

Governance

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Total Rewards: Supporting the Attraction, Engagement and Retention of a Talented Workforce

March 26th, 2013

Presenters:

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NSO TR Study: Project & Support

- The NSO study was commissioned as part of COC's ongoing commitment to "Best in Class" NSO management - it addressed a need identified by NSO's for pertinent salary and rewards statistics.
- Funding was provided by multiple sporting organizations:



- The report was released to the participating NSO's following a launch-presentation at the COC Session in November 2012



NSO TR Study: Study & Report

- 51 National Olympic, Paralympic and Pan Am Sport organizations participated in the study.
- Confidentiality of the compensation results is a critical component of this study - raw data remains with Deloitte.
- Only participating organizations and the funding partners have been granted full access to the study results.
- The template created allows us the opportunity to run the study again in the future, as well as consider ways to leverage the tools and templates to include Provincial and club level organizations.



NSO TR Study: Participants

Alpine Canada	Canadian Curling Association	Cross Country Canada	Speed Skating Canada
Archery Canada	Canadian Cycling Association	Dive Plongeon Canada	Squash Canada
Athletics Canada	Canadian Lacrosse Association	Equine Canada	Swimming Canada
Badminton Canada	Canadian Luge Association	Field Hockey Canada	Synchro Canada
Baseball Canada	Canadian Rugby Union	Football Canada	Table Tennis Canada
Biathlon Canada	Canadian Soccer Association	Gymnastics Canada	Tennis de Table
Bobsleigh Canada	Canadian Tenpin Federation	Gymnastique (GCG)	Tennis Canada
Skeleton	Canadian Wheelchair Sports Association	Judo Canada	Triathlon Canada
Canada Basketball	Canadian Yachting Association	Nordic Combined Ski Canada	Volleyball Canada
Canada~Snowboard	Canoe Kayak Canada	Racquetball Canada	Water Polo Canada
Canadian Amateur Boxing Association	Cricket Canada	Ringette Canada	Water Ski and Wakeboard Canada
Canadian Amateur Wrestling Association		Rowing Canada Aviron	Wheelchair Basketball Canada
Canadian Blind Sports Association		Royal Canadian Golf Association	WTF Taekwondo Association of Canada
Canadian Cerebral Palsy Sports Association		Skate Canada	
		Ski Jumping Canada	
		Softball Canada	

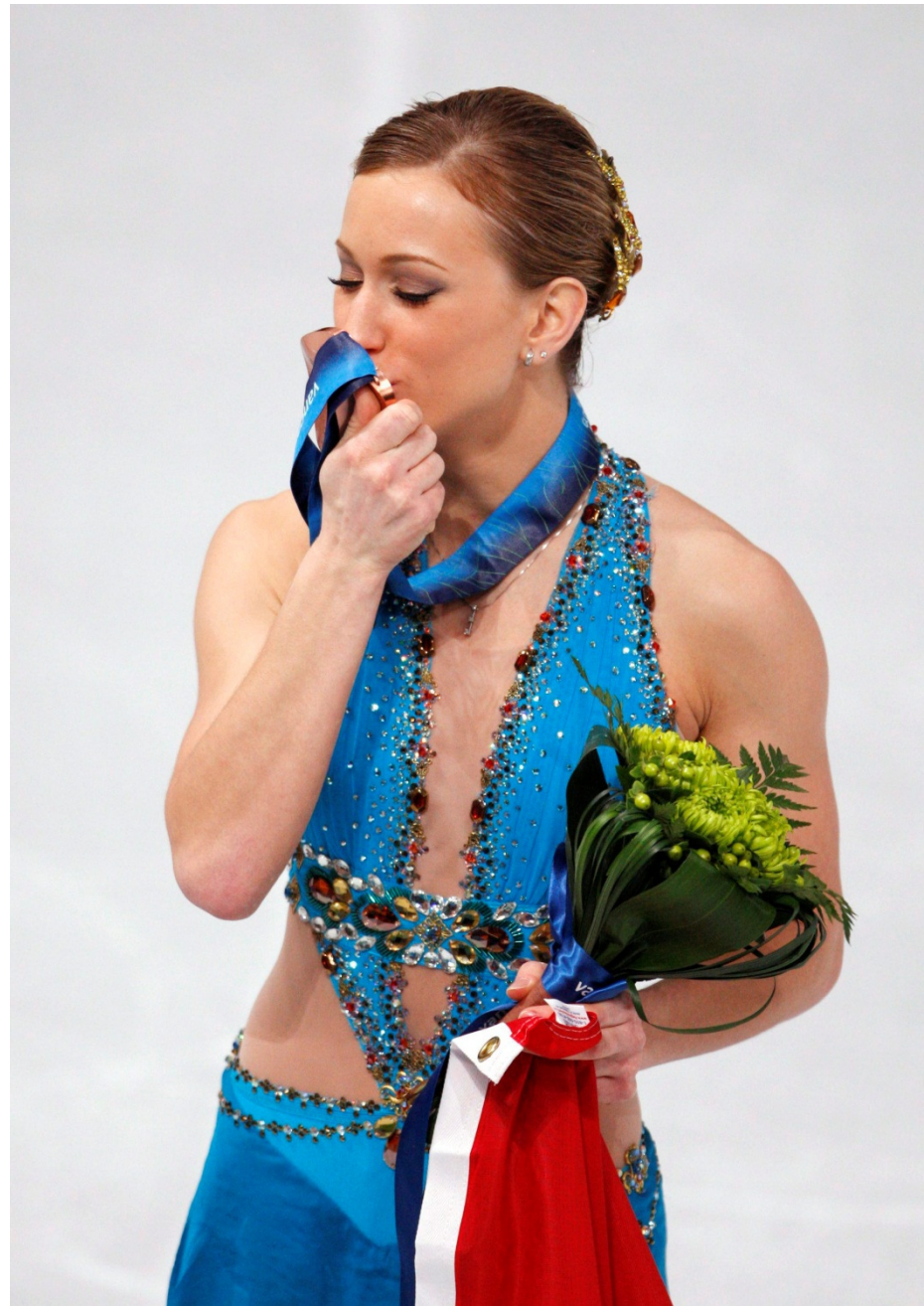
Deloitte.

- Deloitte is one of Canada's leading professional services firms, providing audit, tax, consulting, and financial advisory services to public, para-public and private sector clients.
- Our Human Capital practice offers deep industry experience and globally recognized expertise across areas such as HR Transformations (HRT), Organization Design, Transformational Change, and Talent, Performance and Rewards.
- Deloitte actively supports the Olympic movement and National athletes, including:
 - Sponsoring the Canadian Olympic Committee and Canadian Olympic Teams at the 2010 Vancouver games and 2012 London games, as the official professional services provider; and
 - The Gold Medal Plates event, sponsored by Deloitte's Consulting practice, from which proceeds are given to athletes and high performance programs, such as Own The Podium.



Agenda

- Context: Talent Management
- Total Rewards
- NSO Total Rewards Study
- Trends and Practices in Total Rewards Strategy and Design
- Question & Answer Session



Context: Talent Management

- Talent Management is the process of attracting, developing, engaging and retaining a talented workforce.
- Talent Management is becoming increasingly critical for business success:
 - Aging workforce
 - Changing labour demographics
 - Increasing competition for talent
- Though there are twelve pillars of Talent Management, the focus of today’s session is **Total Rewards**.

12 Pillars of Talent Management	Critical Workforce Segmentation	Recruiting & Staffing	Leadership Development	Succession Management
	Competency Modeling	Onboarding & Orientation	Career Development	Total Rewards
	Workforce Planning	Learning & Development	Performance Management	Knowledge Management

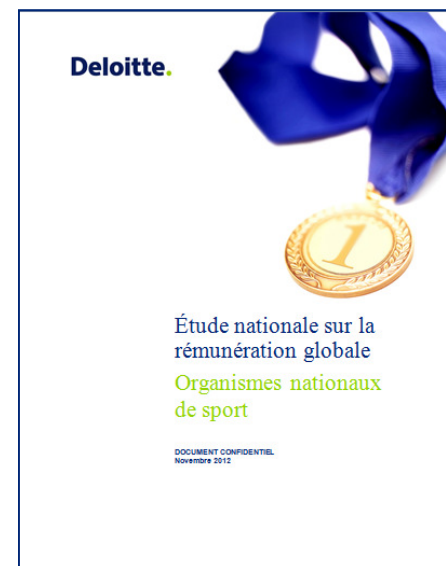
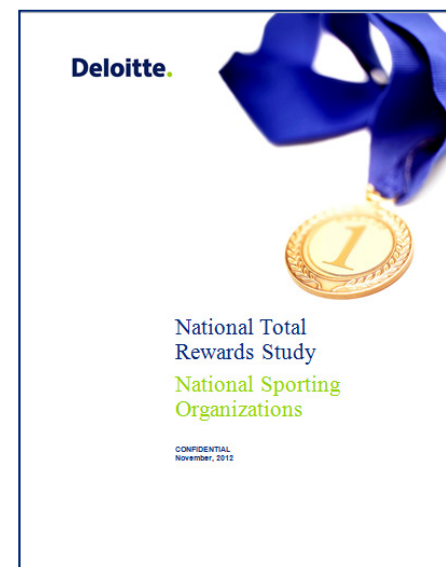
Total Rewards – A Holistic View



National Sporting Organizations Total Rewards Study Overview

NSO Total Rewards Study

- **What is the NSO TR Study?**
 - An initiative launched and sponsored by the COC, to develop a published report presenting actual total rewards practices among National Sporting Organizations.
- **Key drivers:**
 - Changing labour demographics
 - Increasing competition for talent
 - Lack of data specific to the sporting industry
- **Purpose:**
 - Provide National Sporting Organization (NSO) leaders with a quality source of relevant compensation information to assist them in recruiting, engaging and retaining a talented workforce.



NSO Total Rewards Study – Project Team

- The Deloitte team worked collaboratively with our Project Steering Committee, who provided guidance, direction and approval with respect to data collection, reporting and communication.

DELOITTE TEAM

- *Greg Hedgecoe (Senior Manager)*, Senior Technical Resource
- *Jennifer Osseni (Manager)*, Project Coordinator
- *Laura McWhirter (Consultant)*, Core Project Resource

PROJECT STEERING COMMITTEE

- *Ian Moss*, Director NSF Services, Canadian Olympic Committee
- *Craig Andreas*, COO, Equine Canada
- *Davin MacIntosh*, Executive Director, Cross Country Canada
- *Greg StremLaw*, CEO, Canadian Curling Association
- *Karen O'Neill*, Senior Leader, Field Hockey Canada



Project Overview

- Fifty-one (51) organizations participated in this study, representing a 78.5% participation rate.
- The report contains four primary components:
 - *Participant Profile*
 - *Research Findings – Total Cash Compensation*
 - *Research Findings – Total Rewards*
 - *Interpreting and Using the Data*
- Value-added component: Overview of industry best practices relating to total rewards strategy and design.



“The NSO National Total Rewards study has allowed our organization to assess where it stands in relation to other large sports organizations and thereby ensure our remuneration levels are **equitable and very competitive** in the marketplace”

– Greg Strelaw,
Canadian Curling Association

“ [This study] has **empowered us to respond appropriately** to our employees’ concerns [about compensation and benefits].”

– Craig Andreas,
Equine Canada

“The quality of material [in this] report has provided us with the confidence to use it as a **powerful reference tool.**”

– Karen O’Neill,
Canadian Curling Association

Benchmark Positions

- Seventeen (17) benchmark jobs were identified ranging from CEO/Executive Director, to Technical/High-Performance – Manager, to Administrative Assistant.
- Job descriptions provided by SIRC were used to develop job capsules for each benchmark position.



- The five (5) most common positions in the industry are:
 - National Coach (37)
 - Technical/High Performance – Director (36)
 - Director of Program Development (30)
 - CEO/ED – Governance and Operational Board (25)
 - Events, Marketing & Communications – Coordinator (25)

NSO Study Distribution of Observations per Benchmark Position

Benchmark Position	Number of Observations
Chief Executive Officer (CEO)/ Executive Director – Policy Governance/Strictly Governance Board	19
Chief Executive Officer (CEO)/ Executive Director – Governance and Operational Board	25
Chief Operating Officer (COO)	10
Events, Marketing and Communications – Director	15
Events, Marketing and Communications – Manager	15
Events, Marketing and Communications – Coordinator	25
Business Development Coordinator	6
Finance and Administration – Director	10
Finance and Administration – Manager	18
Finance and Administration – Coordinator	15
Technical/High-Performance – Director	36
Technical/High-Performance – Manager	13
Technical/High-Performance – Coordinator	16
Director of Program Development	30
National Team Coach	37
Executive Assistant	12
Administrative Assistant	23

Total Cash Compensation in NSOs

- The table below provides some compensation excerpts from the NSO Total Rewards Study for select benchmark positions:

Benchmark Position	NSO National Average Base Salary	NSO National Average Total Cash Compensation
CEO/ED – Governance Board	\$135,697	\$152,719
CEO/ED – Governance and Operational Board	\$98,602	\$106,016
Technical/High Performance – Director	\$96,336	\$102,558
National Coach	\$87,787	\$90,993
Finance and Administration – Manager	\$64,816	\$65,875
Executive Assistant	\$48,377	\$49,052
Events, Marketing & Communications – Coordinator	\$42,281	\$43,825

- Please note the salaries provided above are **National averages** and should not be used out of context as an exact point-of comparison for your organization as they do not identify the variations in organizational revenue, number of employees, region and/or percentage self-generated revenue.

Compensation Trends in the Not-for-Profit Industry

- Some organizations within the national sporting industry operate with unique financial constraints, which may impact their ability to pay.
- The profile below provides a point of market comparability for Executive Director and Executive Assistant roles in the comparable market, defined as:
 - Organization Type: Not-for-Profit
 - Revenue/Operating Budget: \$5.4 Million (NSO Average)
 - Number of Employees: 18 employees (NSO Average)

Position	Not-for-Profit Market Assessment Composite			
	Base Salary		Total Cash Compensation	
	Average	50 th Percentile	Average	50 th Percentile
Executive Director	\$119,705	\$125,324	\$134,523	\$131,593
Executive Assistant	\$53,750	\$54,518	\$55,311	\$55,962

2013 Planned Compensation Increase

Regional and Not-for-Profit Industry Compensation Trends

2013 Planned Compensation Increase	
National	3.0%
Not-for-Profit Industry	3.0%
Atlantic Provinces	3.0%
Quebec	2.9%
Ontario	2.7%
Manitoba	3.0%
Saskatchewan	3.7%
Alberta	3.8%
British Columbia	2.8%

Source: Conference Board of Canada, Compensation Planning Outlook 2013

- Prairie provinces are still anticipated to see the greatest increases in 2013.
- Not-for-profit organizations are anticipated to provide a 3.0% increase to base wages in 2013.
- These percentages are inclusive of both cost-of-living and merit-based increases.

The average anticipated salary increase* for participating NSOs is **2.63%**, which is well aligned with the external market given that the majority of NSOs are located in Ontario.

*Average anticipated salary increase for NSOs who are offering any increase in 2013.

Research Findings – Total Rewards

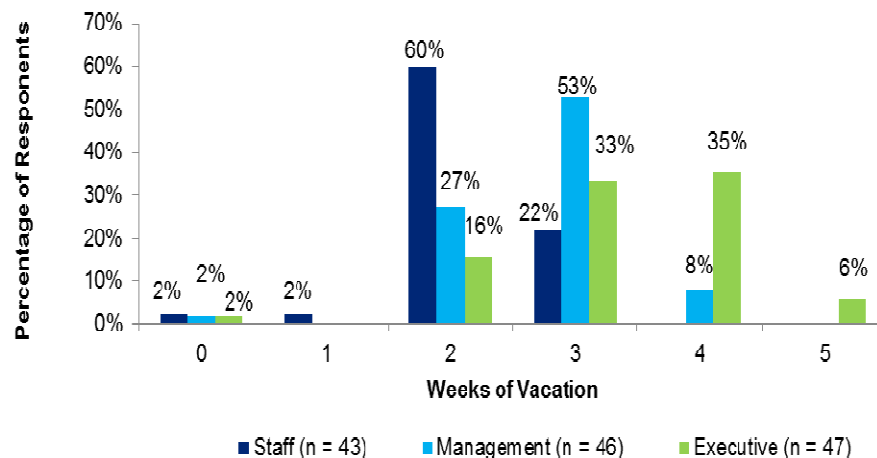
NSO Benefit Offerings

- Many NSOs provide coverage for these standard offerings through the Sport Community Benefit Plan, of which COC has been the plan sponsor since 2004.
- The Sport Community Benefit Plan offers extended health, dental, STD, LTD, AD&D and life insurance coverage.

Standard Benefit Offerings

Standard Benefits	Percentage of Organizations to Offer
Health Care	86.3%
Life Insurance	84.3%
Dental Care	82.4%
Disability Benefits (Long-Term)	82.4%
Disability Benefits (Short-Term)	80.4%
Accidental Death and Dismemberment	78.4%

Vacation Entitlement upon Hire



Additional Benefits and Perquisite Offerings

Additional Benefits/Perquisites	Percentage of Organizations to Offer
Office Parking	76.5%
Flex-Time	66.7%
Retention of Travel Points (for company travel)	62.7%
Payment of Tuition/ Educational Courses	52.9%
Payment of Professional Fees	37.3%
Spending Allowance	23.5%
Compressed Work Week	17.6%
Vehicle Allowance (not as expense)	17.6%
Club Memberships	15.7%
Wellness Program	13.7%
Other	11.8%
Health Spending Account	5.9%

Research Findings – Total Rewards

NSO Pension Offerings

- Pension offerings are not as common as benefits within NSOs.
- NSOs offering Group RRSPs, 64.7% include an employer contribution component to their program, with an average employer contribution of 4.8% of employee earnings.
- Though not a fully adopted practice, some of these organizations require employee matching to receive the full employer contribution to the RRSP program.

Retirement Plan Offerings

Retirement Plan Type	Percentage of Organizations to Offer
Group RRSP	33.3%
Defined Contribution Plan (DC)	23.5%
Savings Plan (other than RRSPs)	5.9%
Defined Benefit Plan (DB)	2.0%
Other	2.0%
DC-DB Hybrid Plan	-



Trends and Practices in Total Rewards Strategy and Design

Building a Total Rewards Package

- **Develop a Total Rewards philosophy**
 - Helps to articulate, for the organization and its employees, the organization’s approach to total rewards design and management and provides the methodological basis for managing and administering total rewards over the longer term.
- To be competitive, organizations first need to answer some key questions:
 - *What is our competitive labour market?*
 - *Where do we want to pay relative to the market?*
 - *To what extent do we want to pay-for-performance?*



Example Total Rewards Philosophy

Purpose

The purpose of ABC’s total rewards program is to support the effective recruitment, engagement and retention of a talented workforce.

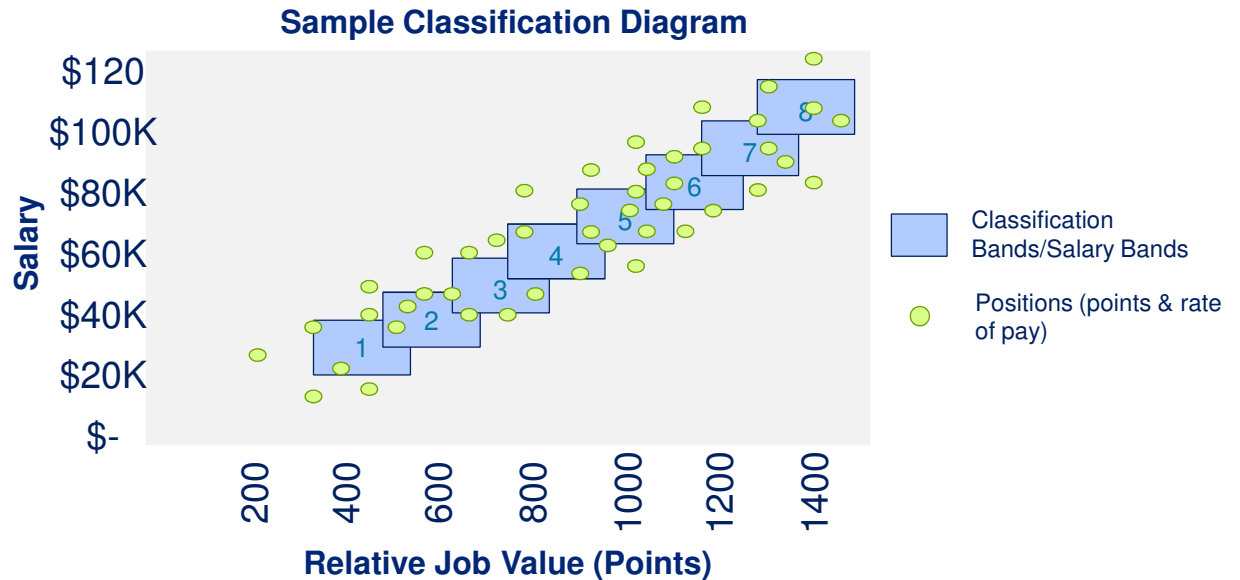
Guiding Principles

- ABC commits to a “total compensation” perspective that consists of a composite of base salary, short-term incentive pay, benefits and pension.
- ABC recognizes that a key component of its total rewards philosophy is the need to maintain a meaningful degree of competitiveness with the relevant external labour market.
- The appropriate comparator market is defined as one that balances geographic and industry-specific comparability.
- Total cash compensation consisting of base salary and short term incentive pay practices are targeted to be at the 50th percentile of the comparator market. However, advanced competency levels in conjunction with high performance may be compensated up to the 75th percentile of the composite market.
- Total rewards practices must enable and recognize performance at both the organizational and individual contributor levels, and must effectively differentiate rewards based on varying levels of performance.
- Total rewards practices will be internally fair and legally compliant.
- Total rewards practices, while standardized, should allow for flexibility and extraordinary exceptions at the recommendation to, and discretion of, the Board.

Job Evaluation and Classification



- Job evaluation is a means of determining the relative value of jobs within an organization, using:
 - Skill, Effort, Responsibility, and Working Conditions
- Classification the process of clustering jobs based on their **relative value**, and supports the development of salary ranges.

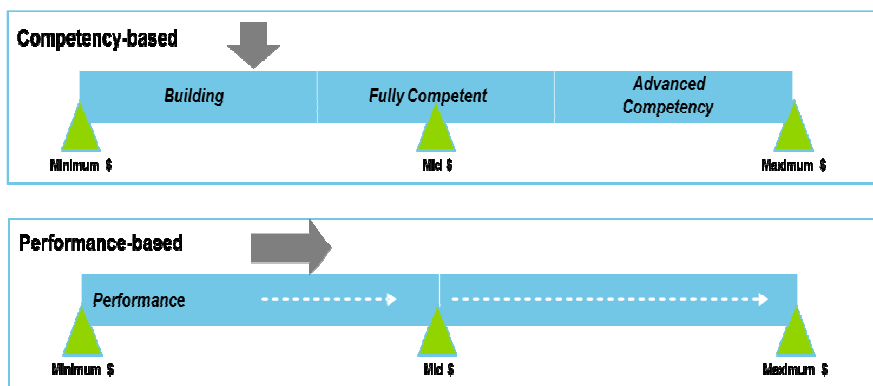


Tip: Ensure you are aware of your applicable provincial pay equity legislation – most NSO's are required to value jobs based on the four factors noted above.

Incentive Compensation: Base Salary Progression

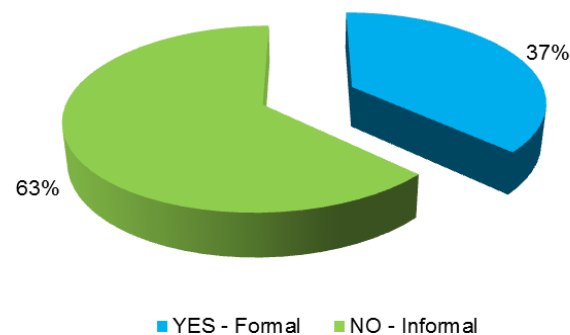
Industry Best Practices:

- The use of formal salary ranges is contemporary practice.
- Ranges are typically have minimum to maximum spreads of 25% to 30% and encourage some amount of range overlap.
- In a structured manner, they allow organizations to take into consideration varying incumbent based factors (e.g., performance, tenure and experience).
- Ranges allow employee progression and growth.

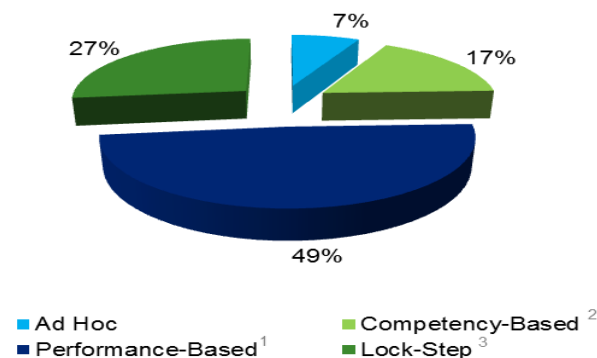


NSO Trends:

Use of Formal Salary Ranges
(n=46, percentage of respondents)



Salary Progression Practices
(n=41, percentage of respondents)



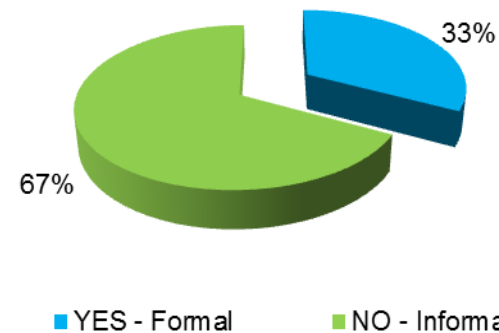
Incentive Compensation: Short-Term Incentive Compensation

Industry Best Practices:

- Individual- and/or organizational-based reward which is measurable and payable in one year or less.
- Magnitude of target incentive rewards typically vary by hierarchical level.
- More common for results-driven positions.

NSO Trends:

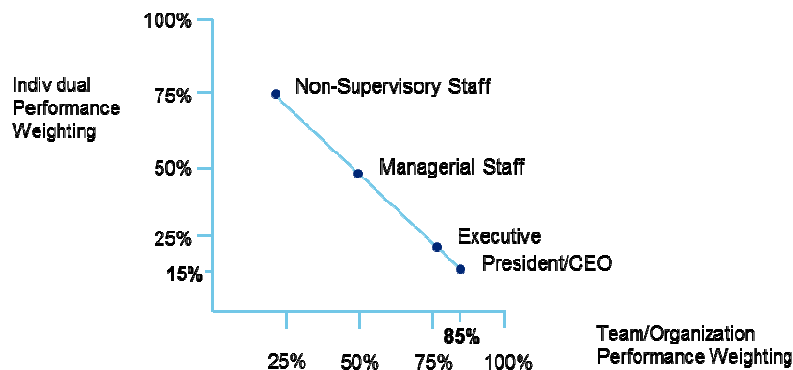
Use of Formal Incentive Programs
(n=46, percentage of respondents)



5 Most Frequent NSO Positions Receiving STI
(% of participant NSOs)

1	CEO/ED – Policy/Strictly Governance Board	68.4%
2	COO	50.0%
3	National Team Coach	48.6%
4	Events, Communications, and Marketing – Director	46.7%
5	Technical/High-Performance – Director	44.4%

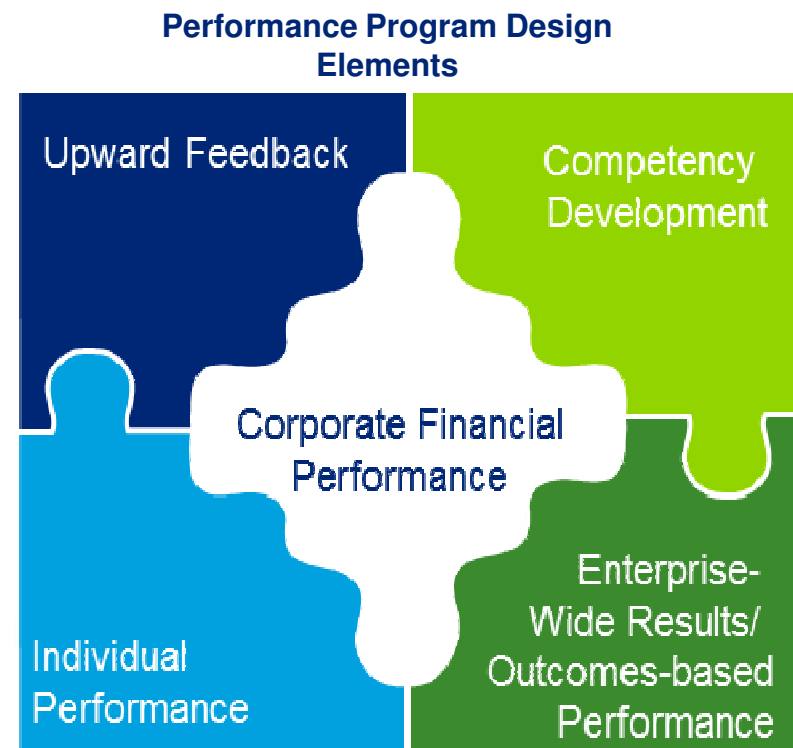
Line of Sight Incentive Weighting Ratios



Trends and Practices in Total Rewards Strategy and Design

Performance Management Programs

- Organizations have a need for strong and structured performance measurement and management practices in order to derive the intended results from incentive programs.
- When designing a performance management program and performance-based compensation plan, it is critical for organizations to consider which design elements to include:
 - Upward Feedback
 - Competency Development
 - Individual Performance
 - Enterprise-Wide Results/Outcomes-based Performance
 - Corporate Financial Performance
- Organizations need to consider what balance of design elements are most appropriate for their environment.



Keeping Up in an Increasingly Competitive Market

- The broader not-for-profit industry and MUSH (Municipalities, Universities, School Boards & Health Care), though having similar financial constraints and rates of pay to the Sporting Industry, tend to have strengthened programs and practices surrounding their Total Rewards and Talent offerings.
- In order for NSOs to attract, engage and retaining talent in the upcoming years, consideration should be given to strengthening and implementing:
 - Formal salary ranges
 - More consistent and transparent incentive practices
 - More rigorous performance management practices
 - Shared-contribution retirement plans
 - Clear overtime practices and policies for staff
 - A more clearly defined Total Rewards strategy, with appropriate communication of this to employees



NSO Study and the Future



- The NSO study is a milestone in the Canadian sporting industry.
- The information presented is at a "point in time" and the study will need to be repeated in the future to ensure on-going relevance of the statistics.
- Future studies may be undertaken to include a broader-range of sporting organizations.
- The full study is not available for public distribution, but if you would like to learn more you may:
 - Contact your National Sport Organization if they participated in the study
 - Contact one of the Funding Partners
 - Contact SIRC, who can forward your request to the pertinent organization

Questions?



Thank you!



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April 23: Executive Agreement/Succession Planning

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May 21: Change Management

Presented by: Jennifer Birch-Jones & Alain Rabeau

June 18: Strategic Plan Development

Presented by: Carolyn Trono