British Columbia	95	7.4	97	5.5
Northern Territories	11	11.6	11	4.6

Source: The Conference Board of Canada.



**Table 18**  
Absenteeism Rates, by Sector and Industry  
(days per employee)

	n =	Days per employee
<b>Overall</b>	<b>140</b>	<b>6.5</b>
<b>By sector</b>		
Private sector	97	5.7
Public sector	43	8.3
<b>By industry*</b>		
Natural resources, excluding oil and gas	6	6.4
Oil and gas	5	4.1
Manufacturing	8	5.1
Transportation	9	9.0
Finance, insurance, and real estate	33	5.4
Services—professional and technical	5	4.6
Services—scientific, construction, and engineering	5	5.1
Government	18	8.6
Not-for-profit	19	5.5
Utilities	11	7.4

**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. Maternity, adoption, paternity and parental leaves, vacation and holidays, bereavement leave, and jury duty are excluded.

\*not all industries are shown due to small sample sizes

Source: The Conference Board of Canada.

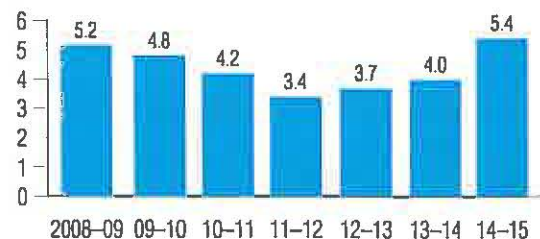
Employee turnover remains high in certain sectors. The retail trade industry faced the highest turnover rates in 2015, at 21.8 per cent. At 13.2 per cent, the wholesale trade industry also has voluntary turnover rates higher than those of many other sectors. The lowest turnover rate—4.0 per cent—is in the manufacturing industry.

The turnover rate among top performers in 2015 remains low, at 4.4 per cent, although this does represent an increase from 2.9 per cent in 2014. The turnover rate among satisfactory performers also increased, from 5.6 per cent in 2014 to 6.9 per cent this year.

Regionally, the turnover rates show increased labour pressure in some parts of the country while Alberta and Saskatchewan are cooling off. Newfoundland and Labrador had the highest turnover rate, at 13.9 per cent, followed by the Northern territories, at 11.6 per cent. In comparison, voluntary turnover rates in Alberta decreased from 12.1 per cent in 2014 to 9.9 per cent this year. Similarly in Saskatchewan, voluntary turnover decreased to 9.5 per cent in 2015, compared with 11.0 per cent in 2015. Less voluntary turnover suggests that employees are opting to remain in secure positions rather than seek new opportunities within the fragile economies of both provinces.

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 2015 was 5.4 per cent, with the highest rates reported in the services—scientific, construction, and engineering (13.4 per cent) and oil and gas (10.4 per cent)—sectors. In 2015, the private sector again reported a higher rate of involuntary turnover (6.2 per cent) than the public sector (2.1 per cent). (See Chart 12.)

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



\*refer to Table 14 for definitions

Source: The Conference Board of Canada.

The overall retirement rate for 2014–15 was 2.0 per cent: 2.5 in the public sector and 1.9 in the private sector. Projecting forward, organizations are anticipating 2.7 per cent of employees to retire next year. When looking even further ahead, the percentage of employees expected to retire within five years is 9.9 per cent. (See Table 19.)

Public sector organizations are predicting an above-average retirement rate of 12.0 per cent over the next five years, compared with predictions of 9.1 per cent among private sector organizations. Looking at different industries, the transportation industry predicts above-average retirement rates for the next 12 months and the highest retirement rate within the next five years (23.9 per cent). The utilities and manufacturing sectors also predict above-average retirement rates over the next five years, at 16.5 per cent and 11 per cent, respectively. The industries predicting the lowest retirement rates over the next five years include services—scientific, construction, and engineering (4.2 per cent); retail trade (4.3 per cent); and accommodation, food, and personal services (5.6 per cent). (See Table 20.)

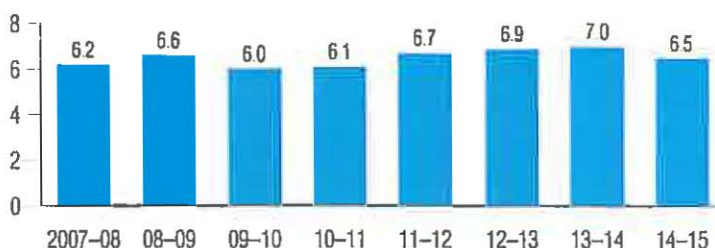
The overall absenteeism rate for 2015 was 6.5 days per employee. This rate was higher in the public sector (8.3 days) than in the private sector (5.7 days). By industry, the transportation industry had the highest absenteeism rate, at 9.0 days, while the lowest (4.1 days) was found in the oil and gas industry. (See Chart 13 and Table 18.)

## PERFORMANCE MANAGEMENT

Almost all responding organizations (94 per cent) have a performance management system in place, but not all are pleased with the effectiveness of their systems. Less than half the organizations find their performance management systems to be effective or very effective (43 per cent). Thirteen per cent indicate that their system requires improvement. (See Chart 14.)

When conducting performance assessments, just over half of organizations (54 per cent) use a five-level rating system and just under one-quarter (24 per cent)

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



\*refer to Table 18 for definition

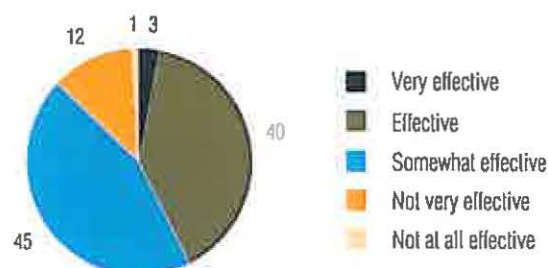
\*\*absenteeism for 2008-09 and 2011-12 are in days per full-time equivalent employee  
Source: The Conference Board of Canada.

**Table 19**  
Retirement Rates 2012–15  
(per cent)

Next 12 to 18 months	2015	2014	2013	2012
Have retired in the past 12 months	2.0	2.0	1.8	1.8
Expect to retire in the next 12 months	2.7	2.8	2.3	2.3
Expect to retire in the next 5 years	9.9	9.7	8.6	9.0

Source: The Conference Board of Canada.

**Chart 14**  
Effectiveness of Performance Management System  
(n = 344; percentage of organizations)



Note: Total may not add up to 100 due to rounding.

Source: The Conference Board of Canada.



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apply a four-level approach. (See Chart 15.) Three-level approaches are less common, used by only 11 per cent of organizations. However, this is an increase compared with the 8 per cent that used a three-level system in 2013. In terms of how ratings are distributed within each rating system, normal distributions are observed. Few organizations (11 per cent) use a forced performance distribution. However, 44 per cent of organizations have guidelines or provide recommendations to managers to ensure a normal distribution. (See charts 16 and 17.)

The use of automated/electronic systems for performance appraisals is increasing, with half of organizations using only automated/electronic systems for performance appraisals, compared with 42 per cent in 2013. In contrast, the use of paper-based systems is decreasing, from 32 per cent in 2013 to 25 per cent in 2015. One-quarter of organizations use a combination of both paper-based and automated/electronic systems.

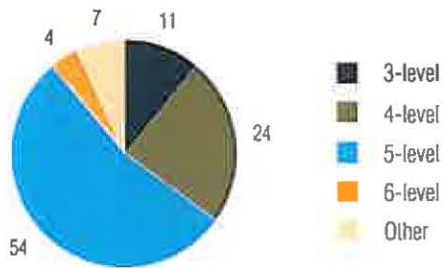
**Table 20**  
Retirement Rates, by Sector and Industry  
(per cent)

	n =	Have retired in the past 12 months	Expected to retire in the next 12 months	Expected to retire in the next 5 years
<b>Overall</b>	<b>264</b>	<b>2.0</b>	<b>2.7</b>	<b>9.9</b>
<b>By sector</b>				
Private sector	202	1.9	2.5	9.1
Public sector	62	2.5	3.4	12.0
<b>By industry</b>				
Natural resources, excluding oil and gas	13	3.8	3.0	9.5
Oil and gas	23	1.9	2.5	9.0
Manufacturing	14	2.6	2.3	11.0
Food, beverage, and tobacco products	*	*	*	*
Chemical, pharmaceutical, and allied products	*	*	*	*
High technology	13	2.4	2.1	6.9
Communications and telecommunications	7	1.8	*	*
Transportation	10	3.2	4.7	23.9
Finance, insurance, and real estate	49	1.7	2.4	9.2
Wholesale trade	7	2.3	1.6	9.6
Retail trade	9	1.1	0.8	4.3
Education	7	2.7	5.5	9.6
Government	30	2.2	2.7	10.6
Not-for-profit	26	1.3	1.9	8.4
Services—accommodation, food, personal	10	1.1	1.2	5.6
Services—professional and technical	10	0.8	2.7	7.9
Services—scientific, construction, and engineering	12	1.1	1.7	4.2
Utilities	17	3.0	5.5	16.5
Health	*	*	*	*

\*not shown due to small sample size  
Source: The Conference Board of Canada.



**Chart 15**  
 Number of Performance Levels  
 (n = 316; percentage of organizations)



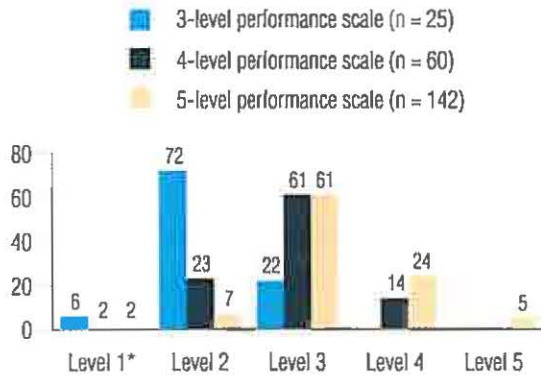
Source: The Conference Board of Canada.

**Chart 16**  
 Forced Performance Distribution and Guidelines  
 (n = 315; percentage of organizations)



Note: Total may not add up to 100 due to rounding.  
 Source: The Conference Board of Canada.

**Chart 17**  
 Performance Distribution  
 (average percentage of employees)



Notes: The high degree of variability in performance appraisal systems does not allow labels to be assigned to each level presented in the chart. Totals may not add up to 100 due to rounding.

\*for each of the three rating systems, "Level 1" represents unsatisfactory performers

Source: The Conference Board of Canada.

## Chapter 3

# Collective Bargaining

### Chapter Summary

- ♦ For 2016, the projected average wage increase negotiated among unionized employees is 1.9 per cent. The average negotiated increase for 2015 was 1.8 per cent.
- ♦ A little more than a quarter of respondents have short-term incentive pay plans for their unionized employees. Unionized workers in these organizations received payouts averaging 4.8 per cent of base pay in 2015.
- ♦ Wages remain the key bargaining issue for both management and unions.

### Profile of Unionized Employers

**55%** of responding organizations have unionized employees

**1,944** agreements are currently in place

**485** agreements expire in 2016, covering 274,450 employees

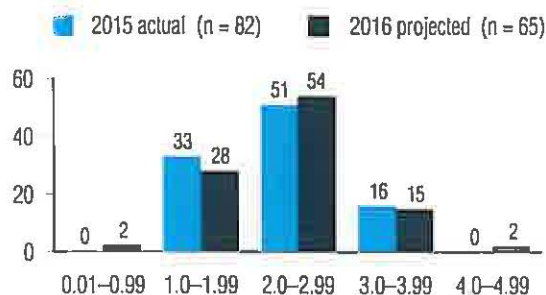
Source: The Conference Board of Canada.

### BASE PAY INCREASES

For unionized employees, average negotiated wage increases for 2016 are 1.9 per cent—1.4 per cent in the public sector and 2.1 per cent in the private sector. (See Chart 18 and Table 21.)

The average actual negotiated increase in 2015 was 1.8 per cent. Negotiated increases in the public sector were 1.4 per cent, compared with 2.0 per cent in the private sector.

**Chart 18**  
Distribution of Base Wage Increases\*  
(per cent)



Note: Totals may not add up to 100 due to rounding.

\*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 21**  
**Base Wage Increases\***  
(per cent, except for years in contract)

		Average no. of years in contract (n = 100)	Year 1 2015 (n = 95)	Year 2 2016 (n = 90)	Year 3 2017 (n = 83)	Year 4 2018 (n = 37)	Year 5 2019 (n = 19)
Contracts negotiated since Jan. 1, 2015	(mean)	3.3	1.8	1.9	2.0	2.0	2.0
	(median)	3.0	2.0	2.0	2.0	2.0	2.0
		Average no. of years in contract (n = 77)	Year 1 2016 (n = 69)	Year 2 2017 (n = 66)	Year 3 2018 (n = 61)	Year 4 2019 (n = 17)	Year 5 2020 (n = 9)
Contracts to be negotiated before Dec. 31, 2016	(mean)	3.2	1.9	2.0	2.0	2.3	2.4
	(median)	3.0	2.0	2.0	2.0	2.2	2.5

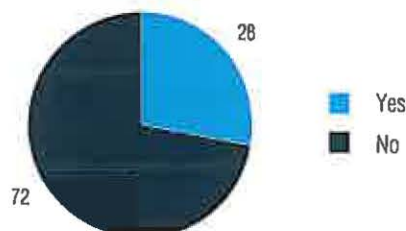
\*a base wage increase is the rate for the year specified (includes any cost of living allowance increases)  
Source: The Conference Board of Canada.

Organizations were also asked to provide overall salary increases (as a percentage of base) for unionized employees (including in-range adjustments, merit, step progression). The overall increase for unionized employees in 2015 averaged 2.3 per cent and is projected to be slightly lower, at 2.1 per cent, in 2016. The public sector reported a similar increase for 2015 (2.3 per cent) as it anticipates for 2016 (2.2 per cent). The private sector's 2016 projected increase of 2.1 per cent is slightly lower than its actual increase of 2.3 per cent in 2015.

## SHORT-TERM INCENTIVE PAY

A little over one-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, as compared with 15 per cent of employers in the public sector. Six in ten plans (59 per cent) exceeded or met payout targets in 2015. Almost all eligible employees received a payout (96 per cent), averaging 4.8 per cent. (See Chart 19 and Table 22.)

**Chart 19**  
**Prevalence of Short-Term Incentive Pay for Unionized Employees**  
(n = 204 ; percentage of unionized organizations)



Source: The Conference Board of Canada.

## NEGOTIATION ISSUES

The majority (88 per cent) of unionized organizations do not expect any work stoppages in 2016. Only one respondent reported that a stoppage "will definitely occur." Nearly six in ten organizations (58 per cent) rated the overall union-management climate in their organization as cooperative. Just under three-quarters of organizations (73 per cent) anticipate that the relationship with their union counterparts will remain the same in 2016.



**Table 22**  
Short-Term Incentive Pay Plan Payouts  
(percentage of base pay)

<b>2015 payouts</b> (actual, based on 2014 performance)	
Target payout (n = 36)	5.3
Actual payout (n = 31)	4.8
% of eligible employees receiving (n = 36)	95.5
% of organizations falling short of target (n = 29)	41.4
% of organizations meeting target (n = 29)	17.2
% of organizations surpassing target (n = 29)	41.4
<b>2016 payouts</b> (projections, based on 2015 performance)	
Target payout (n = 35)	5.4
Plan maximum (n = 33)	8.6

Source: The Conference Board of Canada.

In recent contract negotiations, the vast majority of union members (95 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 77 per cent. That said, just over one-quarter (29 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 23.)

**Table 23**  
Current Negotiation Issues  
(percentage of unionized organizations)

<b>Management issues</b> (n = 156)	
1. Wages	61
2. Business competitiveness	38
3. Productivity	37
4. Organizational change	33
5. Flexible work practices	29
6. Health benefits	25
7. Pensions	17
8. Outsourcing and contracting out	15
9. Employment security	10
10. Employment and pay equity	8
11. Technological change	6
12. Training and skills development	6
13. Variable pay	6
14. Other	6
<b>Union issues</b> (n = 149)	
1. Wages	88
2. Employment security	47
3. Health benefits	42
4. Pensions	23
5. Outsourcing and contracting out	21
6. Flexible work practices	16
7. Organizational change	15
8. Employment and pay equity	13
9. Training and skills development	13
10. Variable pay	5
11. Technological change	3
12. Productivity	3
13. Business competitiveness	3
14. Other	5

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.

## 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, and doctors, 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, or economic adjustment)

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

**Average salary increase among all employees in category (overall salary increase budget):** the total percentage increase to base salary from all sources—range, merit, economic, progression, (excluding increases due to promotions); includes employees receiving a 0 per cent increase

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

## Appendix B

# Respondent Profile

(Total number of responding organizations = 370)

	Percentage of organizations		Percentage of organizations
<b>Industrial Classification</b>		<b>Ownership</b>	
Natural resources, excluding oil and gas	5	Publicly traded shares	23
Oil and gas	7	Controlled by Canadian publicly traded company	4
Manufacturing	5	Controlled by foreign publicly traded company	11
Food, beverage, and tobacco products	2	Privately held	27
Chemical, pharmaceutical, and allied products	2	Not applicable	34
High technology	5		
Communications and telecommunications	3	<b>Assets (Canadian operations)</b>	
Transportation	5	\$0–\$99 million	15
Finance, insurance, and real estate	17	\$100–\$999 million	23
Wholesale trade	2	\$1 billion and over	40
Retail trade	6	Not reported	22
Education	4		
Government	10	<b>Annual sales/service revenue (Canadian operations)</b>	
Not-for-profit	8	\$0–\$99 million	21
Services—accommodation, food, personal	3	\$100–\$999 million	33
Services—professional and technical	4	\$1 billion and over	37
Utilities	6	Not reported	9
Health	2		
Services—scientific, construction and engineering	6	<b>Number of employees</b>	
		Fewer than 500	32
		500–1,499	25
		1,500–5,000	22
		Over 5,000	21
<b>Characteristics of Responding Organizations</b>			
<b>Sector</b>			
Private sector organization	77		
Public sector organization	24		
		<b>Total number of employees</b>	1,788,872
<b>Operations</b>		<b>Total non-unionized employees</b>	974,498
Canadian only	65	<b>Total unionized employees</b>	814,374
North American	11		
Global	24		



## Appendix C

# Participating Organizations

A total of 370 organizations participated in the Compensation Planning Outlook 2016 survey. Some participants have requested not to be listed.

3M Canada Company	Aon Canada Inc.
A&W Food Services of Canada Inc.	ARC Resources Ltd.
Access Credit Union	ArcelorMittal Dofasco
Accreditation Canada	AREVA Resources Canada Inc.
AECOM	Assumption Life
Aéroports de Montréal	AstraZeneca Canada Inc.
AGF Management Limited	ATB Financial
Agnico Eagle Mines Limited	Atlantic Central
Agriculture Financial Services Corporation	Aviva Canada Inc.
Agropur Coopérative	Bank of Canada
Air Canada	Banque Nationale du Canada
Alberta Electric System Operator	BC Cancer Foundation
Alberta Energy Regulator	BC Hydro Power & Authority
Alberta Innovates—Technology Futures	BCAA
Alberta Medical Association	Beedie Development Group
Alberta Motor Association	Bell Canada
Alberta Pacific Forest Industries Inc.	Belron Canada
Alberta Securities Commission	Best Buy Canada Ltd.
Allianz Global Assistance	BHP Billiton Canada Inc.
Allstate Insurance Company of Canada	BlueShore Financial Credit Union
Allstream Inc.	BMO Financial Group
Amec Foster Wheeler	BP Canada
Andrew Peller Limited	Brookfield Residential Properties

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Burlington Hydro Inc.	CI Investments
Business Development Bank of Canada	CIMA+
BWXT Canada Ltd.	City of Calgary
CAA South Central Ontario	City of Guelph
CAE Inc.	City of Lethbridge
Caisse de dépôt et placement du Québec	City of Medicine Hat
Calfrac Well Services	City of Mississauga
Calgary Co-operative Association Limited	City of Ottawa
Cambridge and North Dumfries Hydro Inc.	City of Regina
Cameco Corporation	City of Richmond
Canada Forgings Inc.	City of Saint John
Canada Mortgage and Housing Corporation	City of Vancouver
Canada Post	Civeo Canada
Canadian Agency for Drugs and Technologies in Health	Coast Capital Savings
Canadian Air Transport Security Authority	Columbia Power Corporation
Canadian Blood Services	Compass Group Canada
Canadian Breast Cancer Foundation	Concentra Financial
Canadian Foodgrains Bank	Concordia University
Canadian Foundation for Healthcare Improvement	Conexus Credit Union
Canadian Institute for Health Information	ConocoPhillips Canada
Canadian Institute of Health Research	CORIX
Canadian Medical Association	Corus Entertainment
Canadian Medical Protective Association	Credit Union Central of Manitoba
Canadian National Railway	Credit Union Deposit Guarantee Corporation
Canadian Nuclear Laboratories	Crombie REIT
Canadian Pacific Railway	Crossroads Credit Union
Canadian Payments Association	Crown Investments Corporation
Canadian Tire Corporation	CSA Group
Canlan Ice Sports Corp.	Dalhousie University
Canpotex Limited	David Suzuki Foundation
Capgemini	Deloitte
Capital Power	DIALOG
Carillion Canada Inc.	Domtar Corporation
Catalyst Paper	Economical Insurance
Catholic Children's Aid Society of Toronto	Eden Valley Poultry Inc.
CBC/Radio-Canada	Efficiency One
Celero Solutions	Egg Farmers of Canada
Centerra Gold Inc.	EHC Canada Inc.

Empire Life	Henry Schein Canada Inc.
Enbridge Inc.	Hewlett Packard Canada Co.
Encana Corporation	Hoffmann-La Roche Limited
Enerflex Ltd.	Houle Electric
Énergie Valero Inc.	Husky Energy
Enerplus Corporation	Hydro-Québec
Ensign Energy Services Inc.	IBM
EPCOR	Industrielle Alliance, assurance et services financiers
Equitable Life of Canada	Information Services Corporation
Ericsson Canada Inc.	Innovapost
Evraz	Insurance Corporation of BC
Export Development Canada (EDC)	Intact Financial Corporation
Fairview Fittings & Manufacturing Limited	Interior Savings Credit Union
Farm Credit Canada	International Development Research Centre
Federation of Canadian Municipalities	Investors Group Inc.
Fiera Capital	Ivanhoé Cambridge Inc.
Finning International Inc.	J.D. Irving Limited
Foresters	Just Energy Inc.
FortisAlberta Inc.	JV Driver Projects Inc.
FortisBC	K+S Potash Canada GP
Gaz Métro	Keyera Corp.
GE Canada	Kiewit
GEF Seniors Housing	Kinder Morgan Canada
General Dynamics Land Systems—Canada	Kinross Gold Corporation
Geosoft Inc.	KPMG Canada
Gibson Energy	L-3 Wescam
Glencore Canada Corporation (Copper)	La Capitale Assurance et services financiers
GM Financial	Law Society of British Columbia
Government of Alberta	LifeLabs
Graham Management Services LP	Liquor Control Board of Ontario
Greater Toronto Airports Authority	Loblaw Companies Limited
Great-West Life Assurance Company	London Health Sciences Centre
Groupe Deschênes Inc.	Lowe's Companies Canada
Guelph Hydro Electric Systems Inc.	lululemon athletica
Halifax International Airport Authority	MacDonald, Dettwiler and Associates Ltd.
Halifax Regional Municipality	MacEwan University
Harvest Operations Corp.	Manitoba Public Insurance
Healthcare Insurance Reciprocal of Canada	Maple Leaf Foods



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Medical Council of Canada	Potash Corporation of Saskatchewan
Memorial University	PowerStream Inc.
Metro-Richelieu Inc.	Pratt & Whitney Canada
MLTC Industrial Investments LP	Prince Rupert Port Authority
Mountain Equipment Co-op	Princess Auto Ltd.
Mouvement Desjardins	Progress Energy Canada Limited
NAV CANADA	PSP Investments
New Gold Inc.	Public Health Ontario
Nexen Energy ULC	Purolator Inc.
Niagara Region	PwC Management Services LP
Nilex	Québecor Média Inc.
Nordion (Canada) Inc.	Quinn Contracting Ltd.
North American Construction Group	RBC
Northbridge Financial Corporation	RCM Technologies Canada Corp.
Northern Pulp	Red River Community College
Northern Savings Credit Union	Region of Peel
NOVA Chemicals	Reitmans (Canada) Limited
NovAtel Inc	Revera Inc.
Office of the Superintendent of Financial Institutions	Richards-Wilcox Canada
Ontario Energy Board	Rio Tinto
Ontario Medical Association	Ritchie Bros Auctioneers
Ontario Power Generation	Rogers Communications
Ontario Real Estate Association	Royal Canadian Mint
Ontario Securities Commission	Ryerson University
OpenText	Samuel, Son, & Co., Limited
OPTrust	Sanofi
Osler, Hoskin & Harcourt LLP	Saskatchewan Blue Cross
Pacific & Western Bank of Canada	Saskatchewan Government Insurance
Pacific Northern Gas	Saskatchewan Public Service Commission
Panasonic Canada Inc.	SaskEnergy Inc
Parkland Fuel Corporation	SaskPower
PCL Constructors Inc.	SaskTel
PenFinancial Credit Union	Savanna Energy Services
Pengrowth	Scotiabank
PepsiCo Canada	Servus Credit Union
Polyone Canada Inc.	SGS Canada Inc.
Port Metro Vancouver	Shell Canada Ltd
Postmedia Network Inc.	SickKids Foundation

Siemens Canada Limited	Torys LLP
Sierra Systems	Town of Banff
Sleeman Breweries	Toyota Motor Manufacturing Canada Inc.
Sleep Country Canada	Toys "R" Us
Société de transport de Montréal	TransAlta
Sodexo Canada Ltd.	Transcontinental Inc.
Spectra Energy	Treasury Board of Canada Secretariat
St. Joseph's Health Care Hamilton	Trican Well Services Ltd.
St. Joseph's Health Care London	Trimac
Standards Council of Canada	Troy Life & Fire Safety Ltd.
Staples Canada	UAP Inc.
State Street	UFA Cooperative Ltd.
Stephenson's Rental Services Inc	Ultra Electronics
Strathcona County	Universities Canada
Strathcona Paper	University of Calgary
Suncor Energy Inc.	University of Ontario Institute of Technology
Synchrude Canada Ltd.	University of Ottawa
TAQA North Ltd	University of Regina
Tarion Warranty Corporation	University of Saskatchewan
TD Bank Group	University of Toronto
Teck Resources Limited	UPS Canada
Teknion Furniture Systems	Vale Canada Limited
TELUS	VIA Rail
Teranet Inc.	Viterra
Terrapure Environmental	Weatherford
The Banff Centre	Wescast Industries Inc.
The Beer Store and Brewers Distributor Ltd.	WestJet
The Brick	Westminster Savings Credit Union
The Commonwell Mutual Insurance Group	Wolseley Canada
The Co-operators	Workplace Safety and Insurance Board
The Law Society of Upper Canada	Yukon Government
The Ledcor Group of Companies	Zurich Canada
The Royal College of Physicians and Surgeons of Canada	
The Wawanesa Mutual Insurance Company	
TJX Canada (Winners Merchant International)	
TMX Group Limited	
Toronto Transit Commission	

## Appendix D

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