



# 2023 Compensation Review and 2024 Projections

February 1st, 2024

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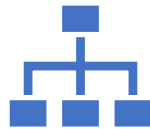


Looking ahead to 2024 and beyond....

# What Happened in 2023 – It was a whole new world out there...



Scrutiny on headcount after binge hiring



Post-Pandemic organizational structure and titles review



Shift in management styles and hybrid work



HR working at warped speed – intense focus on pay

Has the employer/employee relationship changed?



Compliance with Policies



Work/life Balance

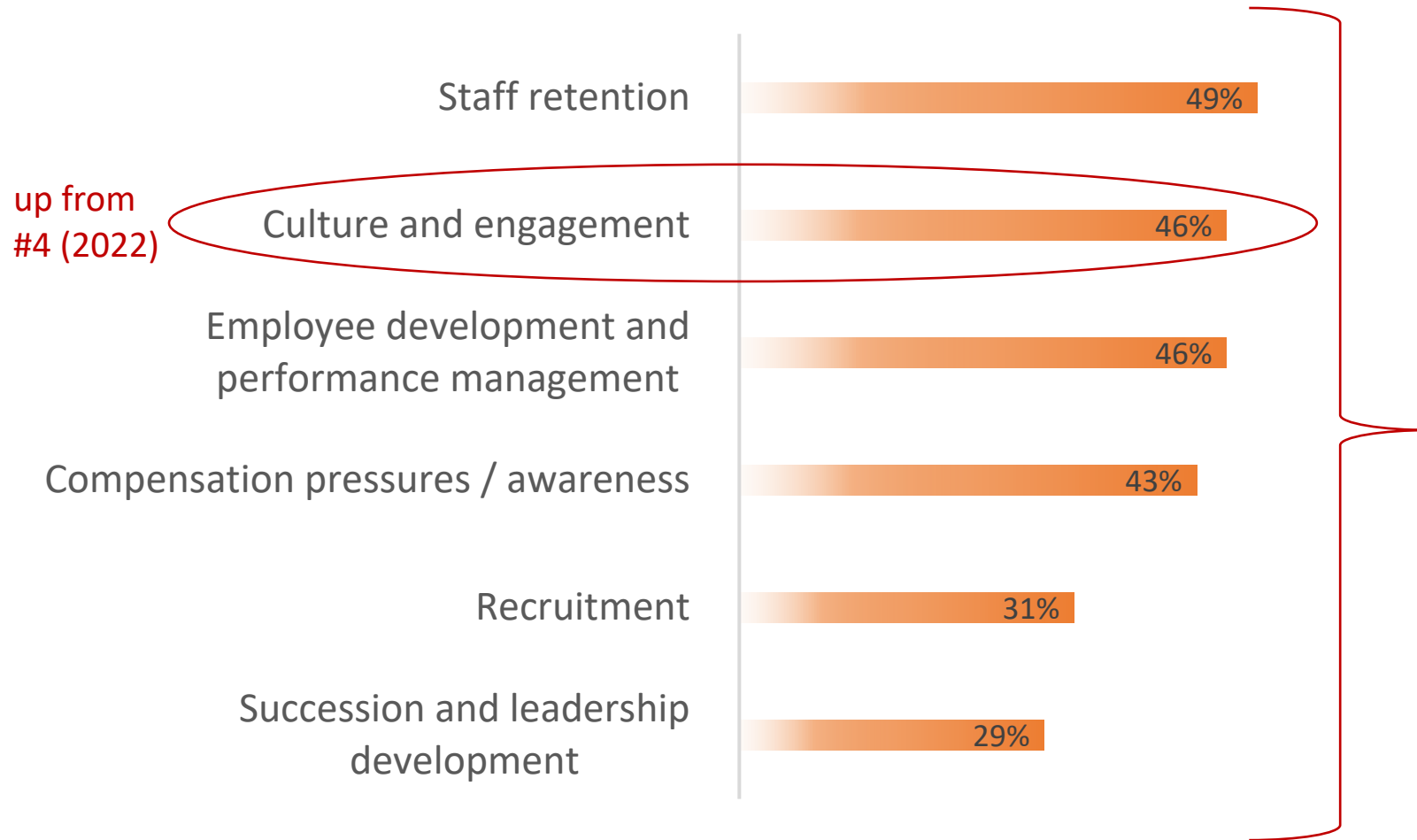


Skills Shortage

## 2022-2023 Turnover Trends

	<u>2021</u>		<u>2022 (Jan – June)</u>		<u>2022 (July – December)</u>		<u>2023 (Jan- Dec)</u>	
	Voluntary	Involuntary	Voluntary	Involuntary	Voluntary	Involuntary	Voluntary	Involuntary
Average	8.8%	4.5%	14.9%	6.0%	13%	6.0%	13.4%	8.0%
10th Percentile	0.5%	0.1%	3.1%	1.3%	6.1%	0%	3.8%	0.0%
25th Percentile	3.4%	0.1%	7.1%	2.6%	8.3%	1.7%	6.7%	2.0%
50th Percentile	7.6%	3%	14.9%	4.2%	12.0%	5.0%	10.5%	7.7%
75th Percentile	13.0%	6.5%	19.0%	7.5%	20.2%	8.1%	17.5%	10.0%
90th Percentile	19.0%	11.4%	28.0%	12.7%	25.3%	10.3%	24.9%	19.5%

## Shift in HR Priorities



Consistent with Gartner's Groups Report of 2024 HR Priorities which list:

1. Leadership and Manager development
2. Organization Culture
3. Career Management and Internal Mobility

## What about Compliance in Pay

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### **Pay Equity**



2

### **Pay Transparency**



3

### **Employment Equity\***

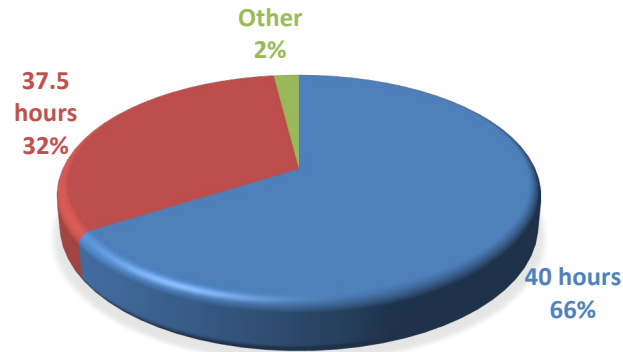


**\*Federal Contractor Programs**

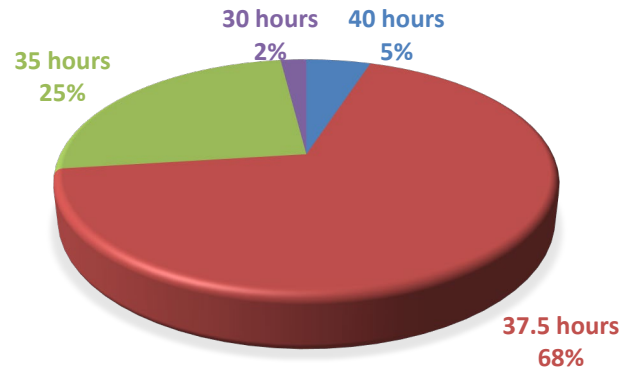
# Hybrid Work Trends

How many hours comprise your standard work week?

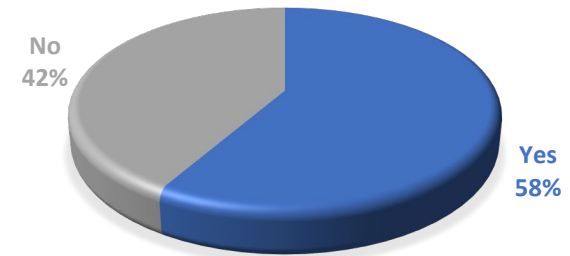
TechEdge



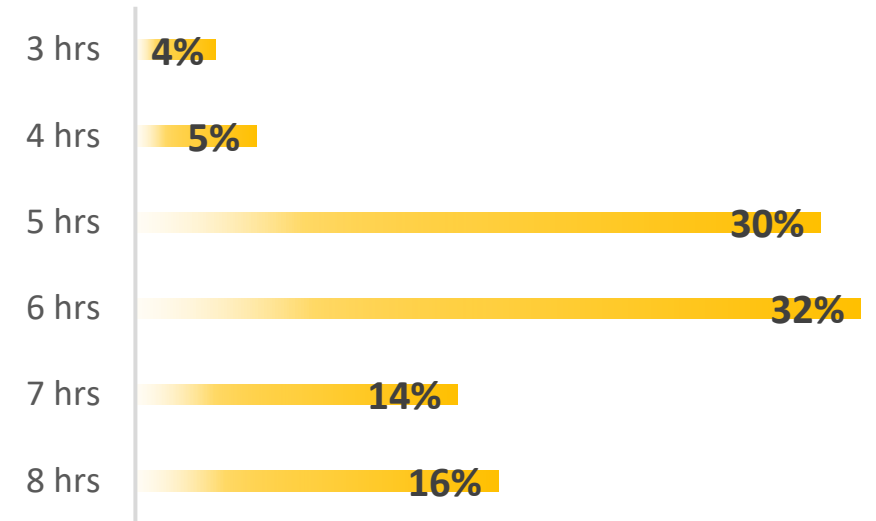
Not-for-Profit



Have you implemented flextime with core working hours?



# of core working hours

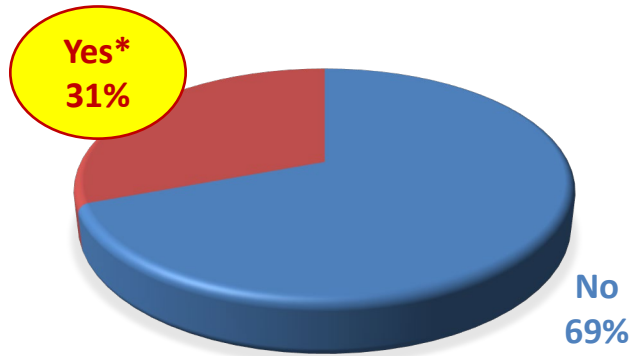


\*33% of organizations require common working days ( up slightly from 2022)



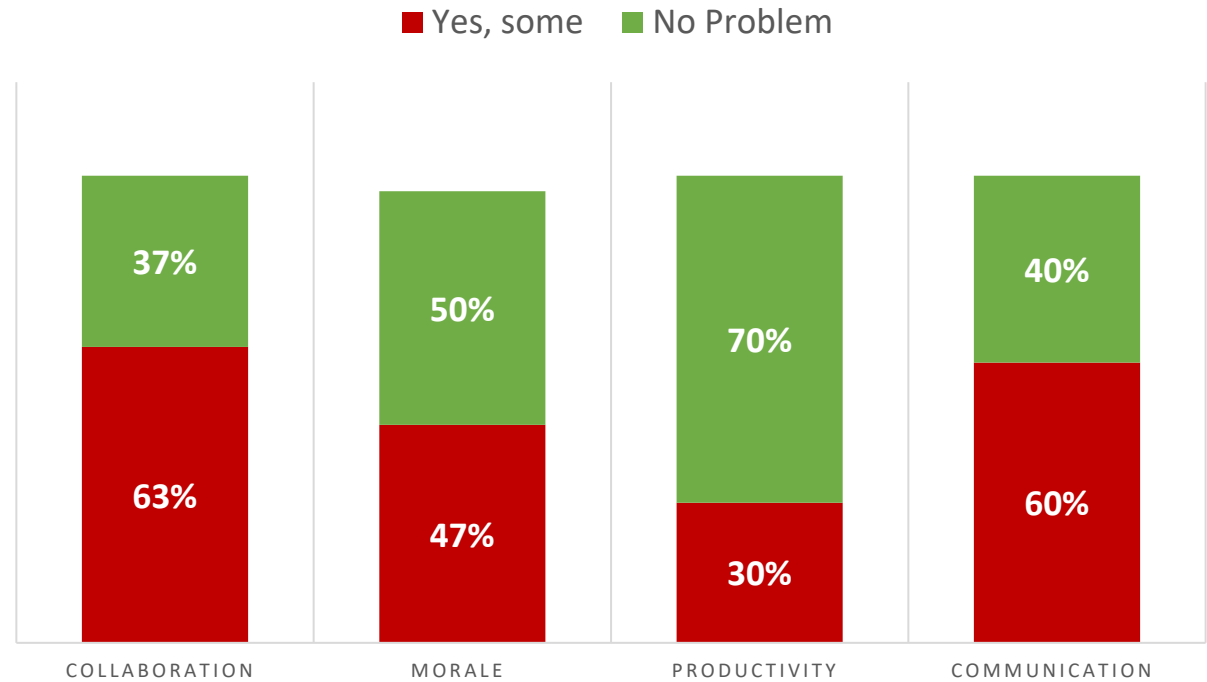
## Support for Hybrid

Organizations who are offering financial assistance to employees who are eligible for remote work



\*down significantly since the Pandemic high of 70%

Has your organization experienced difficulties managing employees who are currently working from home?



## Hybrid Work Malaise\* -> Decrease in Job Satisfaction?

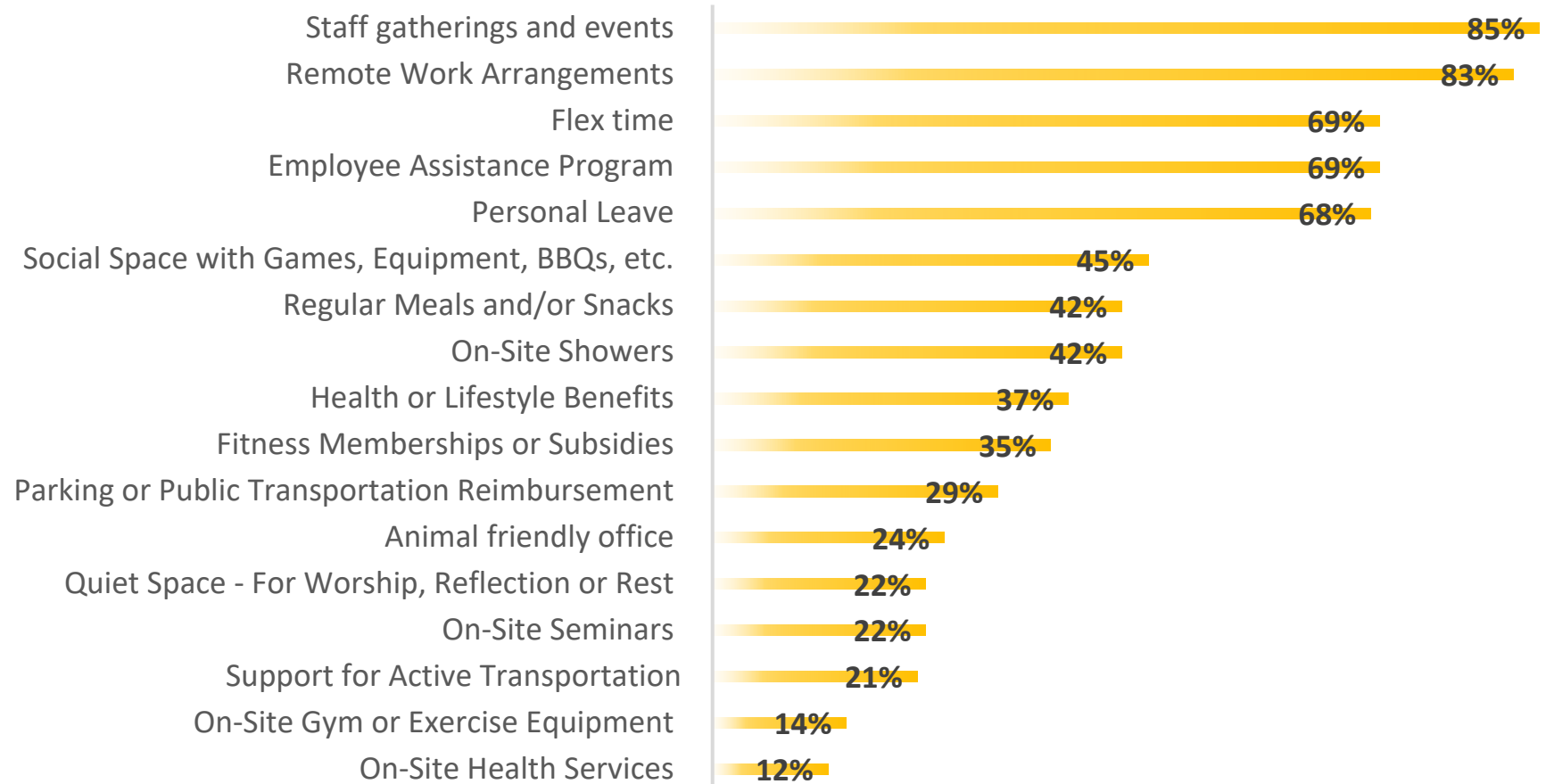


- Office Culture
- Innovation
- Communication
- Career Progression/manager feedback
- Networking/less access to “loose ties”
- Uncertainty about performance and expected time in office

# Employee Wellness Programs -> Are they working?

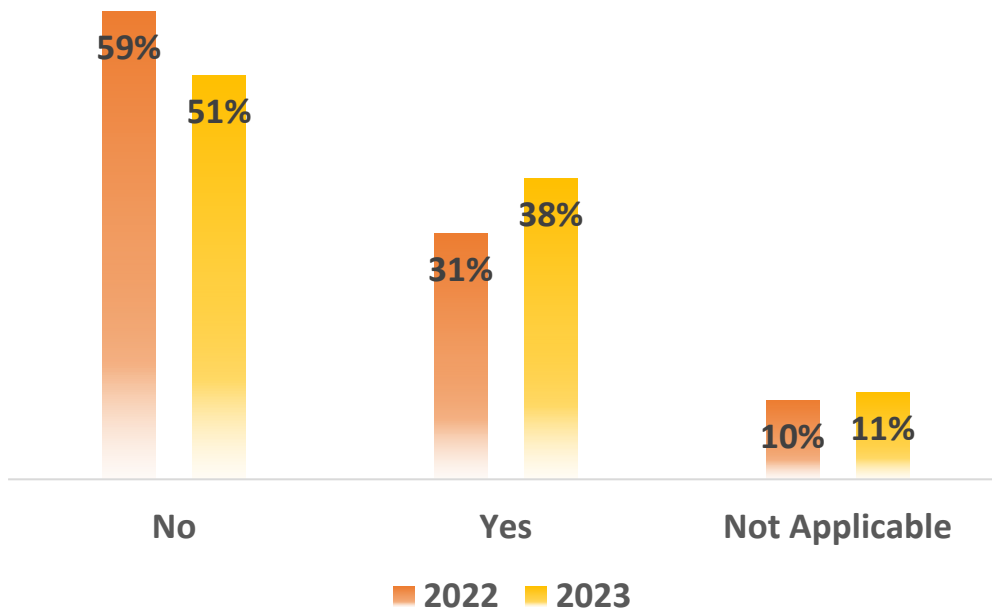


## Top Offerings

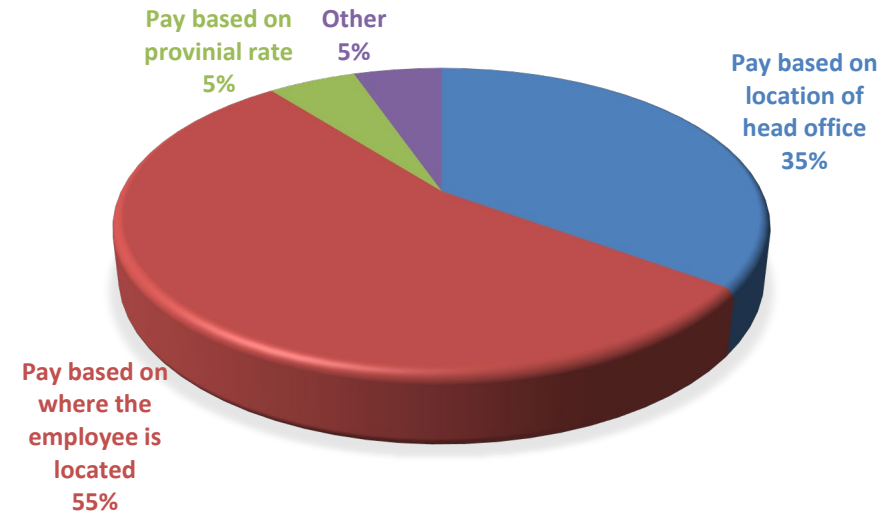


## Trends in Regional Pay Differences (2022 vs 2023)

Organizations currently using geographic differentials for setting employee compensation?

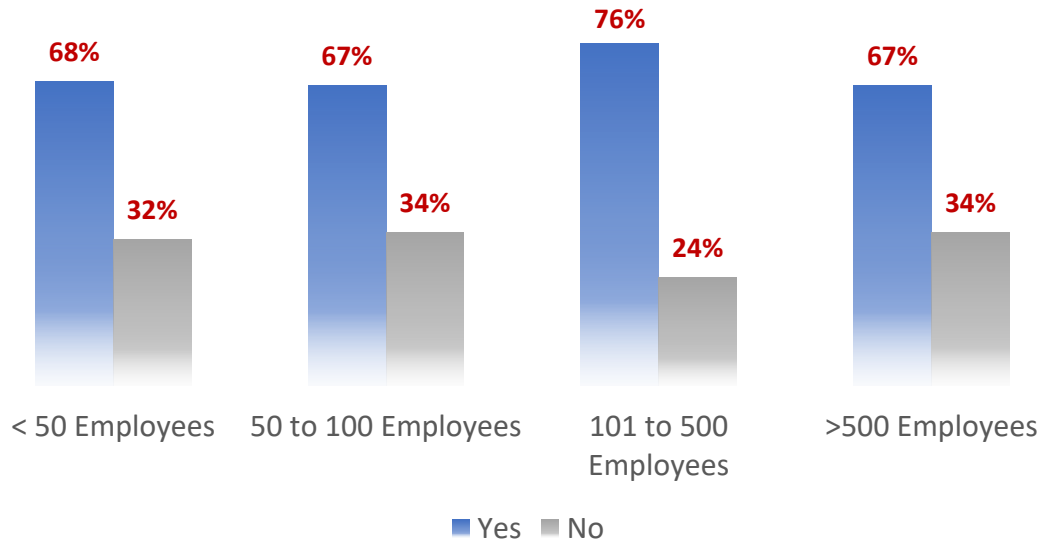


If employees work in various locations, what approach are you using to determine pay?

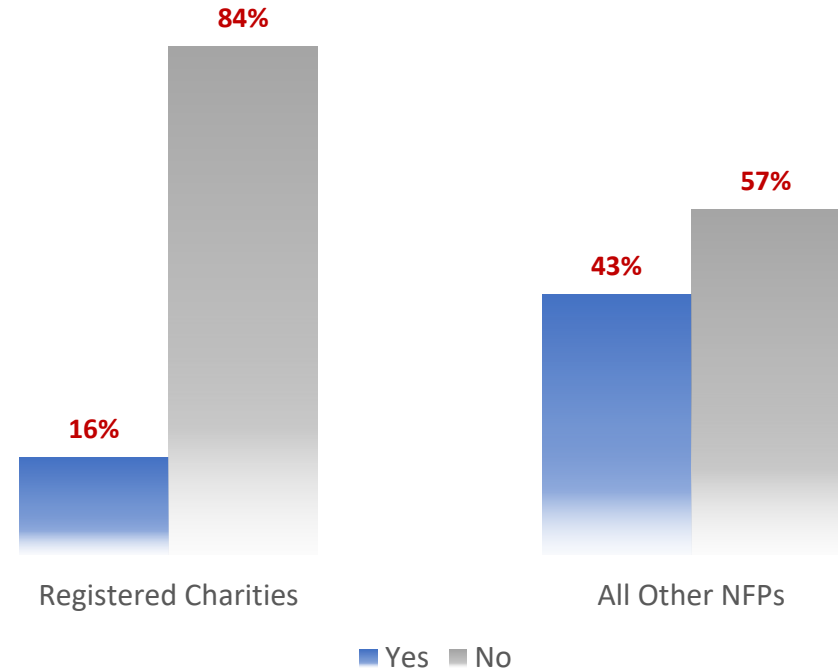


## Variable Compensation – trending slightly higher

### TechEdge

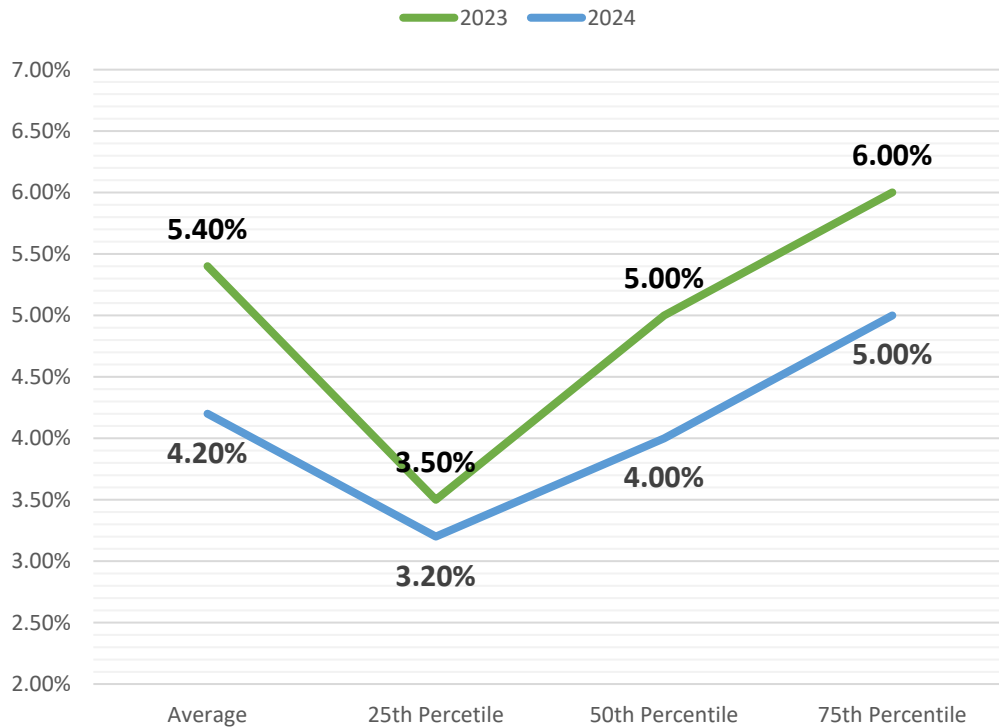


### Not-for-Profit

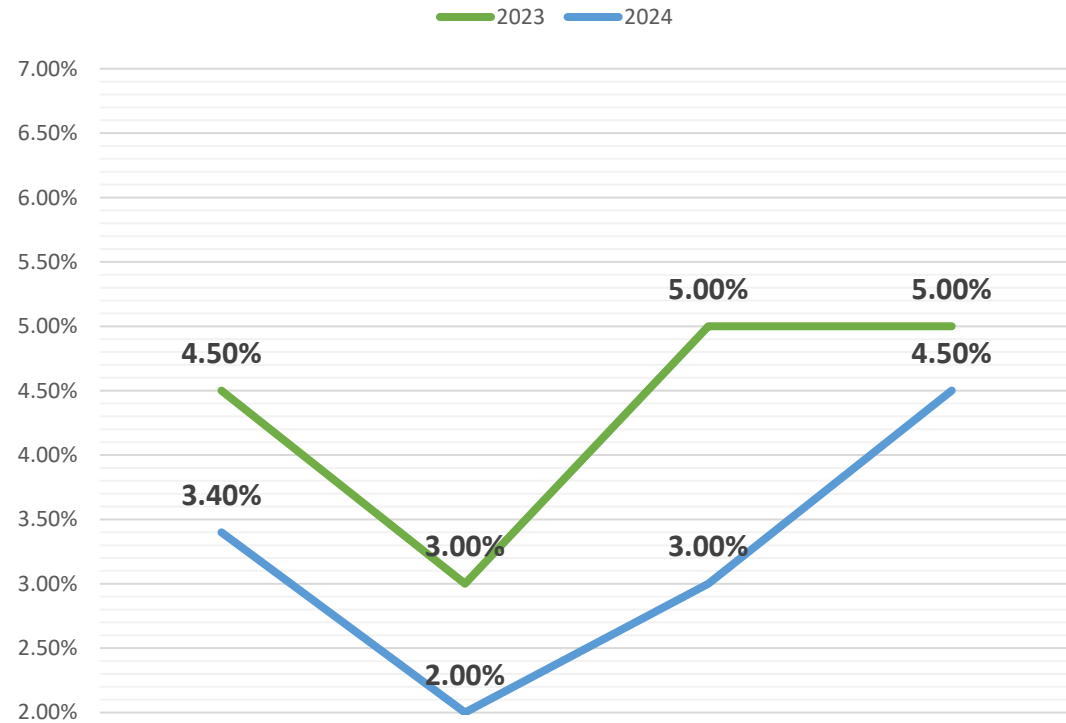


# Salary Increase Projections 2023 vs 2024

## Overall Salary Increase Budget



## Proposed Salary Range Movement

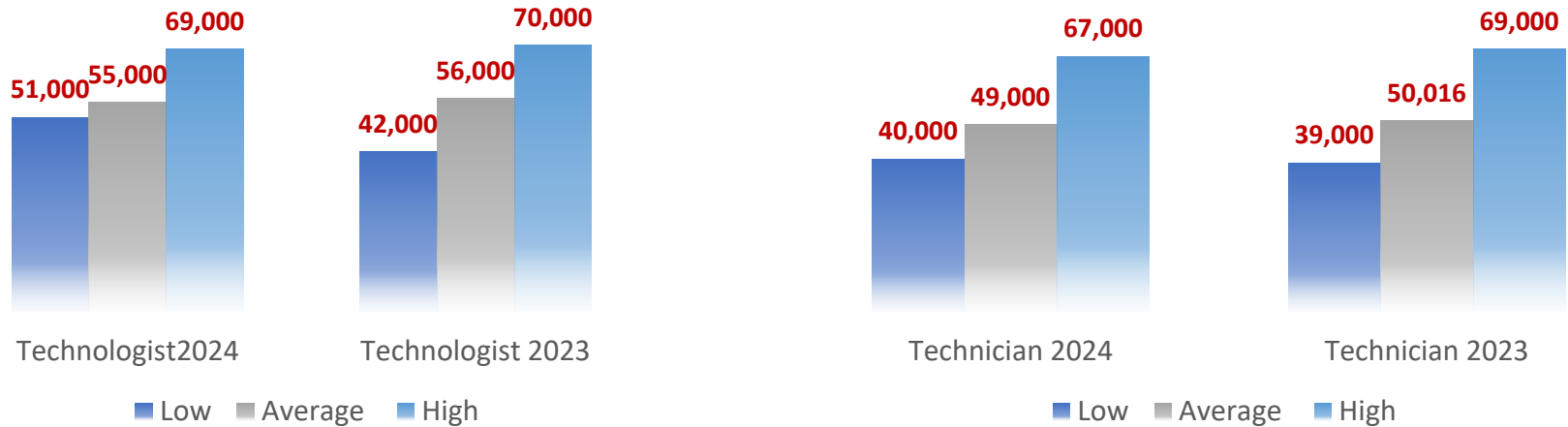
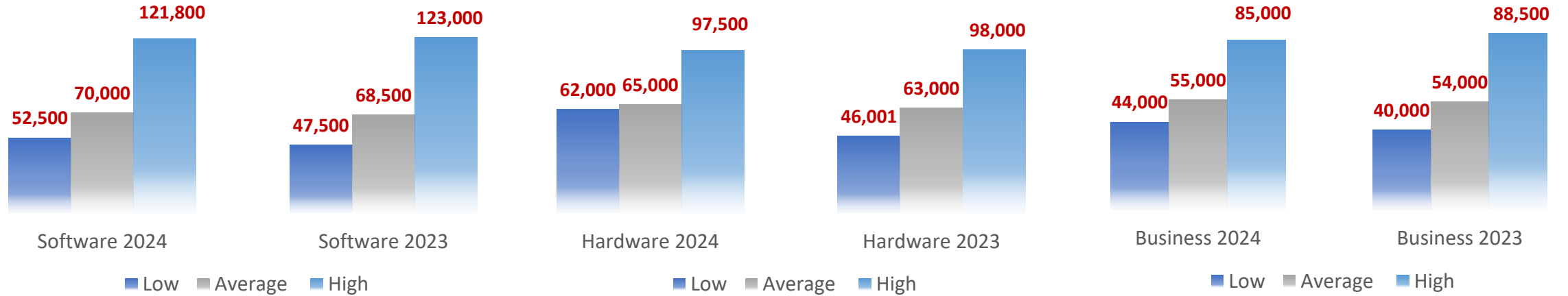


## Trends in Key Job Families (Overall)

<b>code Job Family</b>	<b>% increase in AVG TTC* (Nov 2021 - May 2022)</b>	<b>% increase in AVG TTC* (May 2022 - Nov 2022)</b>	<b>% increase in AVG TTC* (Nov 2021 - Nov 2022)</b>	<b>% increase in AVG TTC* (Nov 2022 - Nov 2023)</b>
336 FULL STACK DEVELOPER	12%	2%	14%	3.8%
153 DATA SCIENTIST	10%	2%	12%	4.4%
109 BACK END DEVELOPMENT	9%	2%	11%	2.7%
97 SOFTWARE ENGINEERING	9%	2%	11%	3.1%
119 SOFTWARE TEST/VERIFICATION	8%	3%	11%	4.6%
107 USER EXPERIENCE (UX) SPECIALIST	7%	2%	9%	4.5%
95 MACHINE LEARNING	7%	3%	10%	5.4%
101 APPLICATIONS PROGRAMMER	3%	1%	4%	4.1%
250 HUMAN RESOURCES	6%	3%	9%	3.8%
220 FINANCE	6%	1%	7%	2.9%
160 MARKETING GENERALIST	5%	2%	7%	2.3%
135 CUSTOMER SUCCESS/PRODUCT				5.8%
112 MECHANICAL DESIGN				4.4%
150 ELECTRONIC TECHNOLOGISTS				7.0%
104 EMBEDDED SOFTWARE DESIGN				6.0%

\*TTC = Total Cash Compensation

# 2023 -2024 Student Rates (National)





## What About Executives

		AVERAGE TTC (Total Cash Compensation)				
		NCR	GTA	Waterloo	Overall	Overall Avg % increase (Nov 2022 - Nov 2023)
501x	PRESIDENT/CEO - NON-FOUNDER	467250	585452	326665	453,522	4%
501y	PRESIDENT/CEO - FOUNDER	337486	331526	271416	296,834	11%
502x	VP FINANCE/CFO	307443	363481	263554	298,831	5%
506x	VP HUMAN RESOURCES	275904	267078	214939	268,463	1%
507x	VP CUSTOMER SUCCESS	283305	239136	231814	251,767	1%
508x	VP PROFESSIONAL SERVICES	240782	286949	222763	242,398	5%
510x	VP TECHNOLOGY/CTO- NON-FOUNDER	302573	280988	272252	291,925	10%
510y	VP TECHNOLOGY/CTO - FOUNDER	287756	187496	275642	264,316	12%
511x	VP MARKETING	322679	262723	240913	274,476	1%
519x	VP LEGAL/GENERAL COUNSEL	374358	305506	----	310,989	4%
520x	VP MARKETING, SALES AND BUSINESS DEVELOPMENT	236553	271019	400601	286,939	4%

## Pitfalls to avoid in 2024

- #1: Disregarding internal inequity and pay compliance
- #2: Failing to create a sense of belonging for all employees in a hybrid world
- #3: Neglecting the Total Rewards package

# Questions/Discussion

## About BenchMarket



Founded in 2000 - Headquartered in Ottawa, Ontario



Specialists in Compensation and Survey Development



Focused on serving the needs of the Tech and Not-for-Profit Industries. Home of the [TechEdge](#) Survey since 2000 and [NFPay](#) since 2015.



Consulting Services include:

- Custom surveys
- Compensation Strategy & Program Development
- Performance Management
- Job Evaluation
- Pay Equity
- And More! 😊

*We are a client focused organization – Partners Lynn Cameron and Suzanne Harrison are intimately involved in every assignment*

Check us out at [www.benchmark.ca](http://www.benchmark.ca)



Risk & Insurance | Employee Benefits | Retirement & Private Wealth

# Trends in the Workforce and its impact on Employee Benefits & Total Rewards



# Discussion

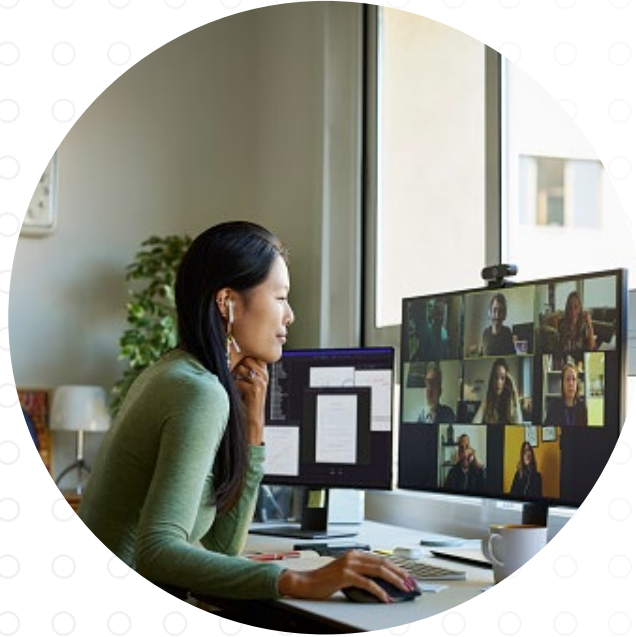
- 1 Employer Perfect Storm & Labour Trends
- 2 What do Benefits & Total Rewards have to do with this?
- 3 Key Takeaways

1

# Employer Perfect Storm

Labour Market, Inflation, Recession and Changing Demographics





The employer / employee landscape has been experiencing a **seismic shift** over the past 3+ years



# Looking at the Demographics: What a Difference a Year Makes

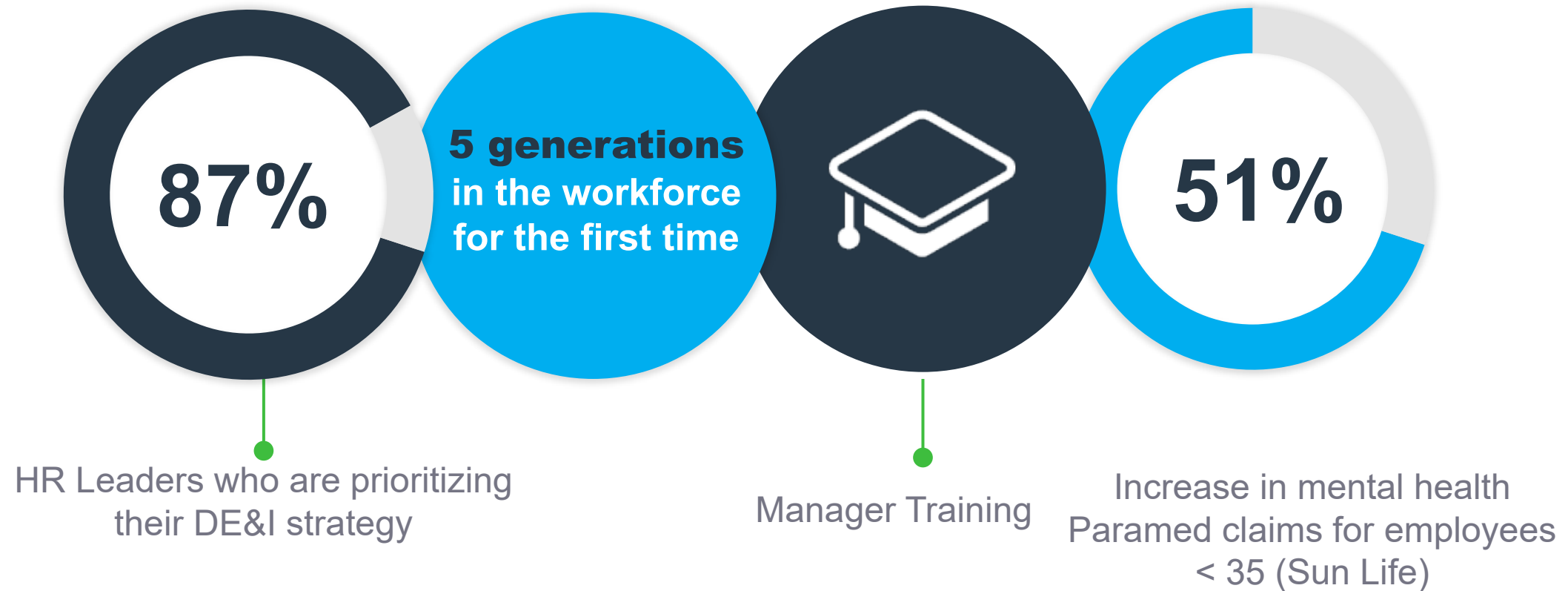


Age Segment	% Growth from 2018 - 2022	# Growth from 2018 - 2022	Rank % Growth	Rank # Growth
<b>Under age 20</b>	2%	123,211	7	7
<b>20 to 30</b>	4%	212,518	5	4
<b>30 to 40</b>	9%	431,342	4	3
<b>40 to 50</b>	4%	190,240	5	5
<b>50 to 60</b>	(5%)	(249,330)	8	8
<b>60 to 70</b>	10%	454,288	3	2
<b>70 to 80</b>	19%	526,243	1	1
<b>Over age 80</b>	11%	176,306	2	6

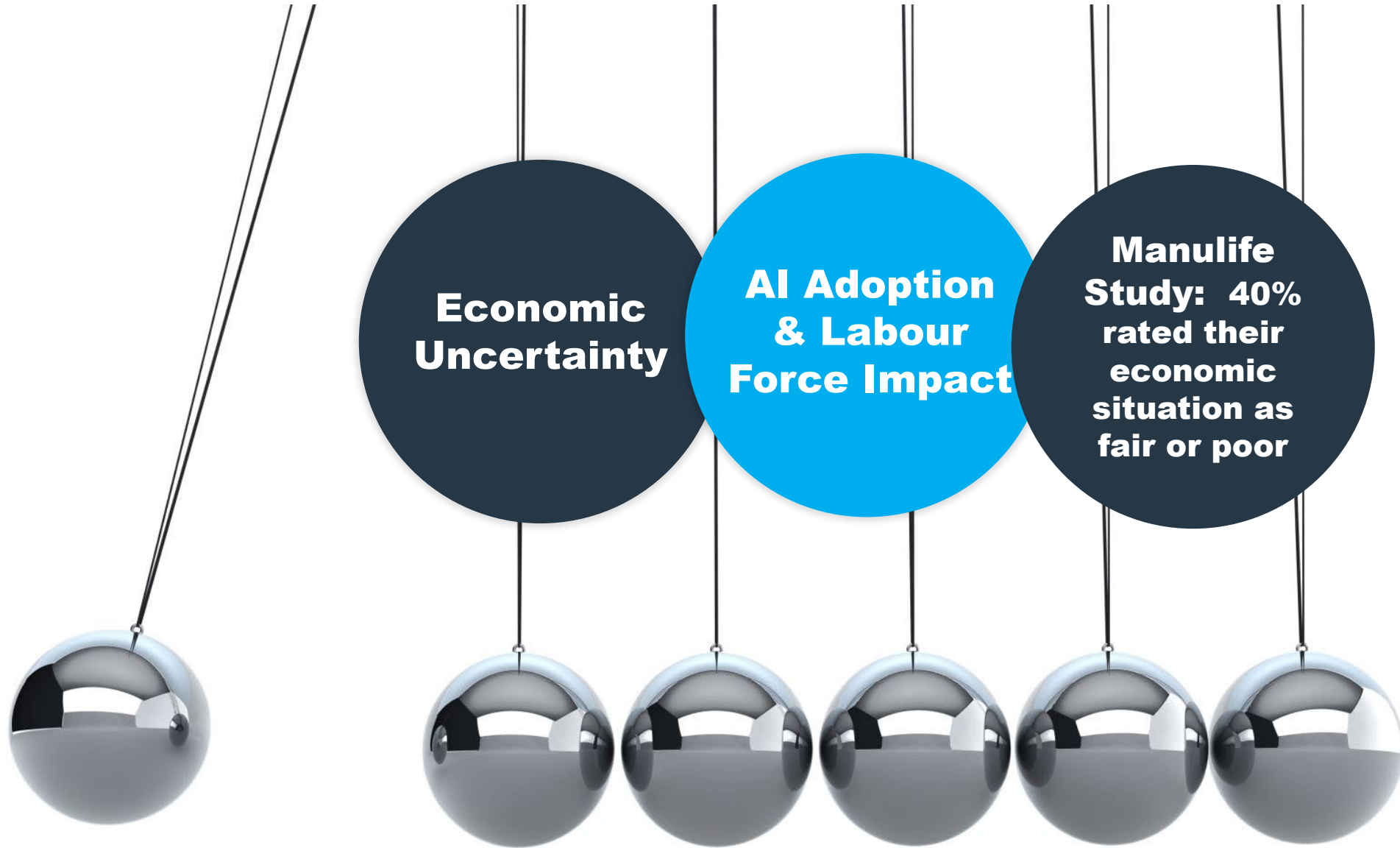
# The New Labour Market ...



# The New Labour Market Continued...



# The New Labour Market Continued...

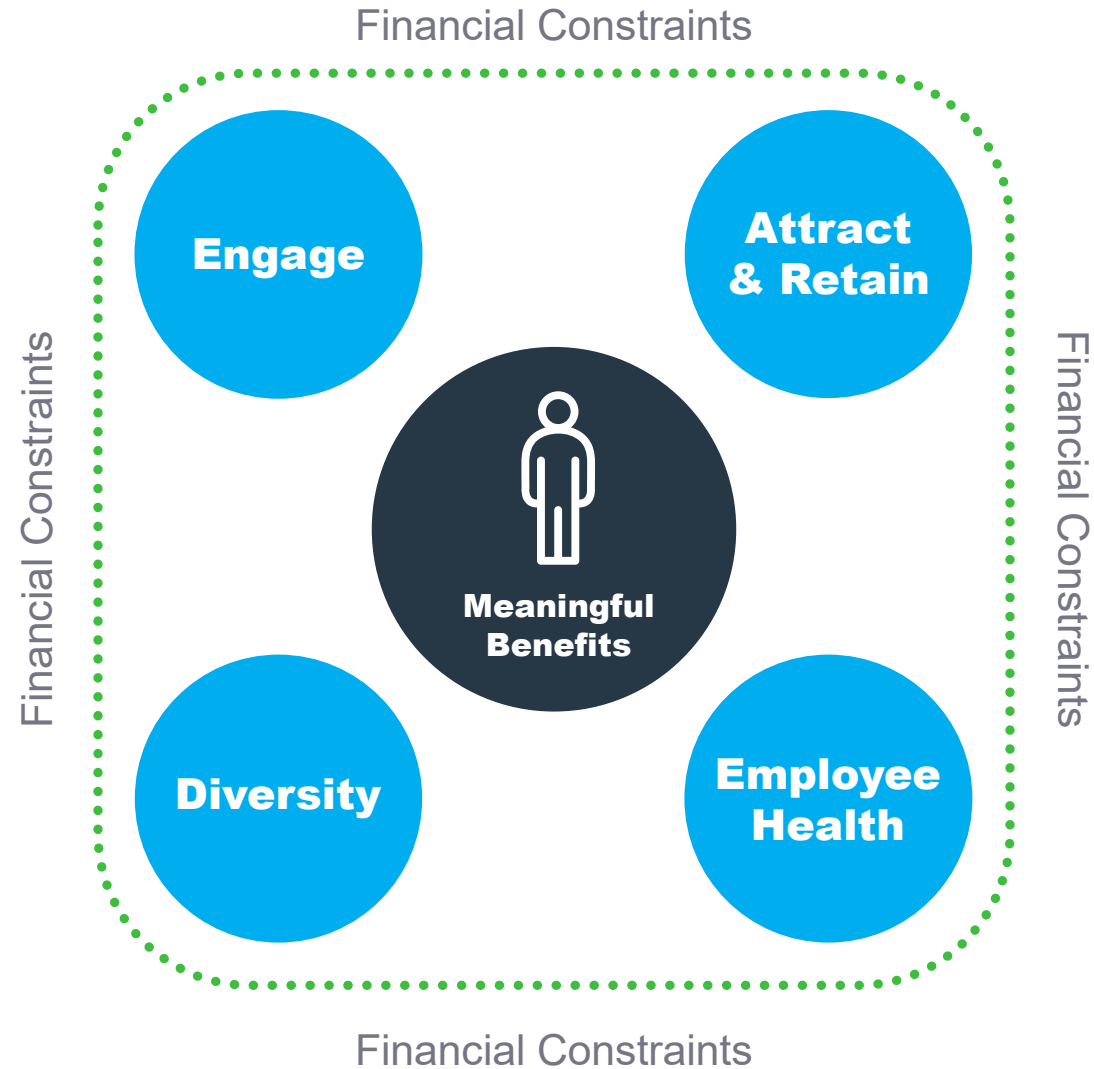


# 2 What do Benefits & Total Rewards have to do with this?

Strategizing in this turbulent environment



# Differentiated Total Rewards Strategy



# Why is ~~Customer~~ **Employee** Segmentation Important?

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# Why is Employee Segmentation Important?



Meeting diverse needs of your workforce  
(retention, diversity, recruitment)



Maximizing ROI on organizational spend  
(finance positioning)



Increased engagement and appreciation around your organization's  
total rewards



# Understanding your Employee Segments



## Jordan

25 Years old  
Single  
No Children  
First Job



## Mary

30 Years old  
Married  
No Children  
Recently completed  
MBA



## Bob

58 Years old  
Married  
4 Adult Children

## New Entrant

### What is important to them right now?

- Paying off student loan
- High Cost of Living
- Wants opportunities to network with colleagues and mentors

### How do you support them?

- In person networking
- Pet Insurance
- Compensation for performance

## Transitional Worker

### What is important to them right now?

- Paying off student loan
- Family planning
- Wants to increase skill set to prepare for new opportunities

### How do you support them?

- Training subsidies
- Mentorship programs
- Benefits for family planning

## Founder

### What is important to them right now?

- Supporting Adult Children through major life events
- Planning for retirement
- Wants to focus on total health

### How do you support them?

- Retirement planning and matching
- Training and support for total health
- Access to discounts on key services

**Nearly two-thirds (61%) of employers recognize they'll need to offer a wider variety of benefits options to meet the expectations of the different generations in their workforces, according to a new report by LIMRA and EY.**

# 3<sup>rd</sup> Party Vendors

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Debt Relief: Allows employees to choose how to allocate financial contributions:

- Student loans
- Mortgage repayment
- Retirement

Employee recognition program. Provides employers with an ability to reward employees with gift cards for future purchase:.

- Dinners
- Movies
- Trips

Health and Wellness practitioner. Provides overall health solutions, specializing in women's health:

- Speaking engagements
- New Mothers
- Perimenopause
- Menopause

**One of the biggest challenges for employers is that employees lack an awareness and understanding of the benefits they offer.**

**Employers will need to customize communications to effectively engage and educate employees of different generations, given the diverse needs of today's workforce.**

# What are the “cool kids” doing?

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- TikTok Style videos to explain benefits
- Social platforms to convey messaging
- QR codes for hourly employees
- 50% decrease in onboarding related support tickets
- Significant increase in group RRSP contribution



- Used emojis to educate around financial literacy
- Gamification: Benefits were explained using gamification
- Significant increase in engagement on all benefit focused communication

**KNOW YOUR AUDIENCE!**

# 4 Key Takeaways



1

## **Know Thy Data –**

**Segmentation:** Do you understand your employees as well as your customers and do you have the data to back that up? Leverage your HRIS and regular employee surveys to get a head start.

**Data Informed Decision Making:** Do you effectively utilize data to drive decision making around plan design? Engagement? Organizational health? HUB can help you get started!

2

## **Segment your current employees and learn their needs, instead of adopting a one size fits all approach.**

- There are 5 generations in the workforce, The needs amongst the generations vary considerably. Gen Z is the most diverse in history. A one size fits all approach will not work in this environment.
- Structure your survey data to capture more segmentation data

3

**Meaningful Choice and Flexibility are Key** – How much flexibility do you currently incorporate? Is it meaningful choice and flexibility based on detailed data and feedback from your distinct employee groups?

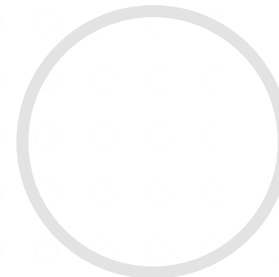
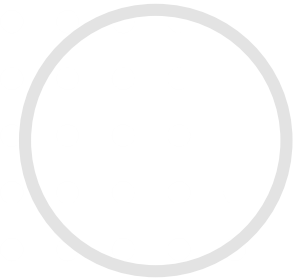
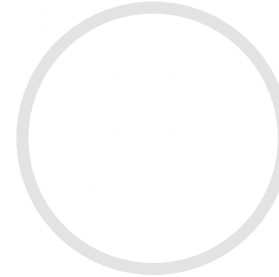
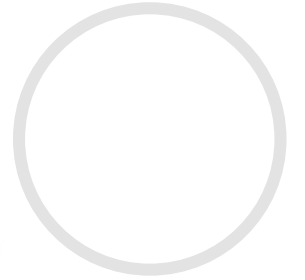
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## **Take a Broader View When Reviewing Costs**

- What is the broader cost or benefit to the organization (i.e. engagement, health & productivity) vs. focusing exclusively on benefit costs
- Better utilize data to help track ROI for initiatives



Thank you.





**Do you have any suggestions for us to improve future events?**

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# About Bronson

- Bronson is the oldest independent Management Consulting firm in Ottawa. We have been helping the Public Sector in Canada since 1991.
- About 70% of our revenues attributed to the Public Sector. Over 1,000 projects delivered to around 100 Organizations.
- Focussed on Data and Data Analytics since 2014, but continue to run our Management Consulting practice
- Our largest project was a \$25M contract to deliver the TRC document collection exercise; this had a large Cloud managed service component with Highly Confidential data
- Recent and current clients include City of Ottawa, CRTC, NAVCanada, ISC, IESO, NRCan, DND, Polar Canada, Ottawa Airport, Farm Boy, Bank of Canada and a Canadian University
- We have 18 FTE's and augment with contract Resources as required
- We have all the central procurement vehicles available to us and frequently win other Standing Offers / Supply Arrangements

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