

Looking Forward: Cloudy with Scattered Sun

Total Rewards Insights and Forecasts for 2017



January 2017

Prepared by: The Wynford Group

The information presented in this report is a summary of results and interpretation of a survey completed by over 240 participants from across Canada, compiled between October and December of 2016. The focus of the survey was on actual salary adjustments and impacts to compensation trends in 2017.

We hope you find these results valuable, and encourage you to contact us for more information or to learn how the Wynford Group can work with your organization for any compensation or management consulting requirements. For more detailed insights and in-depth data, please see our annual Canadian Salary Surveys. **Please click [here](#) for more information.**

Economic Overview

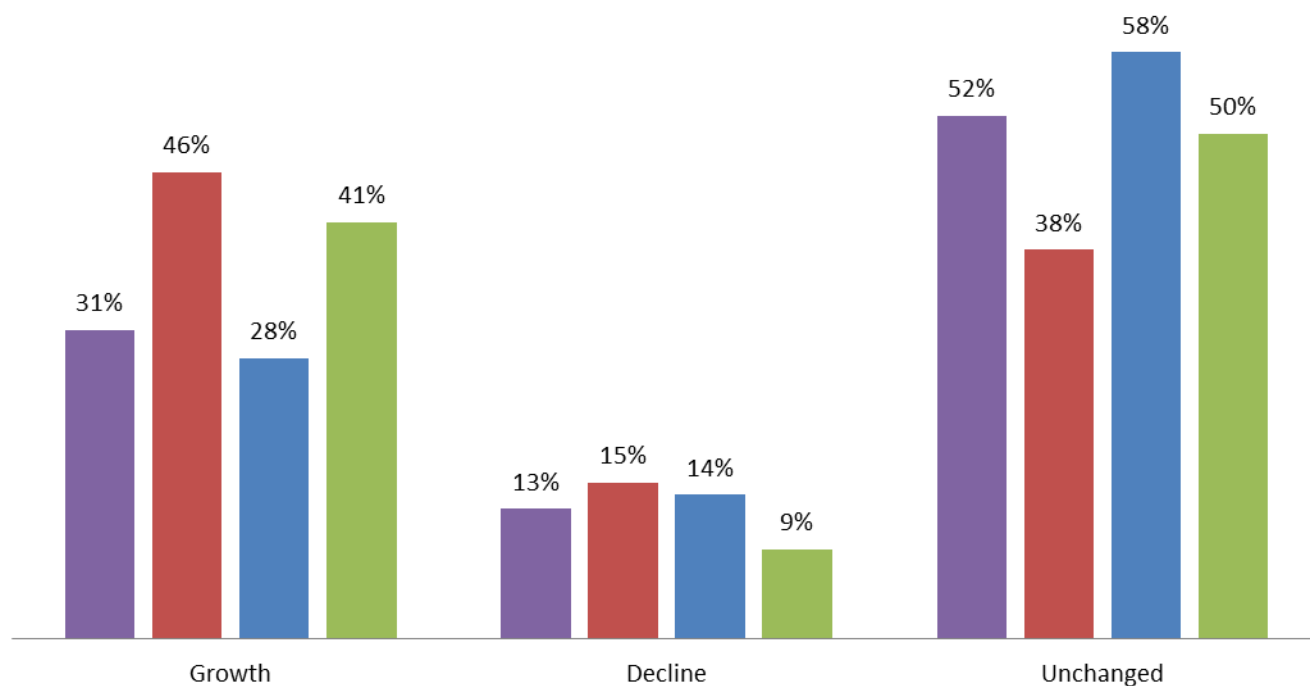
Needless to say, 2016 was a year of uncertainty for most Canadians. With scattered layoffs throughout the country, the majority of Canadian provinces experienced increased unemployment rates carrying over from 2015. As a particularly negative benchmark for 2016, Alberta saw its highest unemployment rate in 22 years at 9.0% in November. Although provinces such as British Columbia and Ontario managed to weather the storm, we look towards 2017 for a brighter and more balanced narrative on the Canadian economy as a whole.

With oil prices holding steady at around \$55/bbl. and multiple pipeline projects being approved, oil producing provinces are beginning to show increased optimism for 2017. However, the labour market is expected to slowly strengthen rather than bounce back entirely. British Columbia and Ontario are expected to see sustained growth in 2017; however, there is an expectation amongst Economists that these provinces will see slightly less growth than in the previous year due to new regulations on their provincial housing markets.

Summarized in the graph below are our participant's expectations on how they see their businesses performing in 2017.

Economic Environment Outlook - Next 6 Months

■ National ■ BC ■ Alberta ■ ON/East



The Wynford Group believes that the graph above provides an accurate reflection of how the Canadian Economy is expected to perform in the coming months. We have seen a reduction in the number of participants expecting a decline in business, as well as a modest increase in those expecting growth. In comparison to spring 2016, the following highlights suggest a brighter year for 2017:

- An **11%** increase in organizations expecting growth in 2017.
- A decrease of **15%** of participants expecting decline.
- The majority of participants; **52%** believe that their organizations will remain steady through the first half of 2017.
- For Alberta the flip is more dramatic; **14%** increase in confidence of growth and a whopping **23%** decrease in companies expecting a decline in business.

Overall our participants are forecasting a better year for business in 2017. Although there will always be areas of uncertainty; whether it be domestic government policy, political change in the United States, or the ever-frustrating actions of OPEC, our economy is moving forward and optimism on the rise.

Actual 2017 Salary Increases

Highest Average Regional 2017 Base Salary Projection Increases:

	National	2.00	
	<i>Highest</i>		<i>Lowest</i>
British Columbia	2.25	Saskatchewan	1.72
Ontario	2.06	Alberta	1.75
Quebec	1.92	Atlantic	1.75
Manitoba	1.90		

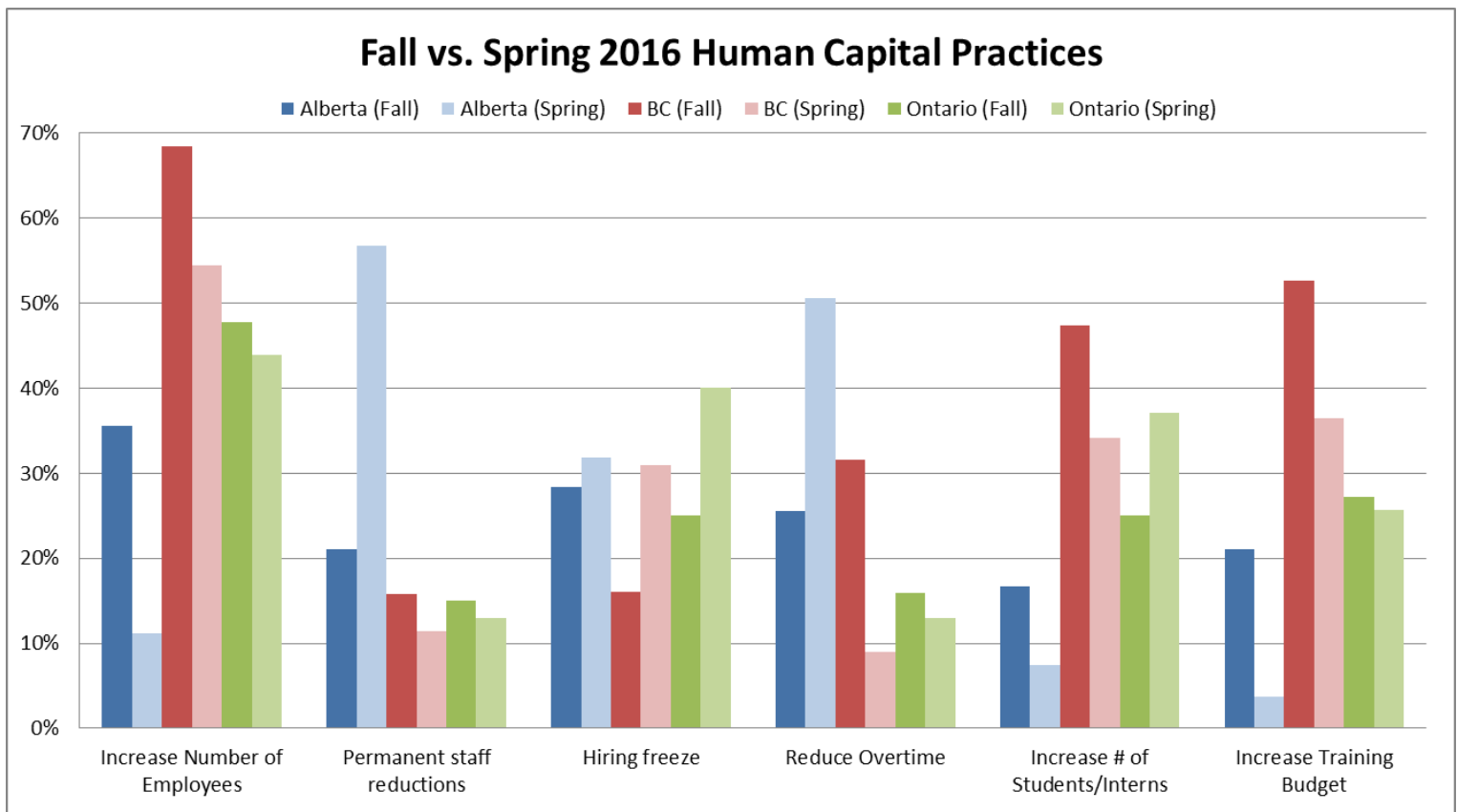
Average Industry 2017 Base Salary Projection Increases (including 0's):

	<i>Highest</i>		<i>Lowest</i>
Advanced Technology	2.75	Mining	1.75
Insurance	2.25	Construction	1.74
Professional Services	2.15	Hospitality	1.68
Financial	2.14	Energy	1.65
Software Development	2.10	IT Service	1.58

The above indicates that the divergence in salary increases between industries is narrowing. In comparison to the Spring Flash Update, the difference between the highest and the lowest projected increases was over 5.5%, while the Fall difference is only 1.17%. The Wynford Group attributes this to the slow bounce back in the energy sector, as well as a leveling out between industries such as software development and mining.

*Please note that these figures include reported 0's for base salary projection increases.

Human Capital Practices



When emerging from a recession, one of the slowest areas of the economy to catch up is often the labour market. Typically lagging behind as investor confidence and company revenues rebound, positive movement in the labour market is a harbinger of better times ahead. The chart above indicates:

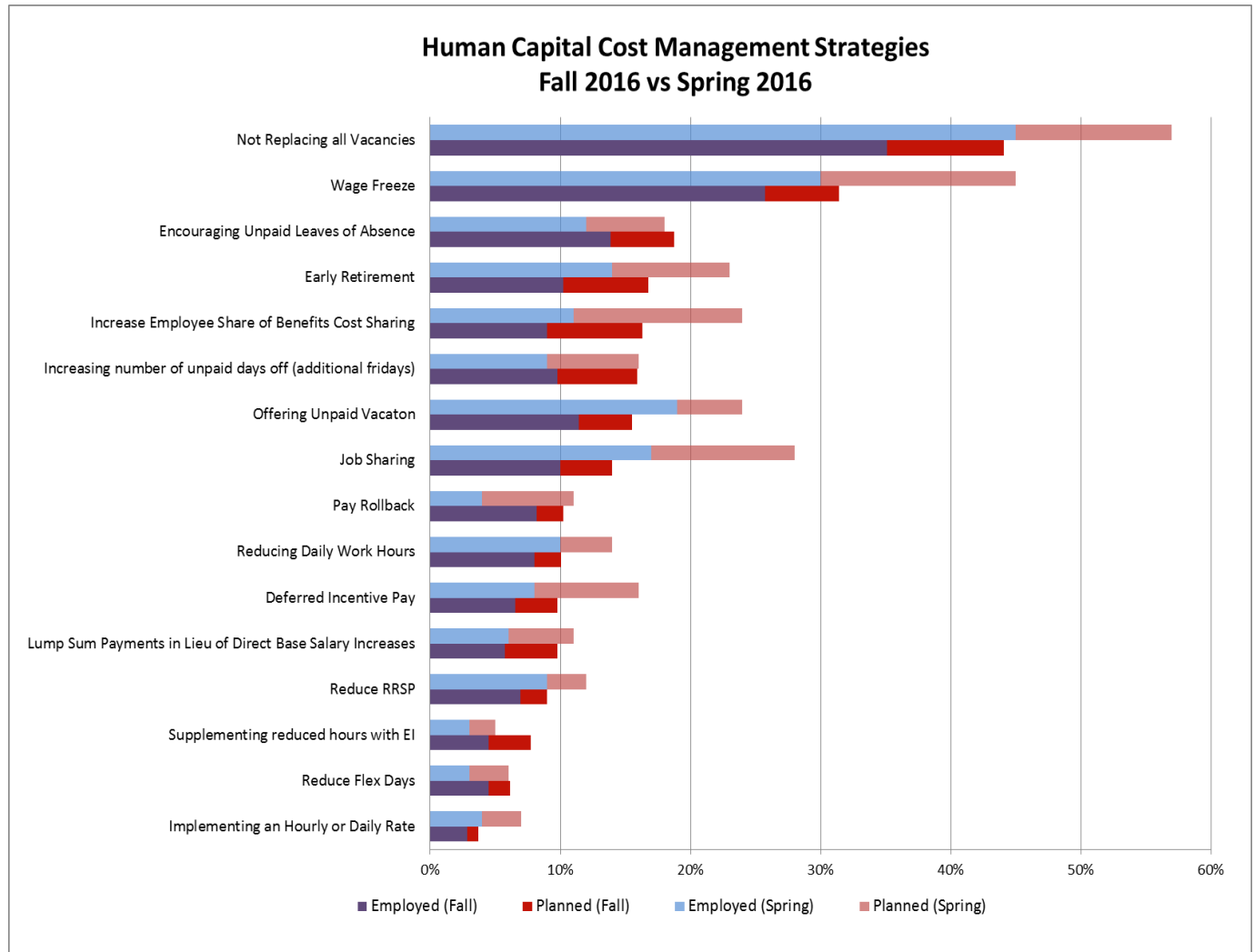
- Since spring 2016, nearly **25%** more companies expect to increase their number of employees in Alberta – while **36%** less companies expect to make permanent layoffs.
- Nearly **70%** of participants responding from British Columbia expect to increase their number of employees.
- Increases in the use of interns and training programs are strong lead indicators of confidence in the economy as well as expectations for increased labour requirements.

The instances of hiring freezes have dropped, yet a number of organizations are maintaining this strategy, therefore indicating that caution is still in place.

Human Capital Cost Management Strategies

A key function of this survey is not only to report on what organizations expect of the economy, but how they are dealing with these expectations in terms of their human capital. During 2015-2016 we saw a significant uptick in the use of cost saving practices by organizations in order to

balance their books while maintaining bench strength. These practices varied in both size and severity throughout Canada and have left many individuals with reduced hours, wage freezes, or layoffs. The Wynford Group aims to provide employers options to explore regarding human capital cost savings. For several years we have asked participants which of the following cost saving strategies they currently have in place, or plan on using in the coming months. Below is a graph of these results.



As can be seen in the results above, participants responded in the spring of 2016 as having implemented these cost saving strategies at a much higher rate. Not replacing all vacancies is a simple but effective strategy that the majority of participants have implemented in the past year. However, these figures have decreased since. In line with both our Economic Environment figures and our Salary Adjustment statistics below, this graph follows the same narrative of analysts and government officials alike; it seems as though the worst has passed.

- More than **55%** of participants expect to replace future vacancies.
- Only approximately **30%** of organizations have, or plan on implementing a wage freeze in 2017.
- Drops in job sharing, early retirement, unpaid vacations, and deferred incentive pay indicate that employers are loosening budget constraints for the coming year.

Better Total Rewards

Let The Wynford Group Help You Align Your Human Capital With Your Business

The Wynford Group was born from the idea that innovative and customized HR solutions have the power to transform organizations. Founded by Gail Evans in 1991, the Wynford Group focuses on identifying your success drivers and aligning your human capital with them through Total Rewards.

Using an integrated approach to HR consulting, we employ the most up to date market information to help attract and retain people with the right competencies and motivate them to create lasting success for your organization.

"The Wynford Group found resourceful solutions to our challenges, providing sound methodology and effective tools to help us establish and maintain a competitive compensation system."

- Rose Mary Holland, Retired VP of Alberta Motor Association



OUR SERVICES

Surveys / Market Information

- One of Canada's most comprehensive Salary and Compensation surveys
- Annual surveys encompass all compensation needs including base salaries, incentives, allowances, and benefits
- Detailed annual information for all industries and major centers across Canada including Vancouver, Calgary, Regina, Winnipeg, Toronto, Montreal, and Halifax
- COMPASS custom report tool, allows you to select your choice of location, revenue, industry, and to compare your data to your peer group

Consulting Services

- Over 25 years of Total Rewards and HR consulting experience and access to our robust national compensation and HR practices database ensure you get the best information
- Customized Incentive plan review and design to retain an effective workforce in the continuing dynamic environment
- Custom Market Surveys and market pricing to develop and support your Total Rewards strategies
- Executive Compensation and Board Remuneration Reviews



Infrastructure / Tools / Processes

- Take the stress out of building Total Rewards infrastructure by using our web-based tools
- Job Profiling tool that is quick and easy to develop and update customized job descriptions
- Job Evaluation software that is unbiased, pay equity compliant, and simple to use
- Performance Management software that supports clear measurement of performance against accountability metrics

OUR VISION FOR HR

Clients As Partners

Understanding your organization strengthens our industry trends and compensation information. By focusing on direct interactions and customized strategies, you get results that really work for your organization.

Transformative Information

Our goal is to help you make human capital decisions that increase productivity and engagement in your workforce. We provide more than market data; we interpret current trends and create leading edge Total Rewards strategies.

Local Context

Coming from our deep knowledge of the Canadian compensation landscape, rooted in Western Canada, we understand how important regional and industry context is to effective HR solutions.



www.wynfordgroup.com

How are You Attracting and Retaining the Right Talent? Get Canada's **Only National Construction Salary Survey** Today!



2016 CANADIAN SALARY SURVEYS

Celebrating our 20 year, the CSS collect information on over 700 positions in over 75 job families—which include the *Technical, Professional & Administrative, Contact Centre, Supply Chain & Manufacturing, and the Executive*

CONSTRUCTION SURVEY

Canada's ONLY National Construction sector survey for over 13 years. Includes detailed data analysis on salary range, base and bonuses. Also includes Employer Policies & Practices for remote location allowances, transportation overtime rates, benefits, and vacation policies.

- Position Families Include:**
- Construction Management
 - Superintendents/Foremen
 - Project/Field Engineers
 - Project Controls/Estimators
 - Asset Management
 - Geomatics/Surveyors
 - Safety
 - Quality Control
 - Equipment
 - Logistics/Procurement
 - Field Admin
 - Trades

EXECUTIVE SURVEY

Covering over 50 top level management positions in industries and regions across Canada, Wynford's Executive survey offers a unique perspective based on our expertise in Western Canada.

- Position Families Include:**
- CEO, CFO, COO, CTO
 - President Subsidiary
 - Executive Director
 - General Manager
 - Top Position in:
 - Legal
 - HR/Corp Resources
 - Engineering
 - Sales and Marketing
 - Supply Chain / Logistics
 - Corporate Dev
 - Risk Management

TECHNICAL SURVEY

Originally developed for the Canadian Tech Sector, the CSS Technical survey has expanded to cover 40 job families with 312 positions

- Position Families Include:**
- Engineers (all disciplines)
 - Architects
 - Geomatics
 - Applications/Software Development
 - Business Process Analysis
 - Technical Support /Web Analytics
 - Networking/Database Management

PROFESSIONAL AND ADMIN

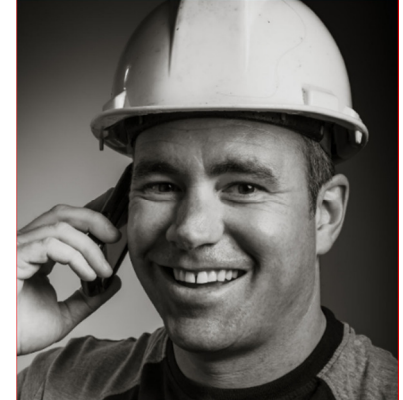
The Wynford Professional and Admin survey covers 22 job families with 222 positions.

- Position Families Include:**
- Project Accounting
 - Document Controls
 - Business Development
 - Human Resources
 - Risk Management
 - Legal/Contracts
 - Technical Sales
 - Business Analysts
 - Finance
 - Marketing
 - Communications

SUPPLY CHAIN/MANUFACTURING

One of Canada's longest running and most comprehensive SCM surveys. Covers 24 Job Families with 243 positions.

- Position Families Include:**
- Procurement / Contracts
 - Warehousing / Distribution
 - Equipment / Maintenance
 - Hospitality / Lodging
 - Technical Services
 - Manufacturing
 - Health and Safety
 - Inspectors
 - Trades



The Wynford Customer Advantage Includes:

- Detailed Regional and National Reports
- Web-based input and report access
- Exclusive access to COMPASS ; our newly enhanced on-line custom report tool with year over year comparisons (included with the survey price)
- Comprehensive Employer Practices; including Location and other Allowances, Vacation, Transportation and Incentive strategies
- Complimentary Fall and Spring Updates & Executive Summary

Custom Surveys

We design and conduct custom market surveys tailored for specific client requirements.

Using state of the art technology and a web-based delivery system, our surveys are designed to help organizations stay current with the market place and develop strategies for future success.



Suite #545, 940 - 6th
Avenue S.W.,
Calgary, AB T2P 3T1

403.264.5166 tel
877.264.5166 tel

www.wynfordgroup.com

