

# Staying Competitive: Employer Compensation Philosophy, Strategy & Benchmarking



## Introduction

Organizations face increasing pressure to balance competitive pay, transparency, and business priorities in today's dynamic market. This survey explores how employers approach compensation both in terms of their guiding values and principles (**compensation philosophy**) and the specific policies and practices they use (**compensation strategy**).

## Definitions for Survey Respondents:

- **Compensation Philosophy:** The guiding belief system or core principles that shape how your organization views and approaches employee compensation. Think of it as the “**why**” behind compensation decisions.
- **Compensation Strategy:** This is the **action plan** that puts the philosophy into practice. It includes the specific methods, tools, and policies used to design and manage compensation programs. Think of it as the “**how**” that supports the “**why**”.

Your responses will help us understand current benchmarking practices, challenges, and innovations in compensation administration across organizations. Thank you for participating and sharing your insights.

## Compensation Philosophy

1. **Does your organization have a formal compensation philosophy (a set of guiding values/principles or beliefs about how pay and rewards should be determined)?**
  - ☐ Yes, we have a formal, documented philosophy
  - ☐ No, but we have informal guiding principles (go to Question 4)
  - ☐ No, we do not have a defined philosophy (go to Question 4)
2. **Which of the following statements are reflected in your organization's compensation philosophy? (check all that apply)**
  - ☐ We emphasize pay-for-performance
  - ☐ We focus on market competitiveness
  - ☐ We value internal equity
  - ☐ We take a total rewards approach (compensation, benefits, culture)
  - ☐ We promote pay transparency
  - ☐ We aim to attract and retain key talent
  - ☐ We prioritize compliance with legal/regulatory requirements
  - ☐ We manage compensation with cost control/budget considerations
  - ☐ We recognize seniority or tenure
  - ☐ Our compensation philosophy is shaped by collective bargaining/union agreements
  - ☐ Other (please specify) \_\_\_\_\_
3. **Does your compensation philosophy align with your organization's values, culture and/or mission?**
  - ☐ Yes, closely aligned
  - ☐ Somewhat aligned, but there is room for improvement
  - ☐ Not aligned
  - ☐ Not sure

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### Compensation Strategy

- 4. Does your organization have a formal compensation strategy (a documented approach that puts your philosophy into practice through specific policies and processes)?**
- ☐ Yes, we have a formal, documented strategy (go to Question 7)
  - ☐ No
- 5. You indicated that you do not have a formal, documented strategy. As a result, how would you describe your organization's compensation practices? (check all that apply)**
- ☐ We follow consistent internal guidelines, but they are not formally documented
  - ☐ We use market data occasionally, but not as part of a structured strategy
  - ☐ We adjust compensation based on budget or organizational priorities, rather than market data
  - ☐ Compensation decisions are made at the discretion of individual managers
  - ☐ Other (please specify) \_\_\_\_\_
- 6. What are the reasons your organization does not have a formal compensation strategy? (check all that apply)**
- ☐ We have not prioritized creating a compensation strategy (go to Question 11)
  - ☐ We rely on informal pay practices and individual decisions (go to Question 11)
  - ☐ We do not have the resources or expertise to develop a formal strategy (go to Question 11)
  - ☐ Compensation decisions are made on a case-by-case basis (go to Question 11)
  - ☐ Our leadership does not view a formal strategy as necessary (go to Question 11)
  - ☐ Our organization is too small to justify a formal strategy (go to Question 11)
  - ☐ We are in the process of developing one (go to Question 11)
  - ☐ Other (please specify) \_\_\_\_\_ (go to Question 11)
- 7. What aspects does your compensation strategy cover? (check all that apply)**
- ☐ Base pay
  - ☐ Salary structure and pay grades
  - ☐ Salary adjustments and increases
  - ☐ Incentive pay (e.g., bonuses, commissions)
  - ☐ Benefits (e.g., health and wellness, retirement)
  - ☐ Perquisites (e.g., transit passes, parking, gym memberships)
  - ☐ Employee recognition or non-monetary rewards
  - ☐ Flexible work arrangements (e.g., remote or hybrid work compensation policies)
  - ☐ Paid time off (e.g., vacations, holidays, personal days)
  - ☐ Market benchmarking and pay policy position
  - ☐ Geographic pay differentials
  - ☐ Pay equity
  - ☐ Career development and progression
  - ☐ Cost management and budget alignment
  - ☐ Regulatory compliance (e.g., pay transparency laws, pay equity laws, overtime laws, minimum wage)
  - ☐ Compensation communication strategy (e.g., how pay decisions are shared with employees)

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- ☐ Integration with performance management systems
- ☐ Succession planning or talent pipeline alignment
- ☐ Total rewards philosophy (e.g., combining compensation with wellness, development and culture)
- ☐ Other (please specify) \_\_\_\_\_

### 8. How often is it reviewed or updated?

- ☐ Annually
- ☐ Every 2 to 3 years
- ☐ Only when necessary (e.g., significant organizational or market changes)
- ☐ We do not review or update our compensation strategy

### 9. Who is responsible for developing or overseeing your compensation strategy? (check all that apply)

- ☐ HR Department
- ☐ Executive Leadership
- ☐ Compensation or Benefits Committee
- ☐ External Consultant
- ☐ Other (please specify) \_\_\_\_\_

### 10. Does your compensation strategy align with your organization's overall business goals or mission?

- ☐ Yes, closely aligned
- ☐ Somewhat aligned, but there is room for improvement
- ☐ No, it is separate from our business goals
- ☐ We do not have a clear connection
- ☐ Not sure

## Peer Group Selection

### 11. How do you define your peer group for benchmarking? (check all that apply)

*A peer group refers to a defined set of organizations your organization compares itself to when evaluating market compensation levels and practices. These peers may share similar characteristics such as same industry, size, location, or business model.*

- ☐ By industry
- ☐ By organizations with comparable products/service offerings
- ☐ By geographic region
- ☐ By employee headcount (e.g., small, mid-size, large organizations)
- ☐ By similar revenues
- ☐ By similar regulatory environment
- ☐ By talent market or competition for similar roles
- ☐ By organizational structure or stage of growth (e.g., startup, mature enterprise)
- ☐ Other (please specify) \_\_\_\_\_
- ☐ We do not use a defined peer group (go to Question 13)

**12. For which job categories or levels does your organization use different peer groups? (check all that apply)**

- ☐ Executive/senior leadership roles
- ☐ Middle management roles
- ☐ Professional/technical roles
- ☐ Entry-level or administrative roles
- ☐ Specialized or hard-to-fill roles
- ☐ Unionized or bargaining unit roles
- ☐ Project-based and/or temporary roles
- ☐ Other (please specify) \_\_\_\_\_
- ☐ Not applicable – we use the same peer group for all employees

### Pay Positioning Strategy

A pay positioning strategy is an organization's approach to setting compensation relative to the market. For example, choosing to position pay below, at, or above typical market levels

**13. What are your organization's target market positions for base pay, total cash (base salary plus incentive pay) and total compensation (base salary, incentive pay, group benefits, retirement, paid time off, perks)?**

	Below 50 <sup>th</sup> percentile	50 <sup>th</sup> percentile	Between 50 <sup>th</sup> & 75 <sup>th</sup> percentile	75 <sup>th</sup> percentile	Above 75 <sup>th</sup> percentile	Varies by functional area/job category or level	No pay positioning strategy
Base Pay	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Total Cash	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Total Compensation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

### Communication

Organizations may communicate their compensation philosophy (the guiding values/principles and beliefs about pay) and/or their compensation strategy (the specific policies and practices used to determine and administer pay) to employees. The following questions explore what is communicated, how, and to whom.

**14. Does your organization communicate its compensation philosophy to employees?**

- ☐ Yes, across all job categories and levels
- ☐ Yes, but only for certain roles or levels (e.g., executive or specialized roles)
- ☐ Yes, but the communication is informal and inconsistent
- ☐ No, it is not communicated to employees

**15. Does your organization communicate its compensation strategy (e.g., market position, pay practices, how pay decisions are made) to employees?**

- ☐ Yes, across all job categories and levels
- ☐ Yes, but only for certain roles or levels (e.g., executive or specialized roles)
- ☐ Yes, but the communication is informal or inconsistent
- ☐ No, it is not communicated to employees (go to Question 19)

**16. How is the organization's compensation philosophy and/or strategy communicated? (check all that apply)**

- ☐ Included in offer letters or onboarding materials
- ☐ Through employee handbooks or policy documents
- ☐ Via internal presentations or company-wide meetings
- ☐ Via the intranet or internal HR portal
- ☐ Via manager-led discussions or team-meetings
- ☐ Through compensation statements or pay summaries
- ☐ During performance reviews
- ☐ Other (please specify) \_\_\_\_\_

**17. To what extent do employees understand how their compensation is determined?**

- ☐ Very well – employees clearly understand the components and rationale behind their compensation
- ☐ Moderately – employees have a general understanding but lack clarity on specific aspects
- ☐ Minimally – employees are aware of their pay but not how it is determined
- ☐ Not at all – employees are unaware of how compensation decisions are made
- ☐ Not sure – we have not assessed employee understanding on this topic

**18. Is your organization satisfied with the current level of employee understanding about compensation?**

- ☐ Yes, the current level of understanding is intentional and appropriate
- ☐ No, we are actively working to improve employee understanding
- ☐ No, but improving understanding is not currently a priority
- ☐ Not sure

**19. Has your organization received feedback from employees about compensation fairness or transparency?**

- ☐ Yes, we regularly collect and review employee feedback through formal channels (e.g., employee surveys, focus groups)
- ☐ Yes, we have received informal feedback (e.g., through conversations, performance reviews, exit interviews)
- ☐ No, we have not received any feedback on this topic
- ☐ No, but we plan to gather feedback in the future
- ☐ Not sure/no formal mechanism exists to gather such feedback

**20. Has your organization seen an increase in employee questions about how compensation is determined, due to recent attention on pay transparency?**

- ☐ Yes, significantly more questions are being asked
- ☐ Yes, a slight increase in questions
- ☐ No noticeable change (go Question 22)
- ☐ No, employees have not raised questions about how compensation is determined (go Question 22)
- ☐ Not sure (go Question 22)

**21. How is your organization responding to increased interest in pay transparency? (check all that apply)**

- ☐ Updating internal communication materials
- ☐ Providing Manager training for compensation conversations
- ☐ Revising compensation policies or documentation
- ☐ Hosting Q&A sessions or forums
- ☐ No specific actions taken
- ☐ Other (please specify) \_\_\_\_\_

### Use of Market Data

**22. Excluding any internal data analysis, which external market data sources does your organization use to inform compensation decisions? (check all that apply)**

- ☐ Published industry-specific compensation surveys
- ☐ Published general market compensation surveys
- ☐ Custom survey data or report from HR/compensation consulting firms
- ☐ Publicly-available data (e.g., Statistics Canada, Government data)
- ☐ Professional associations
- ☐ Job postings
- ☐ Crowdsourced/pay transparency websites (e.g., Glassdoor, etc.)
- ☐ Recruitment agencies/executive search firm data
- ☐ Union agreements/collective bargaining agreements
- ☐ Formal or informal sharing with peer organizations or competitors
- ☐ Published research reports/academic studies
- ☐ Other (please specify) \_\_\_\_\_
- ☐ None of the above

**23. How frequently does your organization typically use market data to review or update compensation?**

- ☐ Annually
- ☐ Every 2 to 3 years
- ☐ Ad hoc (we update as needed for specific roles or business needs)
- ☐ We do not update compensation based on market data
- ☐ Other (please specify) \_\_\_\_\_

**24. Does your organization use market data for all roles across the organization or for select roles?**

- ☐ All roles across the organization (go to Question 26)
- ☐ Select roles

**25. For which roles do your organization use market data? (check all that apply)**

- ☐ Executive/senior leadership roles
- ☐ Middle management roles
- ☐ Professional/technical roles
- ☐ Entry-level or administrative roles
- ☐ Specialized or hard-to-fill roles
- ☐ Unionized or bargaining unit roles
- ☐ Project-based and/or temporary roles
- ☐ Other (please specify) \_\_\_\_\_

**26. How does your organization use market data to set compensation? (check all that apply)**

- ☐ To set base pay rates
- ☐ To establish salary ranges or pay bands
- ☐ To set target compensation levels (e.g., midpoint, 75th percentile)
- ☐ To guide starting salaries/offers for new hires
- ☐ To identify pay adjustments required for specific roles or groups
- ☐ To benchmark incentive or variable pay programs
- ☐ To benchmark benefits or total rewards offerings
- ☐ To benchmark compensation policies and/or practices
- ☐ To support pay equity reviews/compliance requirements
- ☐ To inform our overall compensation strategy or philosophy
- ☐ Other (please specify) \_\_\_\_\_

**27. What challenges does your organization presently face in maintaining its desired market position? (check all that apply)**

- ☐ Budget constraints (e.g., limited funding for market adjustments)
- ☐ Rapid market changes (e.g., salaries shifting faster than annual review cycles)
- ☐ Internal alignment/leadership priorities (e.g., lack of consensus on desired market positioning)
- ☐ Retention pressures (e.g., employees leaving for higher market pay)
- ☐ Pay equity considerations (e.g., balancing competitiveness with internal fairness)
- ☐ Geographic variability (e.g., different labour pressures across regions)
- ☐ No significant challenges
- ☐ Other (please specify) \_\_\_\_\_

*The previous question focused on overall challenges in maintaining market position. The next question looks specifically at difficulties in working with external market data.*

**28. What challenges does your organization encounter when using external market data sources to inform compensation decisions? (check all that apply)**

- ☐ Market data is too expensive or not within budget
- ☐ Limited relevance of available data to our industry or region
- ☐ Difficulties finding appropriate job matches or comparators (e.g., unique or hybrid roles not easily benchmarked)
- ☐ Concerns about accuracy or reliability of market data
- ☐ Results can be outdated by the time they are available
- ☐ Lack of internal expertise or resources to analyze and apply the data
- ☐ Data does not align with our pay structures or unique roles
- ☐ Other (please specify) \_\_\_\_\_
- ☐ No significant challenges

### Technology & Tools

**29. To what extent does your organization rely on technology or automated processes (e.g., compensation management software, survey data uploads, or analytics tools) to support benchmarking or pay decisions?**

- ☐ We rely heavily on automation/technology
- ☐ We use a mix of automated and manual processes
- ☐ We rely mainly on manual processes
- ☐ Not sure

**30. Which type(s) of technology or automated tools does your organization use? (check all that apply)**

- ☐ Compensation management systems (e.g., pay planning software, integrated HRIS modules)
- ☐ Automated survey data uploads or market data integration tools
- ☐ Data visualization/dashboards (e.g., Business Intelligence (BI) or analytics tools)
- ☐ Excel or manual spreadsheets
- ☐ Spreadsheet models with built-in automation (e.g., macros, linked templates)
- ☐ AI-enabled tools for compensation analysis or recommendations
- ☐ Other (please specify) \_\_\_\_\_
- ☐ None of the above

**31. What benefits has your organization obtained from using technology/automation in compensation benchmarking or pay decisions? (check all that apply)**

- ☐ Increased efficiency in processing data
- ☐ Improved accuracy and reduced errors
- ☐ Faster decision-making
- ☐ More consistent application of compensation practices
- ☐ Better reporting and insights for leadership
- ☐ Enhanced employee experience (e.g., clearer communication, transparency)
- ☐ Other (please specify) \_\_\_\_\_
- ☐ None of the above



**32. What challenges does your organization face with technology/automation in compensation processes? (check all that apply)**

- ☐ Cost of systems/tools
- ☐ Integration with existing HR/finance systems
- ☐ Lack of internal expertise to use tools effectively
- ☐ Concerns about data privacy/security
- ☐ Limited functionality of current tools
- ☐ Resistance to change from leadership or managers
- ☐ Other (please specify) \_\_\_\_\_
- ☐ Few or no challenges

### Impact of External Trends

**33. Which of the following external factors influence adjustments to your market position? (check all that apply)**

- ☐ Inflation (e.g., price increases affecting employee purchasing power)
- ☐ Cost of living (e.g., housing affordability, regional cost-of-living differences)
- ☐ General economic conditions/business performance (e.g., downturns, recessions, organizational financial health)
- ☐ Legislation or regulatory changes (e.g., pay transparency, minimum wage changes, pay equity requirements)
- ☐ Conditions unique to our industry (e.g., funding levels, commodity prices, government budgets)
- ☐ Skill shortages (e.g., limited availability of talent in key areas)
- ☐ Geographic differences (labour shortages or wage pressure in specific regions)
- ☐ Competition for talent (e.g., competitor pay practices, aggressive recruiting)
- ☐ None of the above (go to Question 35)

**34. How does your organization respond when adjusting to external trends? (check all that apply)**

- ☐ Adjust overall salary structure or market positioning (e.g., shift pay bands relative to market)
- ☐ Provide off-cycle pay adjustments (e.g., mid-year increases outside of annual cycle)
- ☐ Adjust new hire/starting salaries (e.g., increase offers for competitive roles)
- ☐ Focus adjustments on specific roles or groups (e.g., targeted increases for critical skills)
- ☐ Adjust incentive/bonus opportunities (e.g., modify incentive plans)
- ☐ Adjust total rewards package (e.g., benefits, rewards, allowances)
- ☐ Other (please specify) \_\_\_\_\_
- ☐ Not applicable – we do not make adjustments due to external trends

**35. How frequently does your organization review external economic and labour market trends when making compensation decisions?**

- ☐ Annually
- ☐ Semi-annually
- ☐ Quarterly
- ☐ Only as needed
- ☐ Not formally reviewed

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### Future Planning & Innovation

**36. Is your organization planning to revise its compensation philosophy and/or compensation strategy in the next 12 months?**

	Develop a formal document-ed policy	Develop informal guidelines	Formalize existing informal guidelines	Revise existing formal policy	No Change	Not Sure
Compensation <b>Philosophy</b>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Compensation <b>Strategy</b>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(go to Question 38)						

**37. What areas of compensation strategy are being considered for revision? (check all that apply)**

- ☐ Base pay structure
- ☐ Incentive plans
- ☐ Benefits offerings
- ☐ Pay equity initiatives
- ☐ Market benchmarking practices
- ☐ Other (please specify) \_\_\_\_\_

**38. Is your organization currently exploring or considering any of the following compensation models? (check all that apply)**

- ☐ Skills-based pay
- ☐ Career/skills progression-based pay
- ☐ Pay-for-performance beyond base salary (e.g., outcome-based incentives, team-based incentives)
- ☐ Equity-based rewards (e.g., stock options, profit sharing)
- ☐ Flexible or personalized compensation packages (e.g., tailoring pay mix to individual needs)
- ☐ Other (please specify) \_\_\_\_\_
- ☐ None of the above – we are maintaining traditional models

### Organizational Information

**39. For us to send you the results of the survey, please complete the following:**

Organization Name:	
Person Completing Survey:	
Position Title:	
Email Address:	

**40. Which sector describes your organization?**

- ☐ Private Sector
- ☐ Public Sector
- ☐ Not-for-Profit Sector

**41. How many employees (both full-time and part-time) do you have in Canada? (if unsure, please estimate)**

**42. What were the approximate annual revenues/operating budget last fiscal year?**

- ☐ Less than 25 million
- ☐ \$25 million to \$50 million
- ☐ >\$50 million to \$100 million
- ☐ >\$100 million to \$500 million
- ☐ >\$500 million to \$1 billion
- ☐ Over \$1 billion

**43. What is the appropriate industry classification for your organization?**

- ☐ Agriculture, fishing, and hunting
- ☐ Forestry and forest products
- ☐ Mining, quarrying and oil & gas extraction
- ☐ Utilities
- ☐ Construction
- ☐ Manufacturing
- ☐ Wholesale trade
- ☐ Retail trade
- ☐ Transportation & warehousing
- ☐ Information & cultural industries
- ☐ Finance & insurance
- ☐ Real estate & rental & leasing
- ☐ Professional, scientific & technical services
- ☐ Technology
- ☐ Management of companies & enterprises
- ☐ Administrative & support, waste management & remediation services
- ☐ Educational services
- ☐ Healthcare & social assistance
- ☐ Arts, entertainment, recreation, tourism, hospitality
- ☐ Accommodation & food services
- ☐ Other services (except public administration)
- ☐ Public administration
- ☐ Associations & Regulatory Bodies
- ☐ Other (please specify) \_\_\_\_\_

**44. How did you hear about this research project?**

- ☐ Email invitation (from WCBC)
- ☐ Work we have done with WCBC in the past
- ☐ From a colleague or peer
- ☐ Social media (LinkedIn, Facebook, X)
- ☐ WCBC website
- ☐ Unsure
- ☐ Other (please specify) \_\_\_\_\_

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**45. Please provide any comments you may have on this survey:**

**46. Are there any topics that your organization would like to see in future online surveys? We would appreciate your suggestions below:**