

The **ERG** at a glance

2019 Edition

Survey on Total Compensation: a statistical benchmark in the field of compensation

The Survey on Total Compensation (ERG) by the Institut de la statistique du Québec (ISQ):

- Is unique in terms of the compensation envelope and range of surveyed occupations, and is one of the only surveys of the Canadian labour market to collect data on fringe benefits, working hours, workforce characteristics (seniority, union status and sex) and paid time off (vacation, statutory holidays, sick leave, etc.) in addition to salaries. Because it takes into consideration total compensation, the survey offers a more complete picture than the comparison of salaries alone.
- The ERG survey data reflect the compensation paid in businesses with 200 or more employees in Québec. The ERG is carried out every year, allowing for recent data to be disseminated on a regular basis.

- The survey uses two classification systems for the surveyed occupations: the National Occupational Classification (NOC), which is recognized on the Canadian market, and the basket of benchmark jobs, which is representative of the Québec public service and public education and health and social services networks (hereinafter referred to as the *Québec government*). Findings are provided by occupation and employment group according to clearly defined breakdowns.
- Cooperation between the ISQ's compensation professionals and the respondents in the participating organizations is key to the data collection process. Visiting the businesses allows the investigators to acquire a good knowledge of the existing occupations, obtain missing data, and develop a solid professional relationship with the respondents to facilitate final data validation.

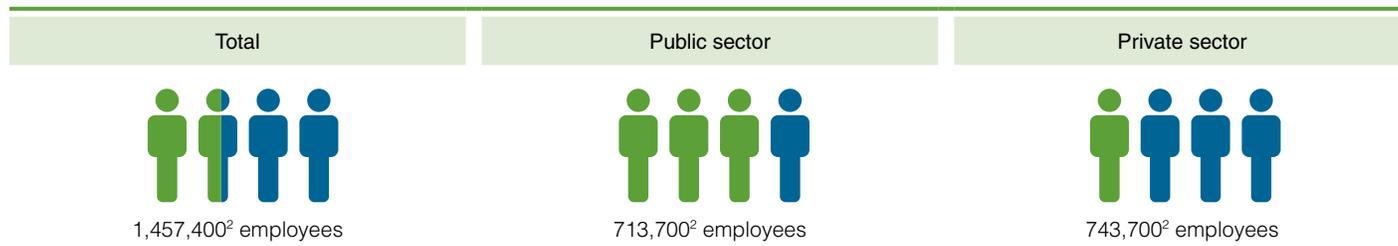
The first edition of the ERG dates back to 1983, when it was under the responsibility of the Ministère du Travail. The ERG has been conducted by the Institut de la statistique du Québec since 1999. It underwent a major overhaul in 2006 aimed at expanding the range of occupations surveyed and the compensation components studied to better reflect the realities of the labour market. This revision led to the introduction of a new series of compensation data. The ISQ's credibility in the field of total compensation is based on many years of research, assessments, analyses and studies.

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Target population

ERG target population: businesses with 200 or more employees¹

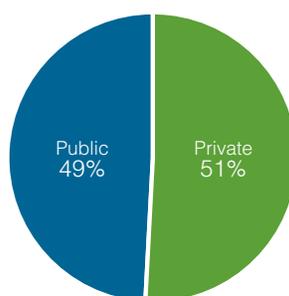


Sampling frame

Business Register database (BRDB) – Statistics Canada

Table “Estimation de la population des municipalités” – Institut de la statistique du Québec

Distribution of the ERG target population (employees)



Public sector	Private sector, broken down according to the North American Industry Classification System (NAICS)
<ul style="list-style-type: none"> • Health and social services • Education (school boards and CEGEPs) • Federal government in Québec • Québec government (Québec public service) • Municipal governments • Universities • Government enterprises (federal, provincial and local) 	<ul style="list-style-type: none"> • Mining extraction (21) • Manufacturing (31-32-33) • Trade (41-44-45) • Transportation and warehousing (48-49) • Information, culture and recreation (51-71) • Finance, insurance, real estate, and rental and leasing (52-53) • Professional, scientific and technical services (54) • Services to enterprises, building services and other support services (55-56) • Accommodation and food services (72) • Other services (81)
<p>Excluded</p> <ul style="list-style-type: none"> • Municipalities with populations under 25,000 	<p>Excluded</p> <ul style="list-style-type: none"> • Agriculture and related services (11) • Fishing and trapping (11) • Logging and forestry services (11) • Construction (23)

1. Other criteria are taken into consideration for businesses whose number of employees varies widely over the year. To be included in the survey, these businesses must have at least 200 full-and part-time employees working there for at least six months of the year (not necessarily consecutively), and the number of permanent (indeterminate) full and part-time employees must never drop below 100. Respecting these criteria enables the ISQ to better control which businesses are eligible for the survey and supports data collection efficacy. The criteria “at least 200 full and part-time employees” does not apply to public educational institutions, public health and social service establishments, Québec government employees (Québec public service) and federal government employees (employees working in Québec).

2. The ERG target population represents 40% of all employees in the Québec labour market. The proportion of employees covered by the survey is 75% for the public sector and 25% for the private sector.

How are businesses selected?

Businesses are selected from a random sample, within groups made up of businesses from the same sector and of similar size (called “strata”). By assigning a weight to each selected business in a stratum, the ISQ ensures its findings are representative.

Figure 1 shows that, in a given sector, the ratio of sampled businesses to the total number of businesses in the population (sampling fraction) is higher in the larger business stratum than in the smaller one, because there are fewer businesses in the first stratum than in the second. The use of sampling fractions leads to higher quality data. In some strata (called inventoried

strata), all businesses must respond to the survey, there being too few of them to allow sampling.

Reducing the data collection burden for complex businesses

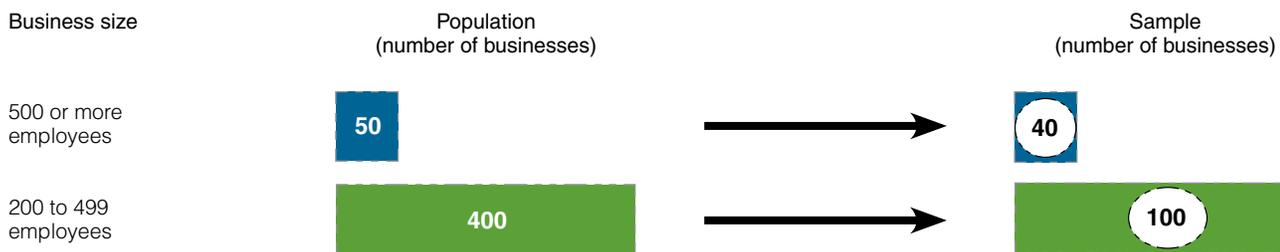
Data collection may prove more challenging for complex businesses. In such cases, the ISQ establishes a business profile. During the profiling stage, which consists in characterizing a business according to its organizational structure and its various compensation policies, the business is divided into logical units for the collection of compensation data. More complex businesses therefore see their

data collection burden reduced through collection unit sampling. Some units may comprise fewer than 200 employees, depending on how the business is divided during profiling.

In order to characterize a business’s collection units, the following elements are analyzed: number of establishments and employees, union status, and compensation similarities among different types of union accreditation. It is also important to know whether total compensation and working condition data are centralized in each establishment. Profiling serves to identify data collection problems and find appropriate solutions.

Figure 1

Example of a sample stratified by business size



Data collection cycle

The ERG is conducted in a three-year data collection cycle, with participating businesses required to take part for the entire cycle (see Table 1):

- Year 1 (standard): An in-depth analysis of the organizational structure and total compensation policies is conducted, and occupations are coded. Respondents transmit their compensation file electronically.
- Years 2 and 3 (reduced): Only the average rates of increase for pay scales and salaries are collected for each employee group.

The workload is greater when a business joins a rotation block and is reduced as the cycle progresses. As a result, little work is required by the business during the second and third years of the cycle.

In the inventoried strata, businesses start a new cycle when the previous one ends. The ISQ compensation professional assigned to a business supports the respondent throughout the data collection cycle.

In order to implement a three-year data collection cycle, the ERG population was divided into three equally-sized blocks. A sample of businesses was selected for each block: a first group of businesses was introduced in the 2006 ERG (block 1), another in the 2007 ERG (block 2), then one more in the 2008 ERG (block 3). Blocks were therefore progressively added from one year to the next. The mandatory nature of the survey increases business participation, and that in turn enhances data quality. The response rate is at least 90%.

Table 1
ERG data collection cycle

	ERG 2015	ERG 2016	ERG 2017	ERG 2018	ERG 2019	ERG 2020	ERG 2021
Block 1	Standard ¹						
Block 2	Reduced ²	Standard ¹					
Block 3	Reduced ²	Reduced ²	Standard ¹				
Block 1		Reduced ²	Reduced ²	Standard ¹			
Block 2			Reduced ²	Reduced ²	Standard ¹		
Block 3				Reduced ²	Reduced ²	Standard ¹	
Block 1					Reduced ²	Reduced ²	Standard ¹
Block 2						Reduced ²	Reduced ²
Block 3							Reduced ²

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2. Only the average rates of increase for pay scales and salaries are collected for each employee group.

Total compensation components

The various components gathered in the ERG (see Table 2) make it possible to analyze the salary policies, fringe benefit programs and short-term variable pay of businesses.

By gathering data on compensation policies and the characteristics and utilization rates of fringe benefits, the ERG obtains complete, relevant data that can be used to calculate total compensation.

Compensation components are gathered from a pay file and business documents

Data collection is based on a compensation file extracted from the payroll system or the management information system of the respondent business. This file contains employment and compensation data as well as personal information (sex, hiring date and union status) for each of the business's employees.

Documents from the business are also used. The ISQ compensation professional works to establish a link between the compensation methods of the business and the survey concepts. The compensation file and documents are a reliable and objective source of data and are transmitted via a secure website developed by the ISQ to ensure data confidentiality.

Table 2

Main components of total compensation

Direct compensation	Indirect compensation	Working hours
<ul style="list-style-type: none"> - Salary - Short-term variable pay - Reimbursement of unused sick leave 	<ul style="list-style-type: none"> - Group insurance (e.g.: life insurance, dental insurance) - Retirement plans - Government plans (e.g.: OHS, RAMQ, employment insurance) - Compensation for family leave (e.g.: maternity leave) 	<ul style="list-style-type: none"> - Normal working hours - Paid time off (e.g.: vacation leave, statutory holidays, sick leave)

Documents required for the analysis

- Direct compensation policies
- Fringe benefit policies
- Short-term variable pay policies
- Collective agreements
- Memorandum of agreement for non-unionized personnel
- Organizational charts
- Job classification plan
- Actuarial valuation of retirement plan
- Job descriptions

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 Compensation file (electronic format)

Surveyed occupations

Occupations are analyzed based on the compensation file. The first step consists in assigning an NOC code to each occupation. Next, each occupation is meticulously matched up with the benchmark jobs pre-established for the survey.

National Occupational Classification

The National Occupational Classification is an occupation classification system recognized across Canada that is compatible with the systems used in other countries. This tool, used, among others, by Statistics Canada and Human Resources and Social Development Canada, serves to classify the jobs in a business according to their standardized job descriptions. This classification system provides statisticians and labour market analysts with a standardized method to gather data and generate findings for each occupation within a business. The data may then be compared with those from other sources. For more information, please visit the official NOC website at noc.esdc.gc.ca/English/NOC/Welcome.aspx.

Using NOC codes to classify the occupations in a business enables the ISQ to carry out a full analysis and leads to a better understanding of job classification. Furthermore, it serves to identify those occupations that may be matched up with one of the survey's benchmark jobs. More in-depth knowledge of a business's

occupational structure improves the job matching process. In collaboration with Statistics Canada, the NOC is expanded and updated every five years with each census cycle, and these updates are taken into consideration by the ISQ.

Benchmark jobs

The method used by the ISQ consists in matching occupations in the participating businesses with the survey's benchmark jobs. This involves evaluating similarities between the descriptions of the benchmark jobs and those of the occupations in the surveyed businesses. The matching up process is carried out according to qualitative and quantitative criteria that are based on a description of tasks and work conditions, on the level of education, amount of experience and amount of supervision required.

The benchmark jobs were chosen based on the jobs in the Québec government that are also found in other sectors of the labour market. It is for this reason that certain occupations (nurses, teachers, etc.) are excluded from the list. The occupations selected must be comparable, which means there must be a sufficient number of them in the comparison market and they must have easily identifiable characteristics (responsibilities, requirements, etc.) that are stable over time.

Five occupational categories are analyzed:

- professionals;
- technicians;
- office workers;
- service workers;
- labourers.

The benchmark jobs take into account job complexity levels (entry/learning, full working, and team leader/expert). As a result, the information obtained from the job matching process offers a better degree of precision than that provided by the NOC with regard to occupational complexity.

The basket of benchmark jobs is revised when major changes are made to the Québec government employment structure. This structure was last revised in 2007.

Surveyed occupations (continued)

Table 3 illustrates the two approaches used for analyzing occupations.

Table 3
Surveyed occupations: objectives and findings of both approaches

Objectives	Findings
NOC	
<ul style="list-style-type: none"> Extend the coverage of the jobs surveyed to all jobs in the businesses. Use a job classification system recognized by other statistical organizations and agencies. Identify jobs that can potentially be matched. 	<ul style="list-style-type: none"> Disseminate salary data for all jobs within the surveyed businesses. Compare ERG data with those from other sources. Improve the job matching process and contextualize the compensation data, collected for the benchmark jobs.
Benchmark jobs	
<ul style="list-style-type: none"> Assign a level of complexity to the tasks carried out for each job by taking into consideration, among other things, the responsibilities, experience, education and supervision required. Use the benchmark jobs to compare the total compensation of Québec government employees with that of other salaried workers from different sectors of the Québec labour market. 	<ul style="list-style-type: none"> Disseminate total compensation data for each benchmark job (more detailed level than NOC codes regarding job complexity). Disseminate compensation differentials, thereby providing a neutral negotiation tool to the parties involved in the Québec public service negotiations.

Table 4 provides a few examples of NOC occupations matched with the corresponding ERG employment groups.

Table 4
NOC jobs versus benchmark jobs

NOC code	NOC title	ERG employment group
2111	Physicists and astronomers	Physical science professionals
2281	Computer network technicians	Computer technicians
4112	Lawyers and Quebec notaries	Lawyers and notaries
5211	Library and public archive technicians	Library technicians

Dissemination of survey findings and products offered to respondents

Main publications related to the ISQ's mission

Every year, the ISQ uses ERG data to compare the total compensation of Québec government employees with that of other Québec workers. The ISQ is actually obligated to do so under section 4 of the *Act respecting the Institut de la statistique du Québec*, and the survey findings must be published no later than November 30 of each year. The publication *Rémunération des salariés – État et évolution comparés* is mainly used by the provincial government and unions during negotiations. Findings in the report are presented based on the benchmark jobs.

The findings of the ERG also enable the ISQ to provide reliable, relevant statistical data on various aspects of Québec society (section 2 of the *Act respecting the Institut de la statistique du Québec*). The annual *Résultats de l'Enquête sur la rémunération globale au Québec* report presents data based on the NOC. For each NOC code, the ISQ provides findings on the main components of total compensation for full-time permanent employees, according to various breakdowns. The general public, unions, employers and other labour market actors can use the strategic data provided in that document to frame their discussions on compensation conditions.

Bulletins and reports

The ISQ produces several publications based on the labour characteristics and compensation policies identified through the ERG, covering such topics as changes in employee purchasing power or variable pay (e.g.: performance bonuses). It also publishes detailed studies on various themes: pay scales, working hours, wage trends, etc. In addition, the ISQ disseminates on its website statistics on labour market developments and structure (labour force, employment, unemployment, etc.) as well as on the conditions and dynamics of labour (compensation, minimum wage, hours of work, employee turnover, union coverage, etc.). These findings come from the *Labour Force Survey* (LFS). The publications *Annuaire québécois des statistiques du travail – Portrait des principaux indicateurs du marché et des conditions de travail* and *État du marché du travail au Québec* are two examples of documents that provide such statistics.

Products offered to ERG respondents

The Institut de la statistique du Québec thanks the businesses that take part in the *Survey on Total Compensation* by offering them various products free of charge: a personalized total compensation profile, publications on the survey findings, and access to an information request answering service through the Centre d'information et de documentation (CID).

The personalized profile includes a series of tables that compare compensation in the participant business with that in two selected reference markets. These tables contain total compensation components presented according to the NOC. The personalized profile is made available to respondents in the first year of the three-year cycle. For the other two years, respondents wishing to receive updated data may submit a request to this effect to the ISQ. This product is transmitted through the ISQ's secure transfer site. Measures are put in place to protect the confidentiality of compensation data.

The CID has the most comprehensive selection of statistics on Québec. Its collection includes ISQ statistical publications and socioeconomic studies, as well as a large number of publications by Statistics Canada, and several statistical documents produced by various government, private and international bodies. You can contact the CID by [filling out an online information request form](#), or by telephone at 418-691-2401 or 1-800-463-4090 (toll free).

