

About this document	
This report presents the results of the eighth edition of Normandin Beaudry's Salary Increase Survey. It contains segmented data and a detailed analysis by our compensation experts.	
Salary Increase Survey	

ηormandin beaudry

2018 - 2019

TABLE OF CONTENTS

	About this survey	1
Hig	ghlights	2
	Upward pressure for 2019	3
	Total salary increases	5
	Salary structure increases	6
Qu	ebec market trends	7
	Freezes in salary increases and salary structures	8
	Organization size and salary increases	9
	Differences among industry sectors	10
	Regional differences	11
	Differences between organization types	12
	Differences between workforce categories	13
On	tario market trends	14
	Organization size and salary increases	15
	Differences between organization type	16
	Differences between workforce categories	17
Det	tailed results	18
	By province	19
Det	tailed results for the Quebec market	20
	By region	21
	By number of employees	23
	By revenue/annual operating budget	24
	By industry sector	25
	By organization type	27
Det	tailed results for the Ontario market	28
	By region	29
	By number of employees	30
	By revenue/annual operating budget	31
	By industry sector	32
	By organization type	34
	Methodology and definitions	35
	See you next year for the next edition!	36

GENERATE HUMAN AND FINANCIAL PERFORMANCE IN YOUR ORGANIZATION BY STRATEGICALLY PLANNING YOUR SALARY INCREASE BUDGET

Data for the eighth edition of our Salary Increase Survey was collected in June and July 2018. Our call was answered by a total of 233 organizations. Normandin Beaudry is proud to have a reliable, information-rich database thanks to data representing more than 640,000 employees across Canada. The quality of the data allows us to shed light on compensation trends in Quebec. Ontario and all other Canadian provinces.

In a competitive market where organizations compete for top talent, strategically planning your salary increase budget plays a major role in maintaining or enhancing your ability to attract and retain employees. Salary increases are an important motivational tool to recognize employees who adopt and display desirable behaviours while allowing you to control payroll-related expenses.

Beyond determining the overall amount to budget, organizations are looking for creative approaches to optimize the distribution of salary increases among their employees. By strategically planning the overall process of your salary increases, you will be able to generate human and financial performance.

Our Salary Increase Survey offers a multitude of segmented results that will enable decision-makers to identify the reference market they want to compare to. The information contained in this report will allow you to better prepare your next salary increase budget and help you remain competitive in the market.

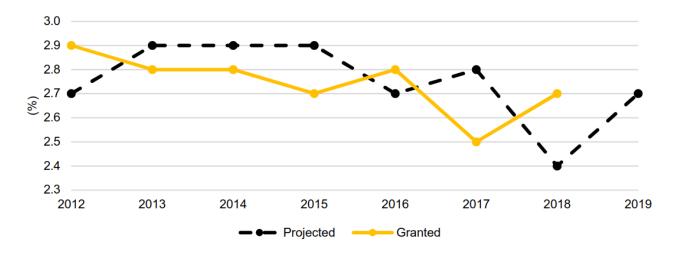
Enjoy!

For more information about this survey and its results, please contact Anna Potvin, Senior Consultant, Compensation at Normandin Beaudry. 514-285-1122, extension 624, apotvin@normandinbeaudry.ca

Highlights

Following a decline in salary increases granted over projected in 2017. Quebec organizations granted salary increases in 2018 more in line with previous years as shown in Figure 1. This marks the third time since 2012 that the increases granted are superior to the previous year's salary forecast. The gap is also the widest with an increase of 0.3%, comparatively to 0.2% in 2012 and 0.1% in 2016.

Figure 1 – Differences between projected and granted increases in Quebec (excluding freezes)



Economic factors pushing salary increases higher

Many economic factors in Canada may have contributed to higher increases than what was anticipated last year. The annual inflation rate based on the total consumer price index, a measure used by several organizations to establish their salary increases, is up to 3.0% in Canada and 2.4% in Quebec (Bank of Canada, July 2018). Compared to the same period last year, the annual inflation rate was at 1.0%. Forecasts indicate that the inflation rate should remain in the top half of the Bank of Canada's inflation-control range, between 1.0% and 3.0%. Inflationary pressures are attributed to recent increases in oil prices as well as rising labour costs. The Bank of Canada's outlook for sales growth remains robust thanks to strong demand; however, several companies anticipate a slowdown in the coming year. The difference can also be attributed to organizations that were planning to freeze salaries or that were cautious in their initial budgeting process and ended up granting increases that were higher than forecasted, particularly where challenges related to recruitment were observed due to low unemployment.

Capacity constraints affecting organizations

In addition to economic issues, organizations also face different capacity constraints. In fact, according to the Business Outlook Survey (Bank of Canada - Summer 2018), just over one-third of organizations across the country report facing labour shortages that limit their ability to meet the demand. The inability to recruit staff at current wages also limits the ability of one-quarter of organizations. These elements may encourage some organizations to raise the level of compensation offered to increase their ability to attract and retain workers, and therefore position themselves advantageously in the market. As a result, we believe that the increases granted in 2019 will be higher for a second consecutive year and that they may again be higher than initial forecasts. If the same difference this year between projected and granted increases is observed next year, granted increases could reach 3.0%, a level not seen since 2009.

Spillover effect of employment policies on other provinces

Each Canadian province is self-governing in matters of employment and labour legislation. However, some provincial measures may have ripple effects beyond its borders. Ontario recently enacted a key measure that will likely have repercussions across the country: the Pay Transparency Act. In addition to prohibiting employers from asking applicants for their compensation history, this new Act requires that employers include in all publicly advertised job postings the expected compensation or range of compensation for the position. Armed with this information, candidates will be able to compare salaries offered in the market, which will pressure less generous organizations to align their offer with compensation trends. We are convinced that pay transparency will extend beyond Ontario's borders as many organizations with Canada-wide operations will harmonize their compensation practices across the country, thereby creating a ripple effect between provinces.

Another example of measures causing reprecussions beyond a province's borders is the increase in minimum wage, which could lead to upward adjustments to salaries in adjacent provinces. This tends to result in employees asking for salary increases to maintain a fair gap with minimum wage.

Global political climate casting a shadow

Organizations continue to evolve in a volatile and uncertain environment where political issues can quickly change the face of the market and knock the wind out of the sails of even the most optimistic organizations. The renegotiation of the NAFTA agreement remains a key issue for the coming year given the strong integration of the economies of the three signatory countries since it came into force in 1993. Organizations must also cope with the imposition of tariffs by the United States, such as those imposed last May on imports of steel and aluminum from Canada. This increase in protectionism and the prospect of trade wars between allies is a major threat leading organization to be more cautious in the coming years.

TOTAL SALARY INCREASES

With a projected average increase of 2.7% for 2019, Quebec's forecast increased by 0.3% compared to last year's survey. Moreover, Quebec's forecast is the highest in the country with a Canadian average at 2.5%.

As for increases granted in 2018, Quebec and British Columbia were among the most generous provinces with increases of 2.7%, 0.2% higher than the Canadian average. The provinces of Newfoundland and Labrador and Prince Edward Island fell at the bottom of the ranking with increases of 2.4% on average.

Table 1 — Total salary increases by province

		Granted	l in 2018	Projecte	d for 2019
	n	Including freezes	Excluding freezes	Including freezes	Excluding freezes
Quebec	225	2.7%	2.7%	2.6%	2.7%
Ontario	85	2.6%	2.6%	2.6%	2.6%
British Columbia	42	2.6%	2.7%	2.5%	2.5%
Alberta	44	2.4%	2.5%	2.5%	2.6%
Saskatchewan	25	2.5%	2.5%	2.5%	2.5%
Manitoba	28	2.5%	2.6%	2.4%	2.5%
New Brunswick	32	2.2%	2.5%	2.3%	2.5%
Nova Scotia	32	2.5%	2.6%	2.4%	2.4%
Prince Edward Island	13	2.4%	2.4%	2.4%	2.4%
Newfoundland and Labrador	19	2.4%	2.4%	2.5%	2.5%
Canadian average		2.5%	2.5%	2.5%	2.5%

Total salary increases

Definition: Represents the percentage of payroll allocated for all salary increases, including general/economic salary increases and performance-based salary increases. This does not include promotional increases. It aims to provide a framework for salary increase matrices and serves as a reference point for discussions on annual salary reviews.

Formula

Total salary increases Total salary increase budget = Payroll

As for salary structures, the Canadian average was of 1.9% for 2018 and the forecasts for next year are also of 1.9%. Quebec is on top with increases granted in 2018 of 2.1% and 2.1% projected for next year.

The average gap between salary increases and average salary structure increases has widened slightly by 0.6% compared to the previous year. Despite this increase, we find that less than a guarter of the total budget allows organizations to reward the performance of their employees and that most of the amount is designated to maintain the positioning of employees within their salary scale.

Just over a quarter of organizations with a salary structure (25.7%) have an automatic progression for their employees who have not reached the maximum of their salary range. This automatic progression is not linked to performance and is added to the merit increase budget, if applicable. Over the past year, the average value of the overall increase for employees with automatic progression who have not reached the maximum of their structure was 3.4%.

Table 2 — Average salary structure increases by province

		Granted	l in 2018	Projected	d for 2019
	n	Including freezes*	Excluding freezes	Including freezes	Excluding freezes
Quebec	181	1.9%	2.1%	1.9%	2.1%
Ontario	68	1.5%	1.9%	1.6%	1.9%
British Columbia	36	1.5%	1.8%	1.6%	1.9%
Alberta	38	1.5%	1.9%	1.6%	1.9%
Saskatchewan	23	1.6%	2.0%	1.6%	1.8%
Manitoba	22	1.6%	2.0%	1.5%	1.8%
New Brunswick	27	1.5%	1.9%	1.4%	1.8%
Nova Scotia	28	1.6%	1.9%	1.6%	1.8%
Prince Edward Island	13	1.5%	2.0%	1.5%	1.9%
Newfoundland and Labrador	18	1.4%	1.9%	1.6%	1.9%
Canadian average		1.6%	1.9%	1.6%	1.9%

^{*}The gap between the observed data including and excluding freezes is attributable to a higher percentage of organizations opting to freeze their salary structures from one province to another. Approximately 20% of organizations in the Atlantic provinces have opted to freeze, whereas less than 7.0% are doing so in Quebec and approximately 13.0% in Ontario.

Salary structure increases

Definition: Represents the percentage increase in the salary structure target salary in relation to the previous year. Salary structure increases ensure that the salary structure continues to be competitive with an organization's reference market.

Formula

Quebec market trends

FREEZES IN SALARY INCREASES AND SALARY STRUCTURES

The prevalence of salary freezes has remained stable in comparison to last year with only 1.4% of survey respondents recording a freeze. Projected salary freezes for next year remain low with an average of 1.9% of organizations planning to freeze wages.

As for salary structures, 6.9% of survey respondents recorded a freeze for 2018, which is lower than last year's forecast and is more in line with the average of the previous three years. The significant difference between the forecast for 2018 and the number of freezes observed is due, in part, to a high percentage of freezes observed in 2017 (15.0%) and the uncertainty that these freezes would persist for a subsequent year. As for forecasted salary structure freezes for next year, they remain within the range observed in recent years at 6.4%.

Table 3 — Prevalence in freezes in salary increases and salary structures

	n	Projected for 2018	Granted in 2018	Projected for 2019
Freezes in salary increase budgets	217	1.5%	1.4%	1.9%
Freezes in salary structures	175	13.9%	6.9%	6.4%

ORGANIZATION SIZE AND SALARY INCREASES

Revenue and number of employees

Small organizations are the most generous with salary increases above the provincial average of 2.7%. For next year, they also plan to offer increases equal to or greater than the provincial average.

As for mid-sized organizations, increases are aligned with the provincial average, while large organizations have provided forecasts slightly lower-than-average.

In recent years, we've observed a trend where small organizations granted higher increases than larger organizations, which tend to be slightly below the provincial average.

Table 4 — Average total salary increases (excluding freezes) by organization size

	n	Projected for 2018	Granted in 2018	Difference	Projected for 2019
Small organizations					
Fewer than 100 employees	45	2.4%	3.1%	0.7%	2.9%
Under \$50M	67	2.5%	2.9%	0.4%	2.7%
Medium-sized organizations 100 to fewer than 500 employees	81	2.4%	2.8%	0.4%	2.7%
\$50M to \$100M	21	2.4%	2.7%	0.3%	2.5%
Large organizations					
More than 500 employees	99	2.4%	2.5%	0.1%	2.5%
Over \$100M	100	2.4%	2.5%	0.1%	2.5%

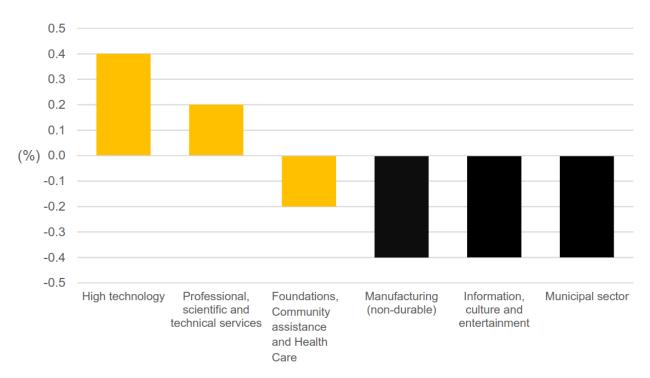
DIFFERENCES AMONG INDUSTRY SECTORS

Certain industry sectors set themselves apart each year with salary increases higher than the provincial average. This year, the high technology sector as well as the professional, scientific and technical services sector stand out with forecasts of 0.4% and 0.2% higher than the Quebec average, respectively.

These two sectors also granted higher increases than last year's forecasts, with above average increases of 0.8% for the high-tech sector and 0.5% for the professional, scientific and technical services sector. These unplanned increases can be attributed to an upward pressure on organizations to attract and retain the limited, skilled labour in these industries.

Conversely, some sectors are forecasting increases lower than the provincial average for the upcoming year. The foundations, community assistance and health care sectors are budgeting increases 0.2% below the provincial average. This is also the case for the manufacturing (non-durable goods), information, culture and entertainment industry and the municipal sector, all three 0.4% below the provincial average.

Figure 2 – Difference of 0.2% or more between projected increases for 2019 by sector of activity compared to the Quebec provincial average forecast (excluding freezes)



Note: Sectors of activity not shown in Figure 2 have a difference of less than 0.2% with the provincial average.

Difference between the Quebec City and Montreal regions

Over the previous year, the gap between Quebec City and Montreal has widened to 0.2%. In 2018, increases granted in Montreal were slightly higher by 0.1% compared to the provincial average, while those of the Quebec City region were 0.1% below the provincial average.

The unemployment rate hovering around 4.0% in the Quebec City region indicates a situation of full employment, which puts pressure on wages to allow organizations to meet demand. Other factors may have offset the decline in the unemployment rate in the Quebec City region, such as the strong presence of public and para-governmental organizations that have more defined financial frameworks than private sector organizations.

For the Montreal region, the unemployment rate also decreased from last year to 7.4% in June, one of the lowest in recent years. Combined with rising inflation, organizations will have a strong incentive to offer higher salaries to attract and retain talent.

Table 5 — Average total salary increases (excluding freezes) between the Montreal and Quebec City regions

	n	Inflation*	Unemployment rate**	Granted in 2018	Projected for 2019
Montreal	139	2.2%	7.4%	2.8%	2.7%
Quebec City	77	1.8%	4.2%	2.6%	2.6%

^(*) Source: Statistics Canada. Consumer Price Index, annual variation, July 2018

^(**) Source: Statistics Canada, Labour Force Survey. Adapted by the *Institut de la statistique du Québec*. 3-month moving averages, July 2018

DIFFERENCES BETWEEN ORGANIZATION TYPES

Private sector companies plan to offer higher increases (2.7%) than the public and para-governmental sectors (2.5%) and non-profit organizations (2.6%). Forecasts for private sector companies are up slightly by 0.2% from last year's forecast.

In 2018, all types of organizations granted increases above their forecasts. To this, the private sector has allocated increases of 2.8%, a difference of 0.3% compared to forecasts.

Table 6 — Average total salary increases (excluding freezes) by organization type

	n	Projected for 2018	Granted in 2018	Difference	Projected for 2019
Private sector (listed or not listed on stock market)	159	2.5%	2.8%	0.3%	2.7%
Public and para- governmental sector	42	2.3%	2.5%	0.2%	2.5%
Non-profit organization	24	2.5%	2.7%	0.2%	2.6%

DIFFERENCES BETWEEN WORKFORCE CATEGORIES

A relatively uniform distribution of increases granted is observed across the different categories of the labour market. The variation between job classes is 0.2%. Forecasts for 2019 suggest that increases will also be distributed evenly between 2.6% and 2.8%.

Table 7 — Average total salary increases (excluding freezes) by workforce level

	n	Managers	Professionals	Technical Personnel	Support and Operations Personnel
Granted in 2018	207	2.8%	2.8%	2.6%	2.7%
Projected for 2019	194	2.8%	2.7%	2.6%	2.6%

Methodological note: The average for the job categories may differ from the total budget. This is explained by the absence of reported data for any of the job categories within an organization.

Ontario market trends

ORGANIZATION SIZE AND SALARY INCREASES

Overall, Ontario's 2018 salary increases were higher than last year's projections.

For small organizations with fewer than 100 employees, average increases of 2.5% were granted, falling 0.1% below Ontario's provincial average of 2.6%. When analyzing data from a revenue perspective, organizations reporting less than \$50 million were the most generous with increases of 2.8%, a difference of 0.5% from what was originally forecast.

Medium-sized organizations had forecast the smallest increases for this year. Ultimately, they granted higher increases than expected: 2.7% for organizations between 100 and 500 employees, while organizations with revenue between \$50M and \$100M granted increases of 2.2%, representing a difference of 0.6% and 0.3% respectively.

Finally, large organizations, either with more than 500 employees or revenue of more than \$100 million, granted increases aligned with the provincial average of 2.6%.

For 2019, most organizations plan to offer increases similar to those granted this year.

Table 8 — Average total salary increases (excluding freezes) by organization size

	n	Projected for 2018	Granted in 2018	Difference	Projected for 2019
Small organizations					
Fewer than 100 employees	6	2.1%	2.5%	0.4%	2.5%
Under \$50M	16	2.3%	2.8%	0.5%	2.7%
Medium-sized organizations 100 to fewer than 500 employees	23	2.1%	2.7%	0.6%	2.6%
\$50M to \$100M	6	1.9%	2.2%	0.3%	2.2%
Large organizations					
More than 500 employees	56	2.4%	2.6%	0.2%	2.6%
Over \$100M	56	2.4%	2.6%	0.2%	2.6%

DIFFERENCES BETWEEN ORGANIZATION TYPE

Private sector firms plan on offering higher salary increases (2.7%) than the public and para-governmental sectors (2.0%) and non-profit organizations (2.2%). These forecasts are comparable to increases granted in 2018, except for forecasts for non-profit organizations, which are up slightly by 0.2%.

Table 9 — Average total salary increases (excluding freezes) by organization type

	n	Granted in 2018	Projected for 2019
Private sector (listed or not listed on stock market)	74	2.7%	2.7%
Public and para-governmental sector	4	2.0%	2.0%
Non-profit organization	7	2.0%	2.2%

DIFFERENCES BETWEEN WORKFORCE CATEGORIES

Increases granted in 2018 as well as projected increases for the coming year are evenly distributed. Support and operations personnel received increases equivalent to the provincial average of 2.6% while technical personnel received increases 0.1% below the provincial average. As for professionals and managers, they received slightly higher increases, with an average of 2.7%.

Table 10 — Average total salary increases (excluding freezes) by workforce category

	n	Managers	Professionals	Technical Personnel	Support and Operations Personnel
Granted in 2018	81	2.7%	2.7%	2.5%	2.6%
Projected for 2019	76	2.7%	2.6%	2.5%	2.6%

Methodological note: The average for the job categories may differ from the total budget. This is explained by the absence of reported data for any of the job categories within an organization.

Detailed results

Table 11 — Average total salary increases (excluding freezes) by job category and province

		n	All	Managers	Professionals	Technical Personnel	Support and Operations Personnel
Ovelve	Granted in 2018	210	2.7%	2.8%	2.8%	2.6%	2.7%
Quebec	Projected for 2019	194	2.7%	2.8%	2.7%	2.6%	2.6%
Ontario	Granted in 2018	80	2.6%	2.7%	2.7%	2.5%	2.6%
Ontario	Projected for 2019	75	2.6%	2.7%	2.6%	2.5%	2.6%
British Columbia	Granted in 2018	38	2.7%	2.7%	2.6%	2.6%	2.6%
Bittisti Columbia	Projected for 2019	37	2.5%	2.7%	2.5%	2.5%	2.5%
Alberta	Granted in 2018	41	2.5%	2.6%	2.5%	2.5%	2.5%
Alberta	Projected for 2019	39	2.6%	2.7%	2.6%	2.6%	2.6%
Saskatchewan	Granted in 2018	25	2.5%	2.5%	2.5%	2.5%	2.5%
Saskaichewan	Projected for 2019	23	2.5%	2.5%	2.5%	2.5%	2.5%
Manitoba	Granted in 2018	25	2.6%	2.5%	2.5%	2.5%	2.5%
Mariiloba	Projected for 2019	23	2.5%	2.5%	2.5%	2.5%	2.5%
New Brunswick	Granted in 2018	28	2.5%	2.4%	2.4%	2.4%	2.4%
New Druitswick	Projected for 2019	25	2.5%	2.5%	2.5%	2.5%	2.5%
Nova Scotia	Granted in 2018	31	2.6%	2.5%	2.5%	2.5%	2.5%
Nova Scolla	Projected for 2019	29	2.4%	2.5%	2.5%	2.5%	2.5%
Prince Edward Island	Granted in 2018	12	2.4%	2.4%	2.4%	2.4%	2.4%
Finice Euwafu Islanu	Projected for 2019	11	2.4%	2.5%	2.5%	2.5%	2.5%
Newfoundland and	Granted in 2018	19	2.4%	2.6%	2.6%	2.6%	2.6%
Labrador	Projected for 2019	18	2.5%	2.5%	2.5%	2.5%	2.5%

<u>Methodological note</u>: The average for the job categories may differ from the total budget. This is explained by the absence of reported data for any of the job categories within an organization.

Detailed results for the Quebec market

Table 12 — Average total salary increases (excluding freezes) by job category and region

		n	All	Managers	Professionals	Technical personnel	Support and Operations Personnel
Abitibi-	Granted in 2018	22	2.3%	2.4%	2.5%	2.4%	2.4%
Témiscamingue	Projected for 2019	20	2.4%	2.4%	2.4%	2.4%	2.4%
Bas-Saint-Laurent	Granted in 2018	25	2.3%	2.4%	2.3%	2.3%	2.4%
Das-Saint-Laurent	Projected for 2019	22	2.4%	2.4%	2.4%	2.5%	2.5%
Oughoo City	Granted in 2018	74	2.6%	2.6%	2.6%	2.5%	2.5%
Quebec City	Projected for 2019	67	2.6%	2.6%	2.7%	2.5%	2.5%
Centre-du-Québec	Granted in 2018	36	2.4%	2.4%	2.4%	2.4%	2.4%
Centre-du-Quebec	Projected for 2019	33	2.5%	2.5%	2.5%	2.5%	2.5%
Chaudière-	Granted in 2018	32	2.4%	2.4%	2.4%	2.4%	2.4%
Appalaches	Projected for 2019	30	2.5%	2.4%	2.5%	2.5%	2.5%
Câte Naud	Granted in 2018	21	2.3%	2.4%	2.3%	2.3%	2.3%
Côte-Nord	Projected for 2019	19	2.5%	2.5%	2.5%	2.5%	2.5%
Estrie	Granted in 2018	39	2.5%	2.6%	2.5%	2.6%	2.6%
Estrie	Projected for 2019	35	2.6%	2.5%	2.5%	2.5%	2.6%
Gaspésie-Îles-de-	Granted in 2018	20	2.3%	2.4%	2.3%	2.3%	2.3%
la-Madeleine	Projected for 2019	17	2.4%	2.4%	2.4%	2.4%	2.4%
I amazzali kwa	Granted in 2018	31	2.3%	2.3%	2.3%	2.3%	2.3%
Lanaudière	Projected for 2019	29	2.4%	2.4%	2.4%	2.4%	2.4%
l accompatible a	Granted in 2018	39	2.4%	2.4%	2.4%	2.4%	2.4%
Laurentides	Projected for 2019	37	2.5%	2.5%	2.5%	2,5 %	2,5 %
Laval	Granted in 2018	41	2.4%	2.4%	2.4%	2.4%	2.4%
Laval	Projected for 2019	40	2.4%	2.4%	2.4%	2.4%	2.4%
Manufata	Granted in 2018	35	2.3%	2.4%	2.3%	2.3%	2.3%
Mauricie	Projected for 2019	31	2.4%	2.4%	2.4%	2.4%	2.4%

		n	All	Managers	Professionals	Technical personnel	Support and Operations Personnel
	Granted in 2018	72	2.5%	2.5%	2.5%	2.5%	2.4%
Montérégie	Projected for 2019	65	2.5%	2.6%	2.5%	2.5%	2.5%
	Granted in 2018	133	2.8%	2.9%	2.9%	2.7%	2.8%
Montreal	Projected for 2019	126	2.7%	2.8%	2.8%	2.6%	2.7%
	Granted in 2018	15	2.3%	2.3%	2.5%	2.3%	2.3%
Nord-du-Québec	Projected for 2019	15	2.3%	2.3%	2.3%	2.3%	2.4%
	Granted in 2018	34	2.4%	2.4%	2.4%	2.4%	2.4%
Outaouais	Projected for 2019	31	2.4%	2.4%	2.4%	2.4%	2.4%
0 1	Granted in 2018	30	2.4%	2.5%	2.4%	2.5%	2.5%
Saguenay–Lac- Saint-Jean	Projected for 2019	27	2.5%	2.5%	2.5%	2.5%	2.5%

<u>Methodological note</u>: The average for the job categories may differ from the total budget. This is explained by the absence of reported data for any of the job categories within an organization.

BY NUMBER OF EMPLOYEES

Table 13 — Average total salary increases (excluding freezes) by job category and number of employees

		n	All	Managers	Professionals	Technical Personnel	Support and Operations Personnel
Facces there 100 areals used	Granted in 2018	44	3.1%	3.0%	3.3%	2.9%	2.7%
Fewer than 100 employees	Projected for 2019	42	2.9%	3.0%	2.9%	2.7%	2.7%
100 to fewer than 500 employees	Granted in 2018 Projected for 2019	73 70	2.8% 2.7%	3.0% 2.9%	2.9% 2.8%	2.6% 2.6%	2.8% 2.6%
500 to fewer than 5,000 employees	Granted in 2018 Projected for 2019	72 63	2.5% 2.5%	2.5% 2.5%	2.5% 2.5%	2.5% 2.5%	2.5% 2.5%
5,000 or more employees	Granted in 2018 Projected for 2019	21 19	2.5% 2.5%	2.5% 2.5%	2.5% 2.5%	2.7% 2.6%	2.7% 2.6%

<u>Methodological note</u>: The average for the job categories may differ from the total budget. This is explained by the absence of reported data for any of the job categories within an organization.

BY REVENUE/ANNUAL OPERATING BUDGET

Table 14 — Average total salary increases (excluding freezes) by job category and revenue/annual operating budget

		n	All	Managers	Professionals	Technical Personnel	Support and Operations Personnel
Less than 50 million (\$)	Granted in 2018	62	2.9%	3.0%	2.9%	2.7%	2.7%
Less than 50 million (\$)	Projected for 2019	57	2.7%	3.0%	2.7%	2.6%	2.7%
50 million to 100 million (\$)	Granted in 2018	20	2.7%	3.1%	3.0%	2.7%	2.8%
σο πιπιστι το του πιπιστι (φ)	Projected for 2019	17	2.5%	2.7%	2.9%	2.5%	2.6%
100 million to less than 500 million (\$)	Granted in 2018	44	2.5%	2.5%	2.5%	2.4%	2.4%
100 million to less than 300 million (φ)	Projected for 2019	41	2.4%	2.4%	2.4%	2.4%	2.4%
500 million to less than 1 billion (\$)	Granted in 2018	17	2.4%	2.4%	2.4%	2.6%	2.7%
300 million to less than 1 billion (φ)	Projected for 2019	17	2.4%	2.4%	2.4%	2.5%	2.5%
1 billion or more (\$)	Granted in 2018	34	2.6%	2.6%	2.6%	2.6%	2.6%
i billion or more (φ)	Projected for 2019	31	2.7%	2.7%	2.7%	2.7%	2.7%
Not available/Confidential	Granted in 2018	31	3.1%	3.1%	3.5%	2.9%	2.8%
NOLAVAIIADIE/COIIIUEIILIAI	Projected for 2019	29	3.1%	3.1%	3.3%	2.9%	2.8%

 $\underline{\text{Methodological note}}\text{: The average for the job categories may differ from the total budget. This is explained by the absence of reported data for any of the job categories within an organization.}$

BY INDUSTRY SECTOR

Table 15 — Average total salary increases (excluding freezes) by job category and industry sector

		n	All	Managers	Professionals	Technical Personnel	Support and Operations Personnel
Retail and	Granted in 2018	22	2.5%	2.6%	2.5%	2.5%	2.6%
wholesale trade/distribution	Projected for 2019	22	2.6%	2.6%	2.6%	2.6%	2.7%
Energy, mining	Granted in 2018	9	2.6%	2.6%	3.0%	2.6%	2.6%
and metals	Projected for 2019	8	2.7%	2.7%	2.7%	2.7%	2.7%
Manufacturing	Granted in 2018	19	2.6%	2.7%	2.6%	2.6%	2.5%
(durable)	Projected for 2019	17	2.6%	2.7%	2.6%	2.6%	2.6%
Manufacturing	Granted in 2018	17	2.3%	2.3%	2.4%	2.3%	2.3%
(non-durable)	Projected for 2019	17	2.3%	2.4%	2.3%	2.3%	2.3%
Finance and	Granted in 2018	21	2.6%	2.6%	2.6%	2.5%	2.5%
insurance	Projected for 2019	21	2.6%	2.6%	2.6%	2.6%	2.6%
Foundations, community	Granted in 2018	13	2.7%	2.6%	2.6%	2.6%	2.6%
assistance and health care	Projected for 2019	13	2.5%	2.5%	2.5%	2.4%	2.6%
High technology	Granted in 2018	24	3.4%	3.4%	3.5%	3.3%	3.6%
Tilgit technology	Projected for 2019	23	3.1%	3.1%	3.1%	3.0%	3.1%
Information, culture and	Granted in 2018	9	2.1%	2.4%	2.1%	2.1%	2.1%
entertainment	Projected for 2019	8	2.3%	2.3%	2.3%	2.3%	2.3%
Pharmaceutical and	Granted in 2018	1			-		
biotechnology	Projected for 2019	1					
Municipal acetes	Granted in 2018	13	2.3%	2.4%	2.4%	2.4%	2.4%
Municipal sector	Projected for 2019	9	2.3%	2.4%	2.4%	2.4%	2.4%

		n	All	Managers	Professionals	Technical Personnel	Support and Operations Personnel
Educational	Granted in 2018	4	2.4%	2.4%	2.4%	3.2%	3.2%
services	Projected for 2019	2					
Professional,	Granted in 2018	46	3.1%	3.2%	3.4%	2.8%	2.6%
scientific and technical services	Projected for 2019	43	2.9%	3.3%	3.1%	2.7%	2.6%
Transportation	Granted in 2018	12	2.7%	2.7%	2.5%	2.5%	2.5%
and warehousing	Projected for 2019	10	2.6%	2.6%	2.5%	2.5%	2.5%

<u>Methodological note</u>: The average for the job categories may differ from the total budget. This is explained by the absence of reported data for any of the job categories within an organization.

BY ORGANIZATION TYPE

Table 16 — Average total salary increases (excluding freezes) by job category and organization type

		n	All	Managers	Professionals	Technical Personnel	Support and Operations Personnel
Private sector (listed or not	Granted in 2018	150	2.8%	2.8%	2.9%	2.7%	2.7%
listed on the stock market)	Projected for 2019	143	2.7%	2.8%	2.8%	2.6%	2.7%
Public and para-governmental	Granted in 2018	38	2.5%	2.6%	2.5%	2.5%	2.4%
sector	Projected for 2019	29	2.5%	2.6%	2.5%	2.4%	2.4%
Non profit organization (NDO)	Granted in 2018	22	2.7%	2.7%	2.6%	2.6%	2.7%
Non-profit organization (NPO)	Projected for 2019	22	2.6%	2.6%	2.6%	2.5%	2.7%

Methodological note: The average for the job categories may differ from the total budget. This is explained by the absence of reported data for any of the job categories within an organization.

Detailed results for the Ontario market

Table 17 — Average total salary increases (excluding freezes) by job category and region

		n	All	Managers	Professionals	Technical Personnel	Support and Operations Personnel
Eastern	Granted in 2018	34	2.4%	2.6%	2.5%	2.5%	2.5%
Ontario	Projected for 2019	30	2.4%	2.6%	2.5%	2.5%	2.5%
Northern	Granted in 2018	17	2.6%	2.5%	2.5%	2.5%	2.5%
Ontario	Projected for 2019	17	2.5%	2.5%	2.5%	2.5%	2.5%
Southwestern	Granted in 2018	19	2.4%	2.4%	2.4%	2.4%	2.4%
Ontario	Projected for 2019	18	2.5%	2.5%	2.5%	2.5%	2.5%
Greater	Granted in 2018	63	2.6%	2.6%	2.6%	2.5%	2.5%
Toronto Area	Projected for 2019	60	2.5%	2.6%	2.6%	2.5%	2.5%
Cantral Outaria	Granted in 2018	8	2.4%	2.4%	2.4%	2.4%	2.4%
Central Ontario	Projected for 2019	8	2.5%	2.5%	2.5%	2.5%	2.5%

<u>Methodological note</u>: The average for the job categories may differ from the total budget. This is explained by the absence of reported data for any of the job categories within an organization.

BY NUMBER OF EMPLOYEES

Table 18 — Average total salary increases (excluding freezes) by job category and number of employees

		n	All	Managers	Professionals	Technical Personnel	Support and Operations Personnel
Fewer than 100 employees	Granted in 2018	5	2.5%	2.5%	2.5%	2.5%	2.5%
r ewer than 100 employees	Projected for 2019	5	2.5%	2.5%	2.5%	2.5%	2.5%
100 to fewer than 500	Granted in 2018	21	2.7%	3.0%	2.9%	2.4%	2.8%
employees	Projected for 2019	19	2.6%	2.9%	2.7%	2.4%	2.6%
500 to fewer than 5,000	Granted in 2018	42	2.7%	2.6%	2.6%	2.6%	2.6%
employees	Projected for 2019	40	2.7%	2.6%	2.6%	2.6%	2.6%
5 000 ou more outside	Granted in 2018	12	2.4%	2.5%	2.5%	2.5%	2.5%
5,000 or more employees	Projected for 2019	11	2.5%	2.5%	2.5%	2.5%	2.5%

Methodological note: The average for the job categories may differ from the total budget. This is explained by the absence of reported data for any of the job categories within an organization.

BY REVENUE/ANNUAL OPERATING BUDGET

Table 19 — Average total salary increases (excluding freezes) by job category and revenue/annual operating budget

		n	All	Managers	Professionals	Technical Personnel	Support and Operations Personnel
Logo than EO million (\$)	Granted in 2018	13	2.8%	3.3%	3.0%	2.5%	3.1%
Less than 50 million (\$)	Projected for 2019	11	2.7%	3.2%	2.8%	2.4%	2.8%
50 million to 100 million (\$)	Granted in 2018	6	2.2%	2.4%	2.4%	2.2%	2.2%
30 ππποπ το 100 ππποπ (φ)	Projected for 2019	6	2.2%	2.4%	2.4%	2.2%	2.2%
100 million to less than	Granted in 2018	19	2.7%	2.5%	2.7%	2.5%	2.5%
500 million (\$)	Projected for 2019	18	2.5%	2.4%	2.4%	2.4%	2.4%
500 million to less than	Granted in 2018	9	2.4%	2.4%	2.4%	2.4%	2.4%
1 billion (\$)	Projected for 2019	9	2.5%	2.5%	2.5%	2.5%	2.5%
1 billion or more (\$)	Granted in 2018	26	2.6%	2.6%	2.6%	2.6%	2.6%
T billion of more (ψ)	Projected for 2019	24	2.8%	2.8%	2.8%	2.8%	2.8%
Not available/	Granted in 2018	6	3.2%	2.9%	2.9%	2.9%	2.9%
Confidential	Projected for 2019	6	2.8%	2.8%	2.8%	2.8%	2.8%

<u>Methodological note</u>: The average for the job categories may differ from the total budget. This is explained by the absence of reported data for any of the job categories within an organization.

BY INDUSTRY SECTOR

Table 20 — Average total salary increases (excluding freezes) by job category and industry sector

		n	All	Managers	Professionals	Technical Personnel	Support and Operations Personnel
Retail and	Granted in 2018	11	2.5%	2.5%	2.5%	2.5%	2.5%
wholesale trade/distribution	Projected for 2019	11	2.6%	2.6%	2.6%	2.6%	2.6%
Energy, mining	Granted in 2018	5	2.6%	2.5%	3.1%	2.5%	2.5%
and metals	Projected for 2019	4	2.7%	2.7%	2.7%	2.7%	2.7%
Manufacturing	Granted in 2018	7	2.4%	2.5%	2.5%	2.5%	2.5%
(durable)	Projected for 2019	6	2.7%	2.7%	2.7%	2.7%	2.7%
Manufacturing	Granted in 2018	11	2.3%	2.3%	2.3%	2.2%	2.2%
(non-durable)	Projected for 2019	11	2.4%	2.4%	2.4%	2.3%	2.3%
Finance and	Granted in 2018	12	2.3%	2.4%	2.4%	2.4%	2.4%
insurance	Projected for 2019	12	2.4%	2.4%	2.4%	2.4%	2.4%
Foundations, community	Granted in 2018	4	1.9%	1.9%	1.9%	1.9%	1.9%
assistance and health care	Projected for 2019	3	2.0%	2.0%	2.0%	2.0%	2.0%
High tachnology	Granted in 2018	11	3.5%	3.5%	3.6%	3.0%	3.8%
High technology	Projected for 2019	10	3.3%	3.2%	3.2%	2.8%	3.2%
Information, culture	Granted in 2018	3	2.1%	2.1%	2.1%	2.1%	2.1%
and entertainment	Projected for 2019	3	2.3%	2.3%	2.3%	2.3%	2.3%
Pharmaceutical	Granted in 2018	1					
and biotechnology	Projected for 2019	1			-		
Municipal costs	Granted in 2018						
Municipal sector	Projected for 2019				-		

		n	All	Managers	Professionals	Technical Personnel	Support and Operations Personnel
Educational services	Granted in 2018						
	Projected for 2019						
Professional, scientific and technical services	Granted in 2018	11	3.2%	3.3%	2.9%	2.9%	2.9%
	Projected for 2019	11	2.6%	3.0%	2.6%	2.6%	2.6%
Transportation and warehousing	Granted in 2018	4	3.4%	3.0%	3.0%	3.0%	3.0%
	Projected for 2019	3	2.8%	2.8%	2.8%	2.8%	2.8%

<u>Methodological note</u>: The average for the job categories may differ from the total budget. This is explained by the absence of reported data for any of the job categories within an organization.

BY ORGANIZATION TYPE

Table 21 — Average total salary increases (excluding freezes) by job category and organization type

		n	All	Managers	Professionals	Technical Personnel	Support and Operations Personnel
Private sector (listed or not listed on the	Granted in 2018	70	2.7%	2.8%	2.7%	2.6%	2.7%
stock market)	Projected for 2019	66	2.7%	2.7%	2.7%	2.6%	2.6%
Public and para-governmental sector	Granted in 2018	3	2.0%	2.2%	2.2%	2.2%	2.2%
Tublic and para-governmental sector	Projected for 2019	3	2.0%	2.2%	2.2%	2.2%	2.2%
Non-profit organization (NPO)	Granted in 2018	7	2.0%	2.0%	2.0%	2.0%	2.0%
Non-profit organization (NPO)	Projected for 2019	6	2.2%	2.2%	2.2%	2.2%	2.2%

Methodological note: The average for the job categories may differ from the total budget. This is explained by the absence of reported data for any of the job categories within an organization.

Methodology

Data validation

Normandin Beaudry's consultants take great care to ensure the validity and consistency of the data provided by survey participants. Questionable data was confirmed with participants or eliminated so as not to impact final results.

Confidentiality of results

To ensure the confidentiality of results, data (responses) from a minimum of three respondents is required to display results in the tables on salary increase budgets. When interpreting the results, we invite you to exercise caution and to consider the number of organizations included in the sample.

Definition of terms used in this report

Job categories

Managers

Members of the leadership team responsible for managing the services and/or operations of part of or an entire sector within the organization. They supervise one or more work teams (e.g. Chief Accountant, Call Centre Supervisor).

Professionals

Non-unionized employees possessing skills in a specific field that have been acquired through university education or many years of experience. They are afforded autonomy and do not assume any management responsibilities (e.g. Legal Advisor, Computer Programmer).

Technical Personnel

Non-unionized employees possessing technical knowledge and skills in a specific field that have been acquired through post-secondary education or a certain number of years of experience. They apply procedures specific to their field in carrying out their tasks (e.g. IT Support Technician, Lab Technician).

Support and Operations Personnel

Non-unionized employees contributing to the achievement of the objectives of a team of employees or of a sector by completing administrative or operational activities. They follow established processes in carrying out their tasks (e.g. Administrative Assistant, Accounting Clerk, Forklift Operator, Warehouse Clerk).

SEE YOU NEXT YEAR FOR THE NEXT EDITION!

We would like to take this opportunity to invite organizations from all industries and regions in Canada to take part in next year's *Salary Increase Survey* starting in June 2019.

Increasing participation with organizations such as yours is helping to make this study an invaluable decision-making tool for compensation and management committees in determining salary increases and in developing compensation policies.

We would like to thank you on behalf of the entire Normandin Beaudry team.

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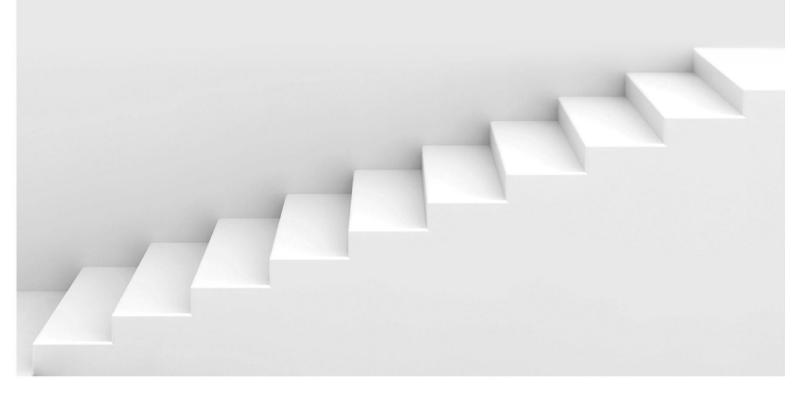
Salary Increase Survey



For more information about this survey and its results, please contact:

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Salary Increase Survey