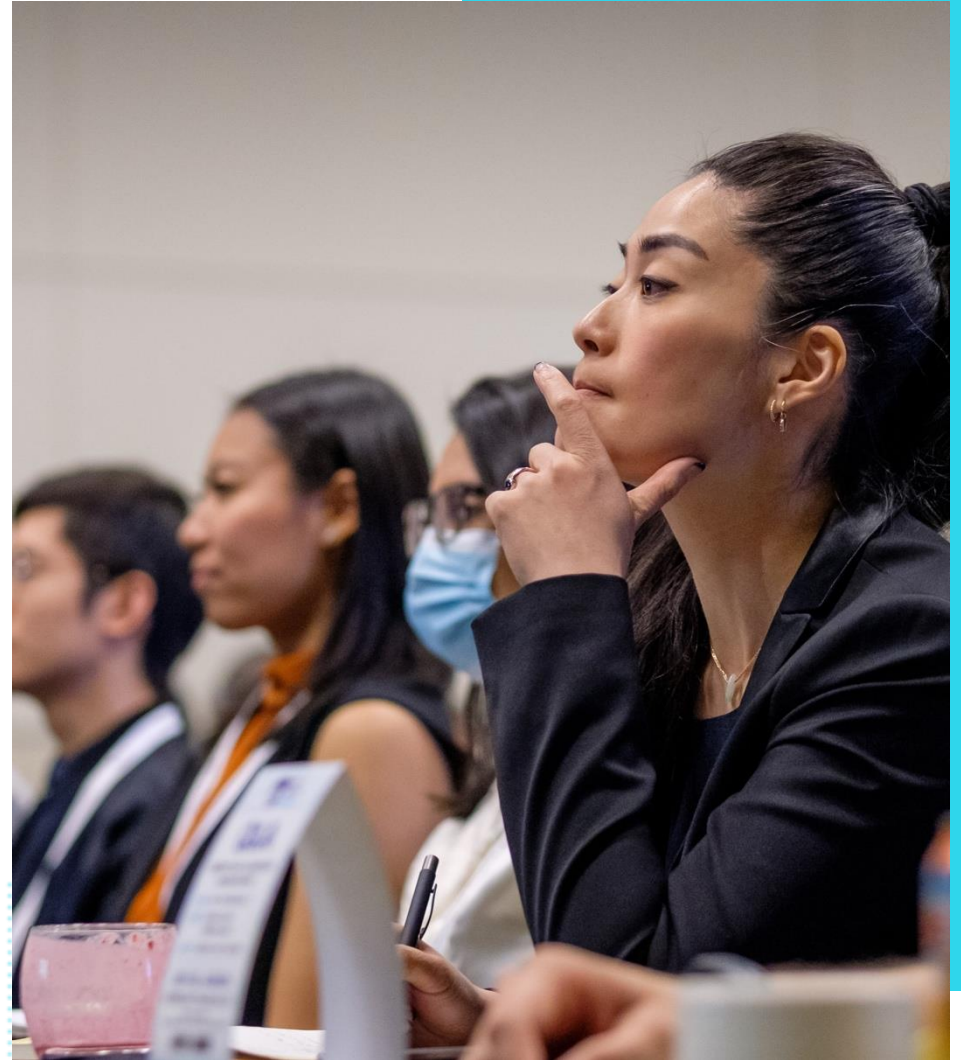




# 2025 Tech Compensation and Workforce Trends

November 19, 2025



# Today's presenters



Stephanie Hollingshead, she/her  
CEO, TAP Network



Mark Bowling, he/him  
Senior Principal, Product Manager  
Mercer



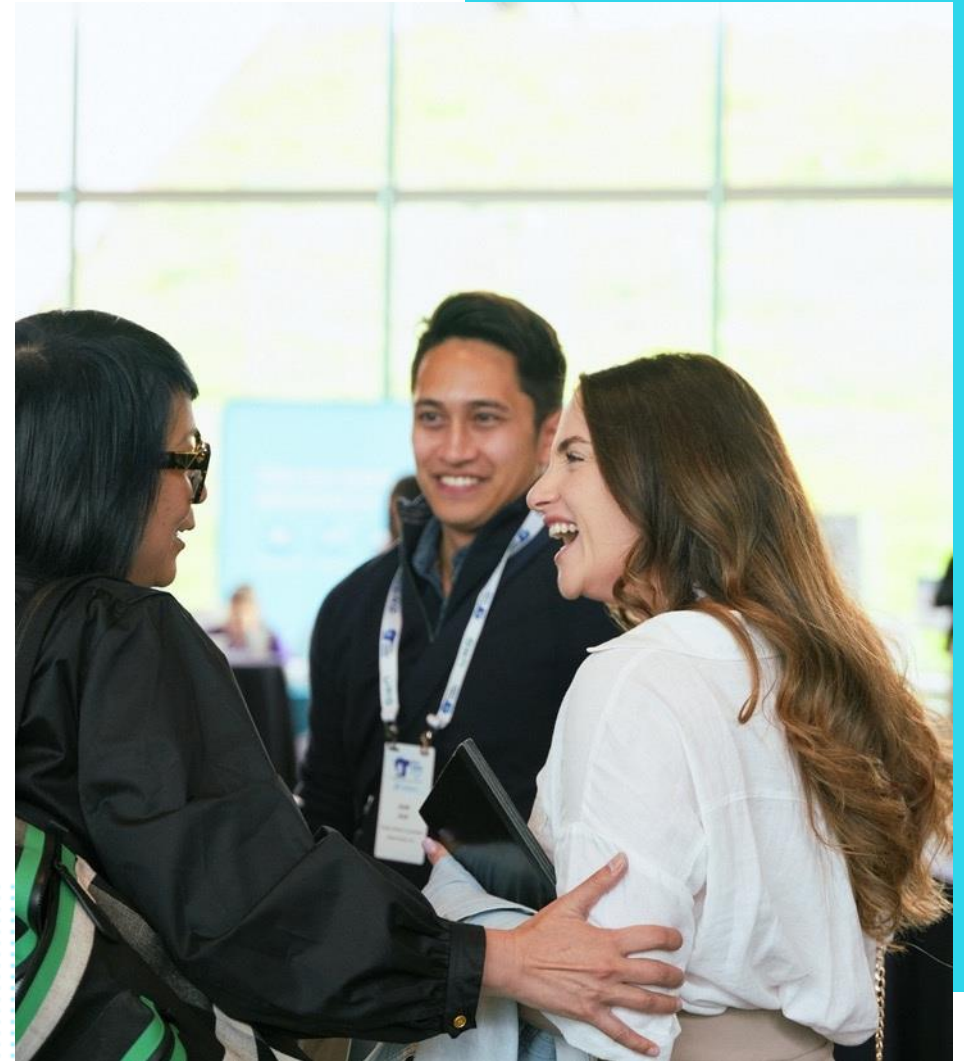
Olga Hasty, she/her  
Associate, Product Manager  
Mercer



## About TAP Network

TAP Network is a non-profit association for People and Culture professionals in Canada's tech sector, providing members with the data, connections, and insights to make strategic decisions, accelerate effectiveness and shape the future of work in tech.

Our association's 1,000 members lead and influence the People and Culture practices at 250 tech companies spanning numerous subsectors, including Software Products and Services, Fintech, AI, Data Science, Robotics, Quantum Computing, Life Sciences and Healthcare Tech, Clean Tech, AgTech, VFX and Animation, Video Game and Interactive Digital Media, Hardware Design, Development and Manufacturing and more.



# Agenda

1. Industry and macro trends
2. TAP Network 2025 survey overview
3. Turnover and retention trends
4. Salary movement and hot jobs in 2025
5. Incentive pay
6. Impact of Pay Transparency legislation
7. Remote and hybrid work trends and other workforce perks
8. Impact of AI on P&C teams
9. Planning for 2026
10. Q&A

1.

Industry and  
macro trends

# Industry and Macro Trends



- **Macroeconomic Headwinds** • Sluggish growth: Real GDP projected at ~1% (2025-2026) with rising unemployment (7.1%) • Persistent cost of living pressures despite moderating inflation • Geopolitical uncertainty: US policy shifts on immigration/tariffs, trade tensions, and economic nationalism
- **Regulatory & Policy Shifts** • Global pay transparency movement (EU Directive driving proactive strategies) • Reduced immigration targets constraining access to global talent • Federal support: Enhanced SR&ED limits, targeted AI/life sciences/defense investment, expanded clean tech tax credits
- **Technology & Security Imperatives** • Rapid AI integration reshaping business operations and competitive landscape • Cybersecurity and data governance elevated to top strategic priorities
- **Talent Market Dynamics** • Market shift: Labour surplus, but critical skills gaps persist (AI/ML, cybersecurity, data science, cloud) • Lean operating model: Focus on AI efficiencies with smaller teams vs. mass hiring • Remote/hybrid work now standard and essential for talent retention
- **Capital & M&A Environment** • Declining interest rates expected to fuel growth and M&A activity, especially for AI startups

# Let's take a poll!

Which of these industry and macro trends have impacted your organization's workforce in 2025?

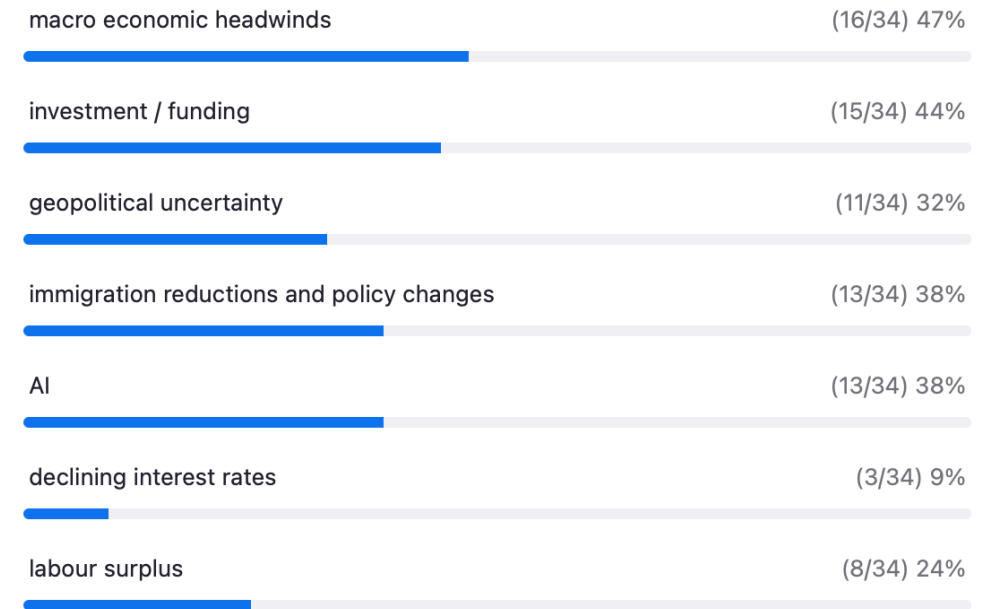
1. Macro economic headwinds
2. Investment / funding
3. Geopolitical uncertainty
4. Immigration reductions and policy changes
5. AI
6. Declining interest rates
7. Labour surplus

## Poll #1: Industry and Macro Trends

Poll ended | 1 question | 34 of 47 (72%) participated

1. Which of these industry and macro trends have impacted your organization's workforce in 2025? (Multiple choice)

34/34 (100%) answered



2.

# TAP Network 2025 Survey Overview

# 2025 TAP Network Survey Overview

**26.5K**

Incumbents

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**206**

Organizations

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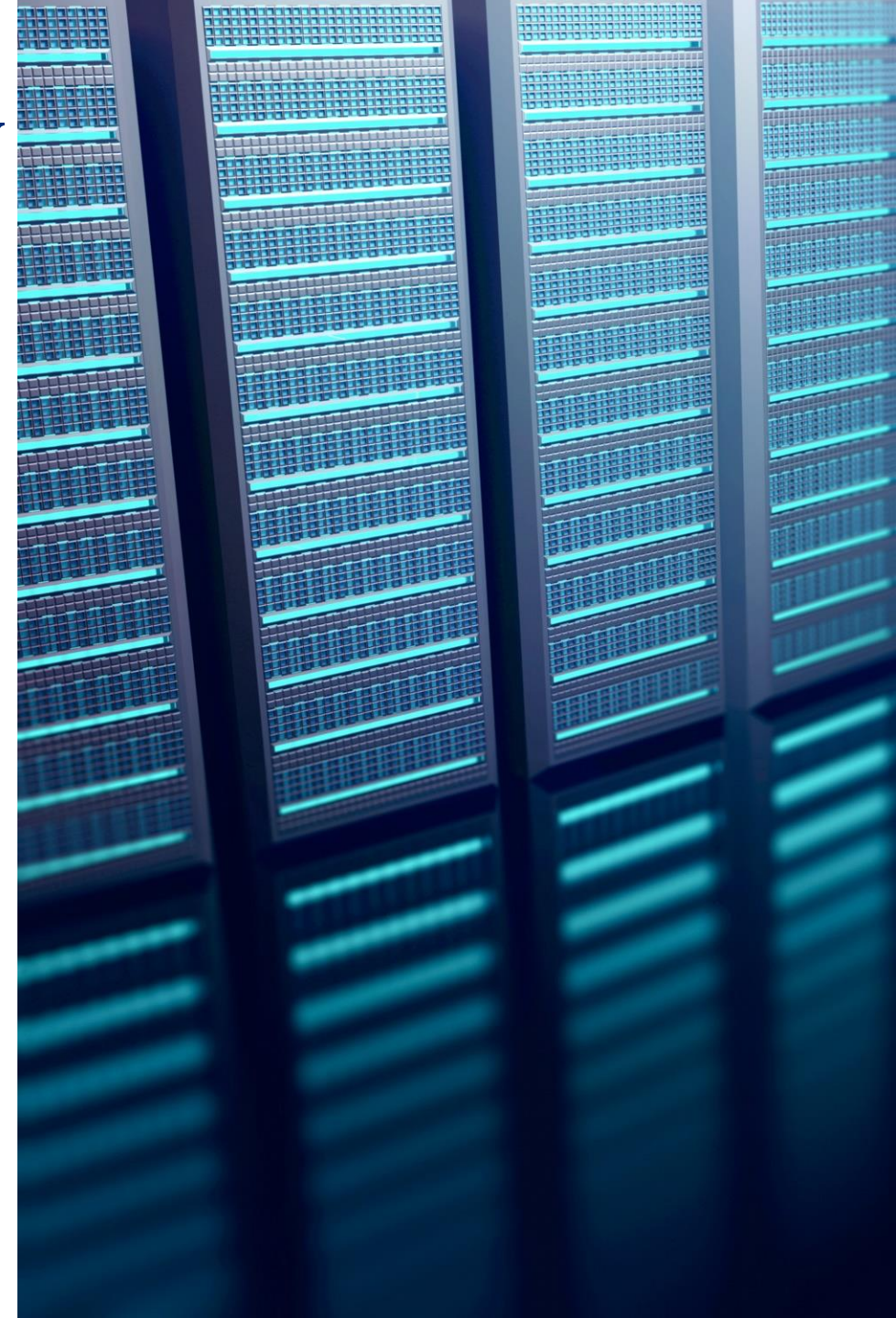
**98**

Median Number of FTEs

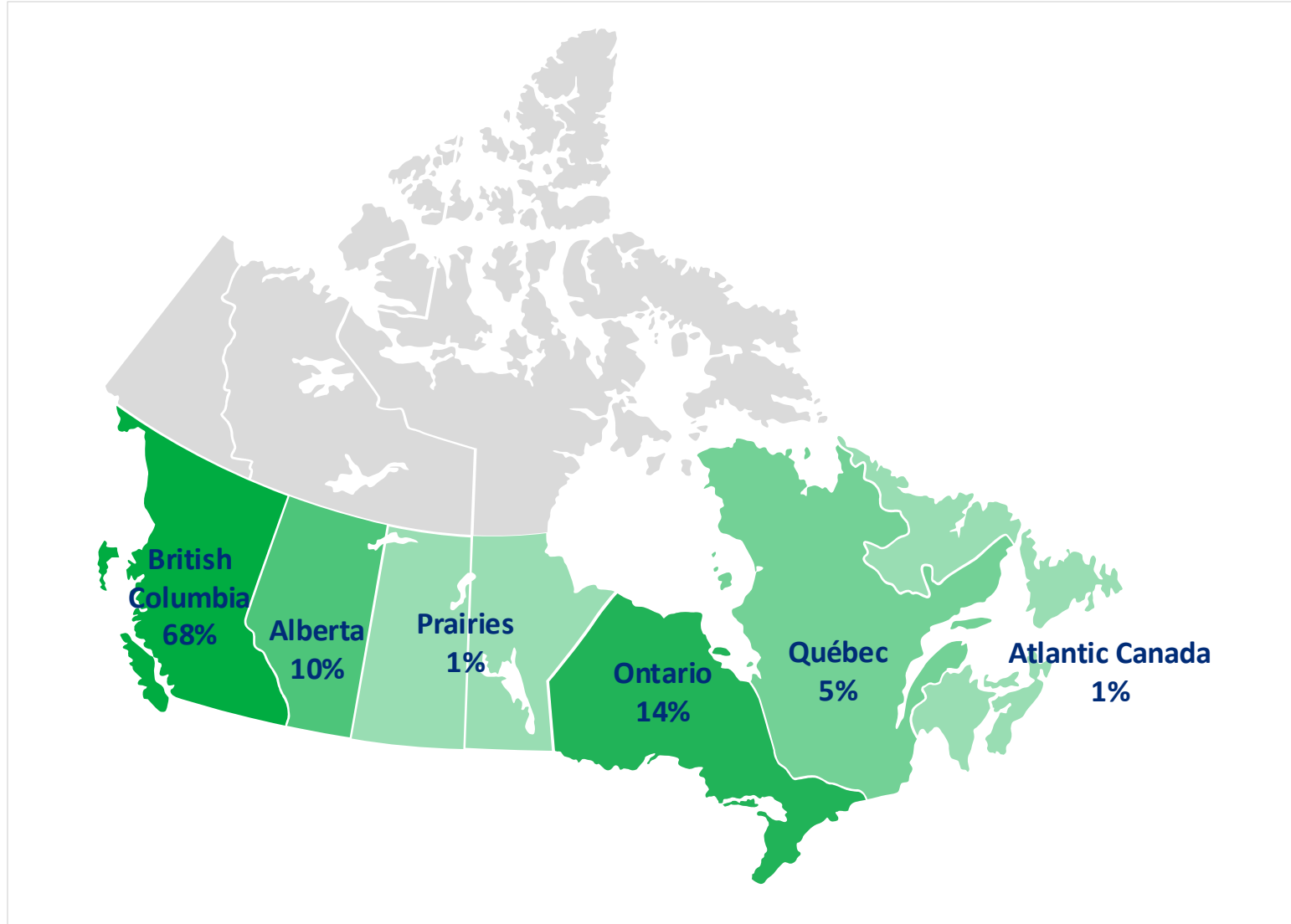
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**240**

Reportable Jobs



# Distribution of incumbents by location



## Top 5 locations outside of Metro Vancouver

Greater Toronto Area	9.5%
Calgary	6.2%
Greater Montreal Area	4.5%
Victoria	3.1%
Edmonton	2.9%



# 2025 TAP Network Survey overview

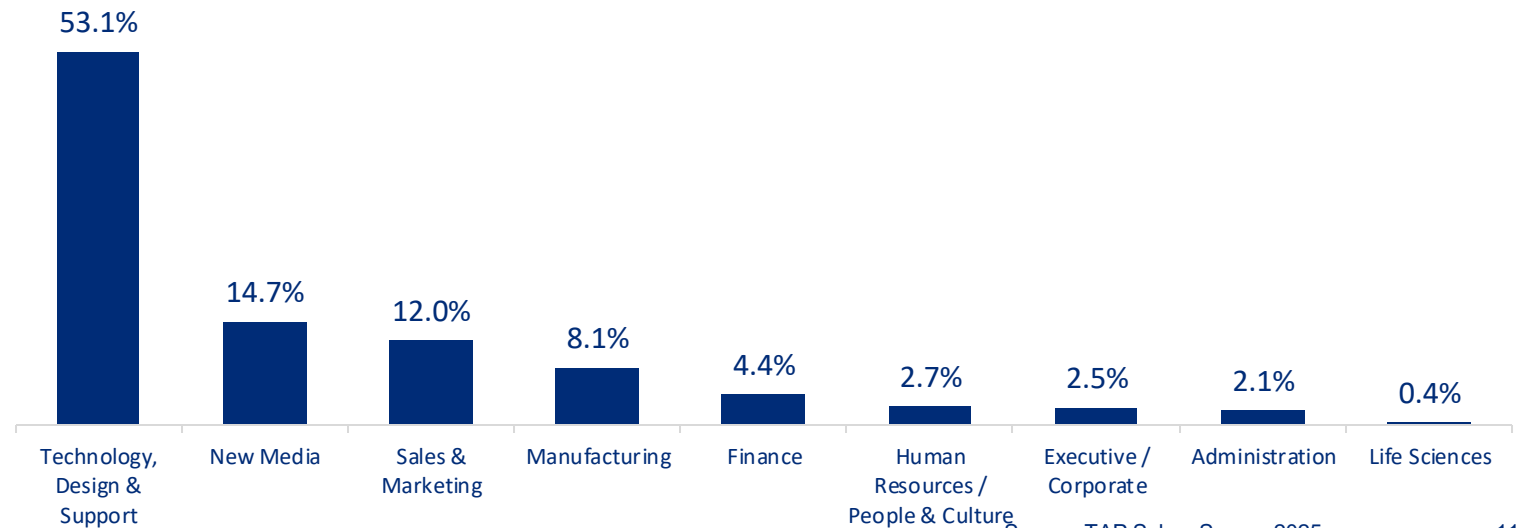
120

Hardware and Software Technology Design and Support, Life Sciences, and Manufacturing roles

62

VFX, Animation, Video Game and Interactive Digital Media roles

## Distribution of Incumbents by Job Family



Source: TAP Salary Survey 2025

# Distribution of TAP Network industries

VFX, Animation organizations are larger on average than organizations in other industries.

By Organization	Industry	By Incumbent
38.3%	Software Products and Services	44.7%
10.7%	Video Game and Interactive Digital Media	8.2%
8.7%	Hardware Design, Development, Manufacturing	8.5%
8.3%	Technology/Engineering Services and Consulting	3.4%
7.8%	Clean Tech	7.4%
5.8%	Fintech	4.1%
5.3%	Tech Division/Other	4.9%
4.9%	VFX, Animation	10.0%
4.4%	Life Sciences and Healthcare Tech	5.6%
2.4%	Artificial Intelligence, Data Science, Machine Learning and Robotics	1.3%
1.0%	Quantum Computing	1.1%
1.0%	AgTech	0.4%
1.0%	E-commerce	0.3%

3.

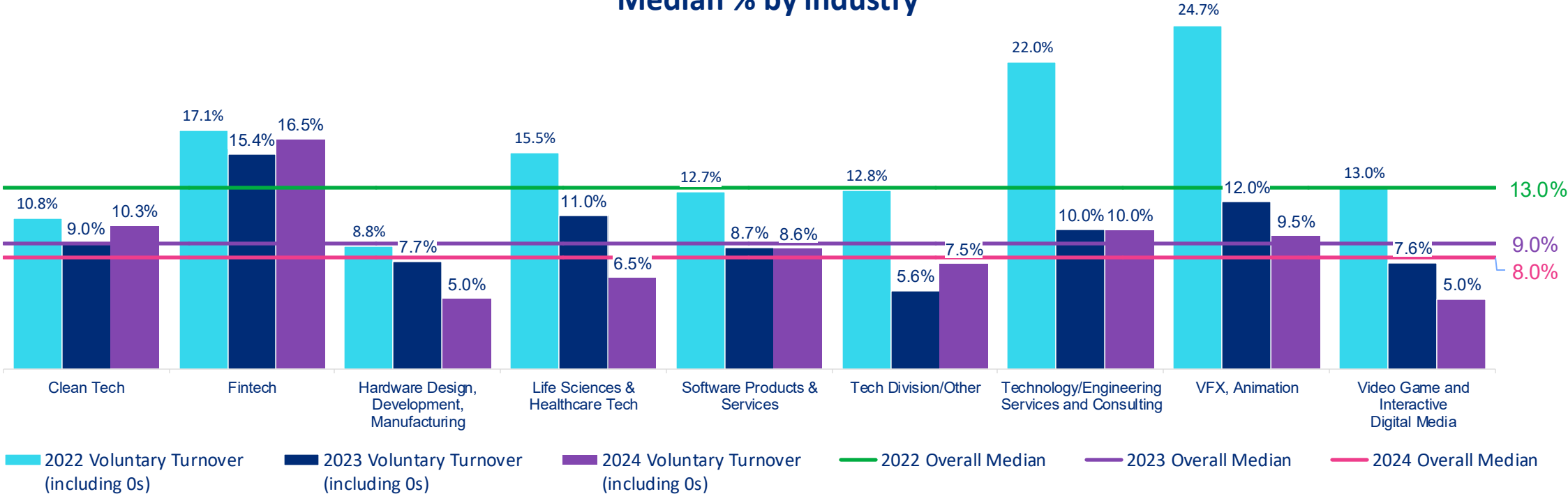
# Turnover and Retention Trends

# Voluntary turnover by industry

**8.0%**  
Overall Voluntary Turnover

Voluntary turnover rates across most tech sectors have generally declined from 2022 to 2024, reflecting a potential stabilization.

Median % by industry



Industries with fewer than 5 organizations YOY are not listed.  
Source: TAP Network Policy & Practices Survey 2023-2025

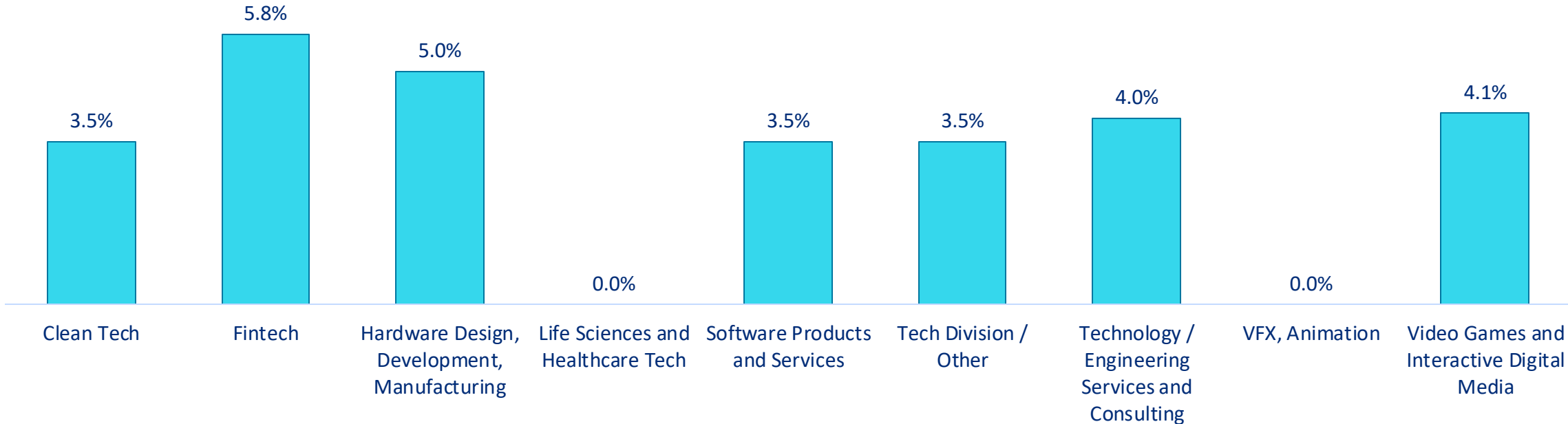
# 4. Salary movement and hot jobs in 2025

# Salary movement by industry

**3.5%**  
YOY Common Incumbent  
Median Salary Increase

3.5% common incumbent median salary increase is highly correlated with salary budgets of 3.5% – the result of reduced reliance on off-cycle pay increases.

**Year over Year Median Base Salary % Change by Industry**



Industries with fewer than 5 organizations YOY are not listed.  
Source: TAP Network Policy & Practices Survey 2023-2025

# Hot and cold jobs, base salary increase

## Top 10 jobs Common incumbent YOY median base salary increase %

Product Marketing Manager - Intermediate	7.2%
Data Scientist - Entry	7.1%
User Experience (UX) Researcher	6.3%
Recruiter - Intermediate	6.2%
Technical Customer Support Manager	5.8%
Creative Director	5.3%
Technician B - Intermediate	5.2%
2D/3D Concept Artist - Senior/Lead	5.0%
Assembler B - Senior/Lead	5.0%
Hardware/Electrical Engineer - Fully Competent	5.0%

## Bottom 10 jobs Common incumbent YOY median base salary increase %

Animator - Senior/Lead	0.0%
Product Control/Quality Assurance Manager	0.0%
Director, Business Development	1.1%
Research Scientist	1.2%
Territory Representative	1.7%
Programmer/Production Engineer - Senior/Lead	2.1%
DevOps Developer/Engineer - Entry	2.5%
National/Major Account Representative	2.5%
Software Testing - Entry	2.6%
Art Director	2.8%

Note: Represents the same organizations participating in the survey two years in row, matching the same employees to the same job year over year.

Jobs with fewer than 10 organizations in the sample were excluded.

Jobs in the Executive / Corporate job family were excluded.

# Hot jobs, incumbent count increase

## Top 10 jobs *Common job year over year incumbent count increase %*

National/Major Account Representative	58.5%
Firmware Engineer - Intermediate	53.4%
Director, Software Engineering/Development	52.5%
Purchasing Manager	50.0%
Data Architect	37.5%
Technical Customer Support Representative - Entry	37.4%
UI/UX Designer - Senior/Lead	35.3%
Marketing Communications - Senior/Lead	34.6%
Demand Generation Manager (Growth Marketing)	30.4%
Inside Sales Representative	30.1%

Note: Represents the same organizations participating in the survey two years in row, matching to the same job year over year.

Jobs with fewer than 10 organizations in the sample were excluded.

Source: TAP Salary Survey 2025

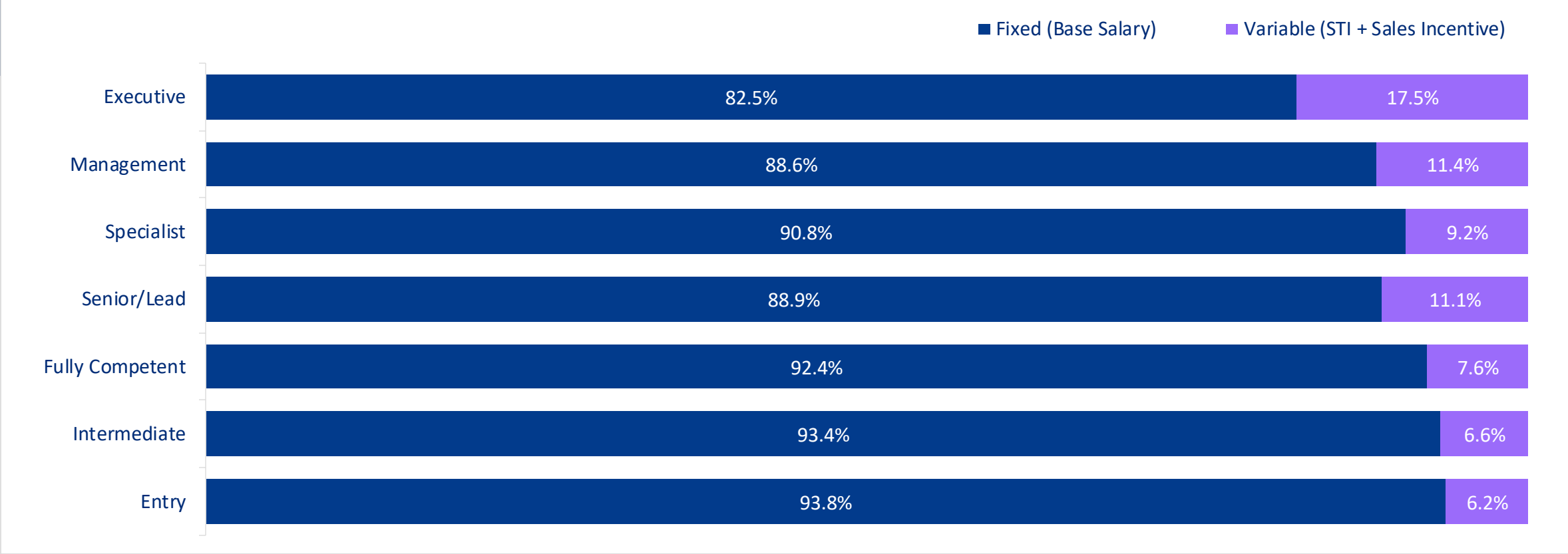


5.

Incentive pay

# Total cash actual pay mix by level (receivers)

Base salary continues to be the dominant vehicle across all levels.



Average percentages. Data represents receivers only.  
Source: TAP Salary Survey 2025

# Short-term incentives

75%

of organizations indicate they have a short-term incentive program.

## Size of Bonus Pool

	<i>Percentage of Base Salary Payroll</i>	
	<b>Average</b>	<b>Median</b>
2024 Actual Bonus Pool	8.2%	6.9%
2025 Projected Bonus Pool	9.0%	9.0%

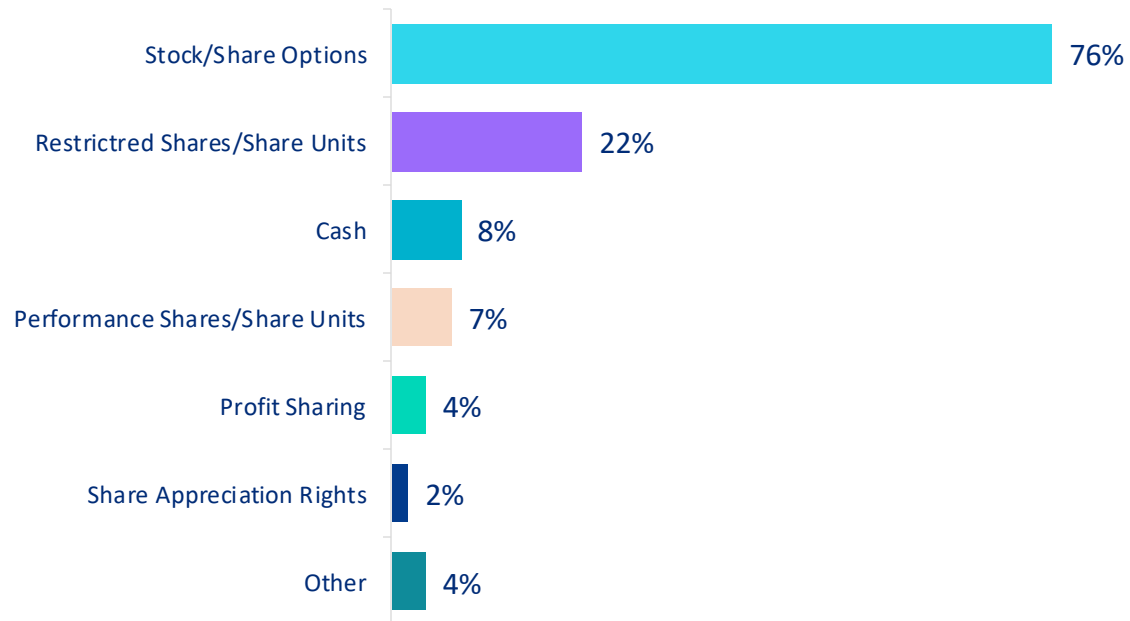
## 2025 Payout based on 2024 Target



# Long-term incentives

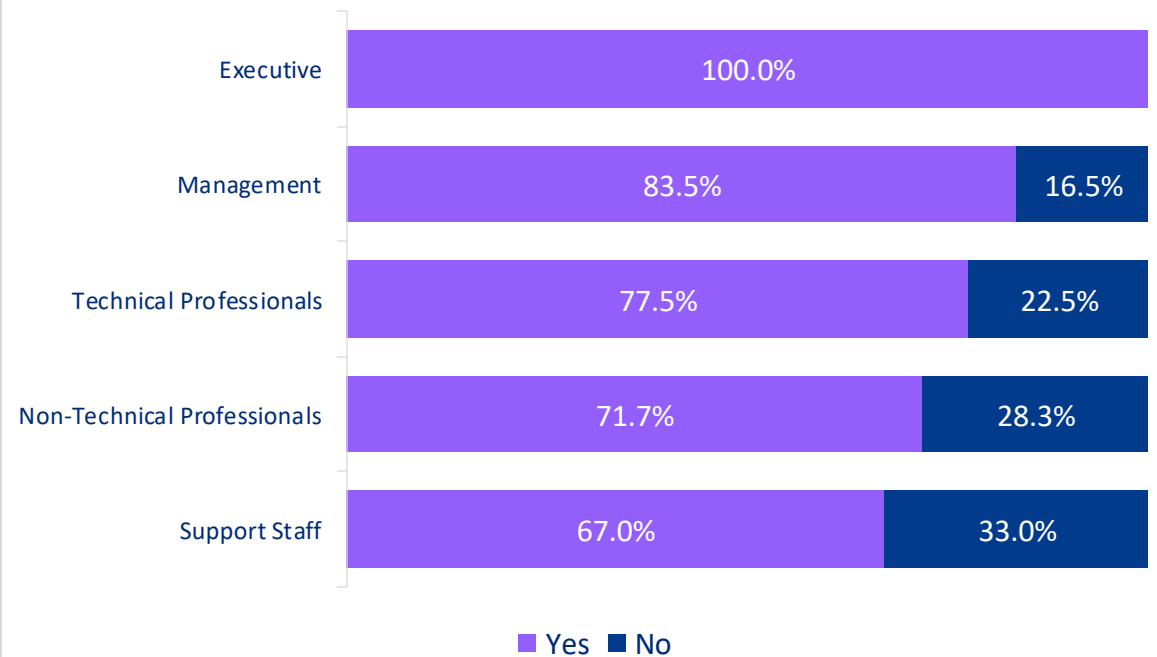
**52%** of organizations indicate they have a long-term incentive program.

## Plan types offered (% of organizations)



Note: Some organizations indicated more than one option therefore the total exceeds 100%.

## LTI plan eligibility



6.

# Impact of Pay Transparency legislation

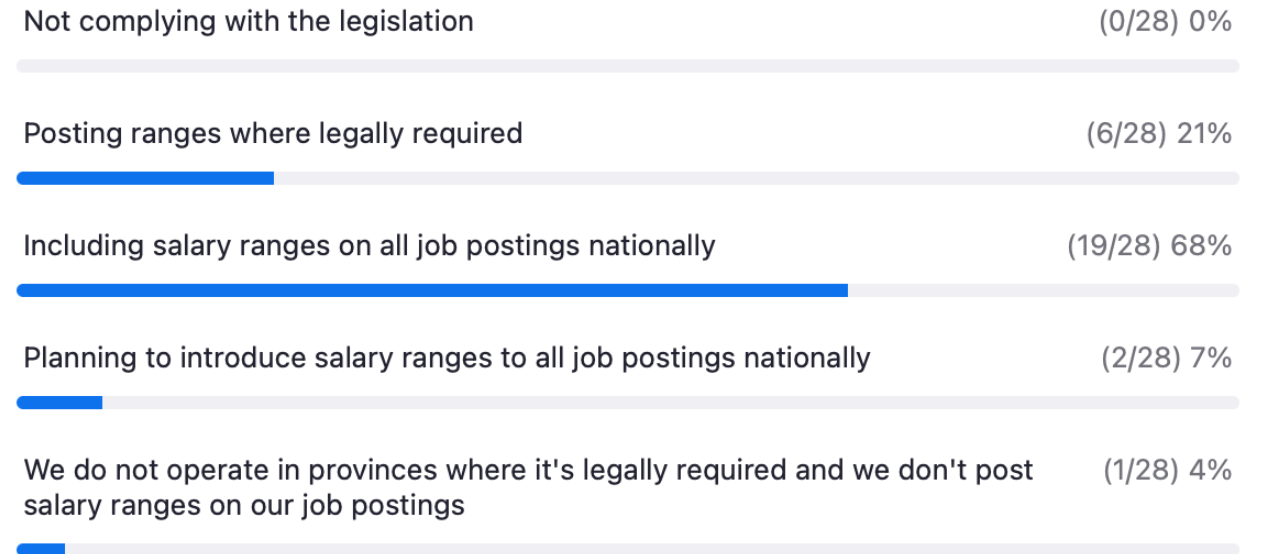
# Let's take a poll!

What is your approach to posting salary range on job postings?

1. Not complying with the legislation
2. Posting ranges only where legally required
3. Including salary ranges on all job postings nationally
4. Planning to introduce salary ranges to all job postings nationally
5. We do not operate in provinces where it's legally required and we don't post salary ranges on our job postings

1. What is your approach to posting salary range on job postings? (Single choice)

28/28 (100%) answered

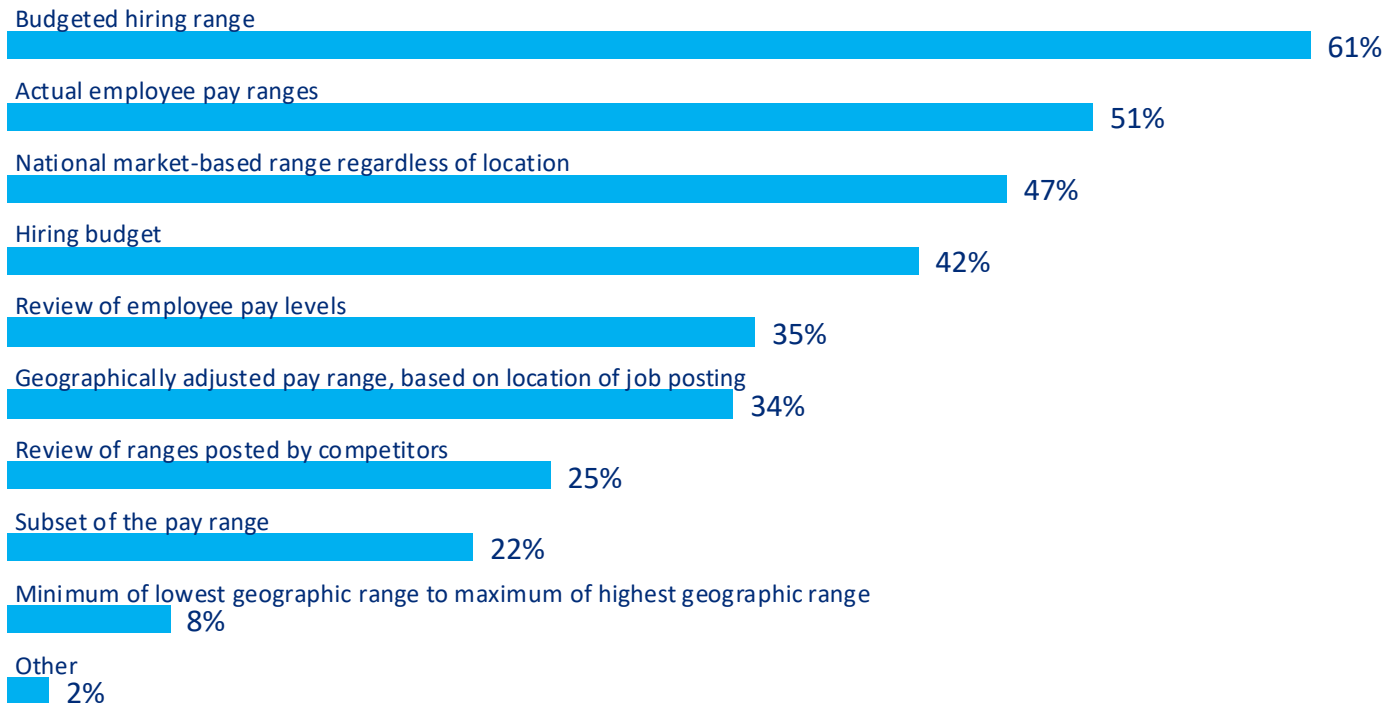


# Pay transparency

13%

of organizations share pay range information internally for all jobs within the organization.

## Factors considered when determining the salary range to be included on external job postings



Note: Some organizations indicated more than one option therefore the total exceeds 100%

## Approach to posting salary ranges on external job postings:

39%

We are including salary ranges only where legally required

50%

We are including salary ranges on job postings nationally

6%

We are planning to introduce salary ranges to all job postings nationally

4%

We do not operate in provinces where it's legally required

7.

Remote and  
hybrid work  
trends and other  
workplace  
benefits

# Remote work is alive and well

- **71.4%** of tech companies have hybrid work arrangements
- **26%** are fully remote
- Only **2.6%** are fully onsite



# Top 10 workplace benefits

The perquisites and workplace benefits that organizations provide now or are considering introducing.

## Percentage of organizations providing

2025 Rank	2024 Rank	Top 10 Perquisites & Benefits	% Orgs Providing	% Change from 2024	
1	1	Work From Home Options	97%	●	0%
2	2	Company Events	95%	▼	-2%
3	3	Flexible Work Hours	88%	▲	1%
4	5	Secure Bike Racks	74%	▲	3%
5	4	Complimentary Fresh Fruit And/ Or Snacks	70%	▼	-2%
6	6	On-Site Shower and Locker Facilities	66%	▼	-2%
7	7	Family Leave Top-Up Benefits	61%	●	0%
8	9	Health and Wellness/ Flex Allowance	60%	▲	4%
9	10	Alcoholic Drinks After Work – Company Paid	56%	▲	2%
10	8	RRSP Matching	56%	▼	-1%

## Most common benefits organizations are considering introducing



Paid time off to volunteer – 14% considering



RRSP matching – 14% considering



Health and Wellness/Flex Allowance – 13% considering



Donation matching – 8% considering

8.

Impact of AI on  
P&C teams

# AI Usage in Canadian Tech Companies

*Data from TAP Network's October 2025 Member Pulse Survey*



95% of organizations surveyed are currently using AI to help with business processes.

55% have a strategy for the use of AI.

50% have a formal policy for the use of AI.

Is it ethical to use AI to help inform talent decisions?

35% agree

32% disagree



## Uses of AI in Talent and Workforce Management

27%

Respond to standard “how do I” questions and policies

20%

Screen candidates for hire

20%

Respond to employee relations issues

## Training Provided on How to Use AI

64%

General AI literacy

58%

Compliance related training

36%

Functional training (e.g. writing prompts, creating agents)

# Productivity Gains

64% of organizations surveyed say AI has enhanced the productivity of their HR/P&C team.

## Looking ahead – 3-year outlook:

- **73%** think AI will improve P&C productivity
- **59%** think P&C quality and output of work will be improved
- **46%** think less headcount will be required to do the same amount of P&C work

# 9. Planning for 2026

# Let's take a poll!

What is your projected salary increase budget for 2026?

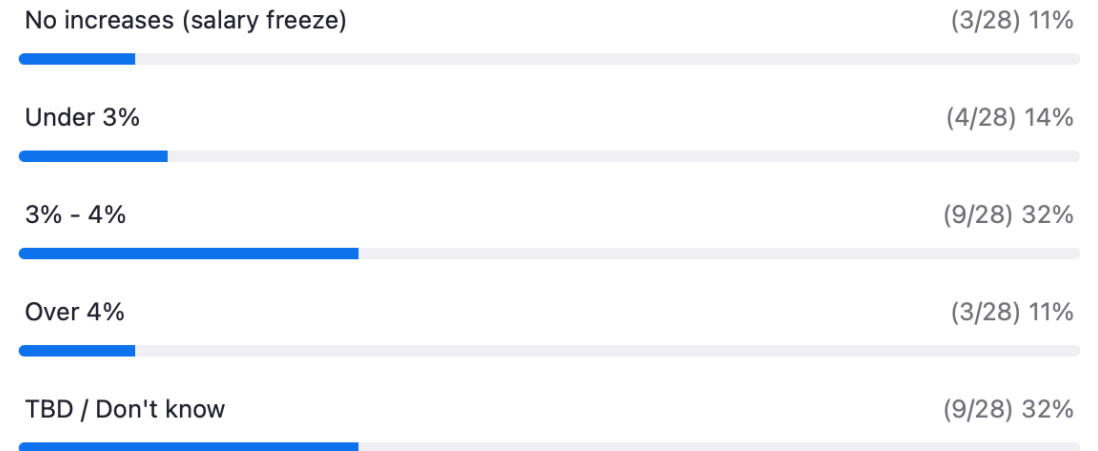
1. No increases (salary freeze)
2. Under 3%
3. 3-4%
4. Over 4%
5. TBD / Don't know

## Poll #3 - Salary Increase Budgets for 2026

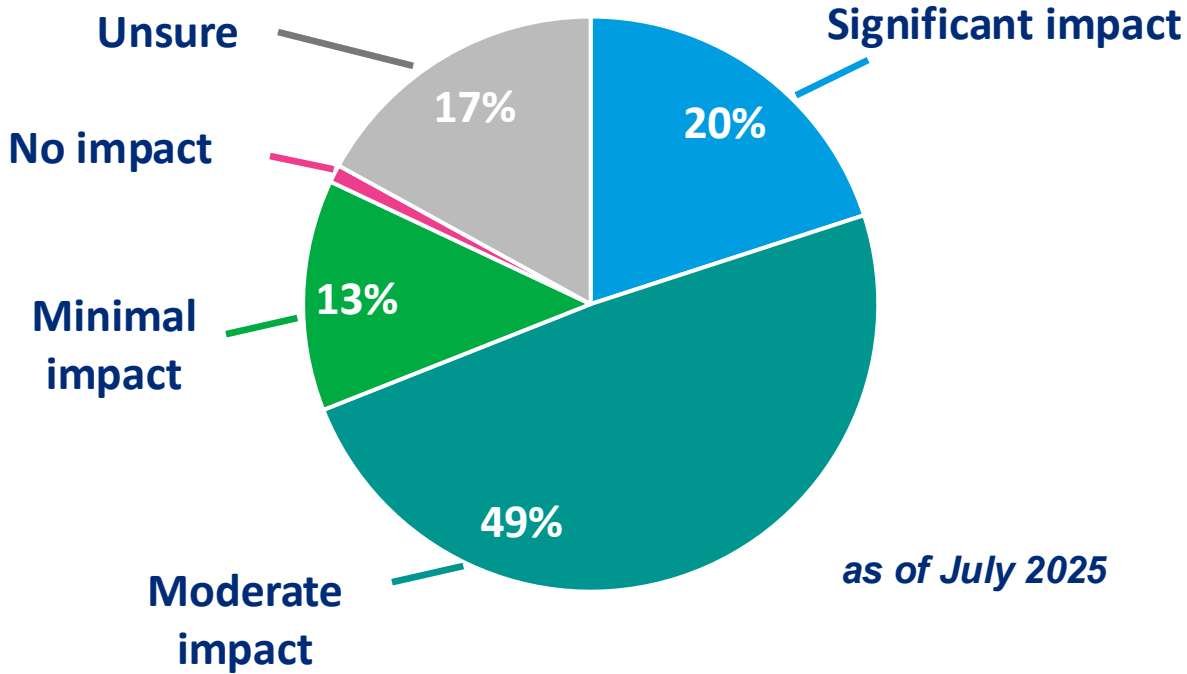
Poll ended | 1 question | 28 of 49 (57%) participated

1. What is your projected salary increase budget for 2026? (Single choice)

28/28 (100%) answered



# External economic environment's impact on compensation in 2026

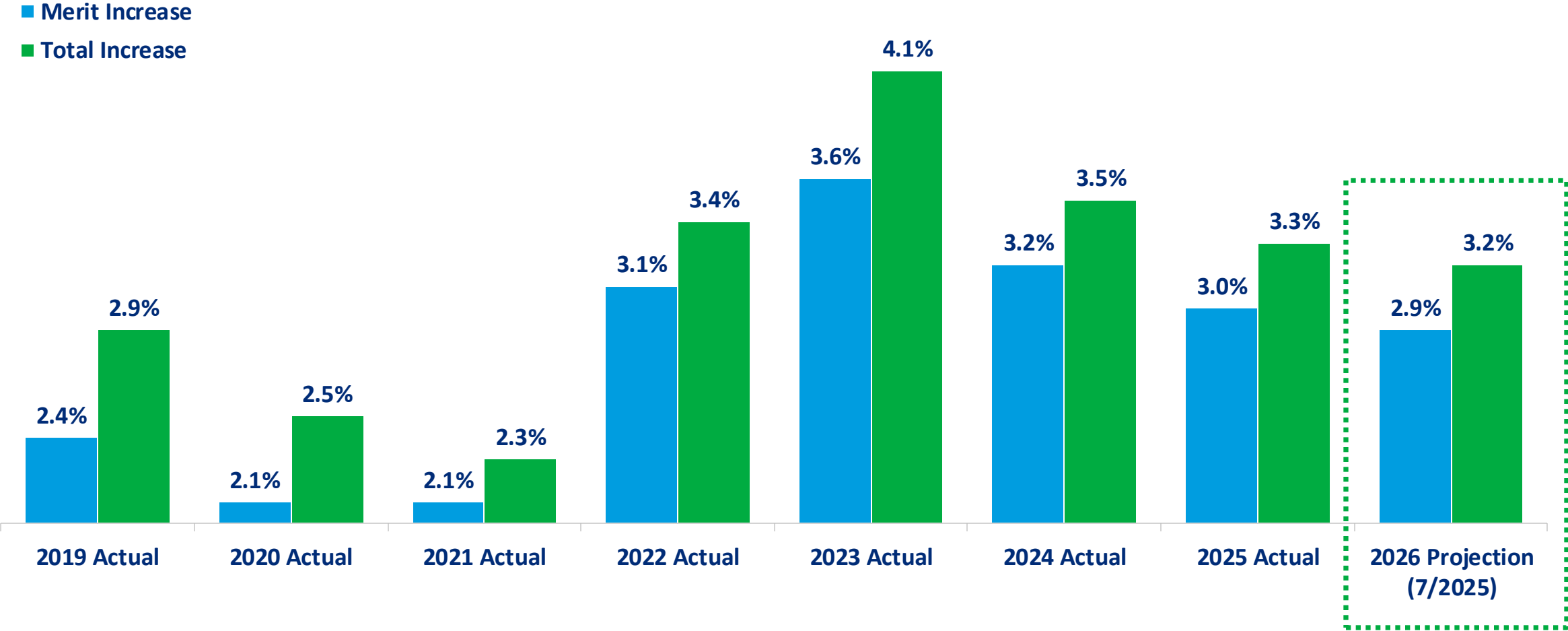


## How are your priorities changing with the economic environment?

- Increasing Prioritization**
  - #1 Skill & talent development (29%)
  - #2 Market competitiveness (26%)
  - #3 Compensation changes (24%)
- Decreasing Prioritization**
  - #1 Hiring (16%)
  - #2 Compensation changes (8%)
  - #3 Promotions (6%)
- Unchanged Prioritization**
  - #1 Performance management programs (58%)
  - #2 Promotions (57%)
  - #3 Employee support programs (56%)

# Compensation planning survey results

## Merit and total increase (including freezes)



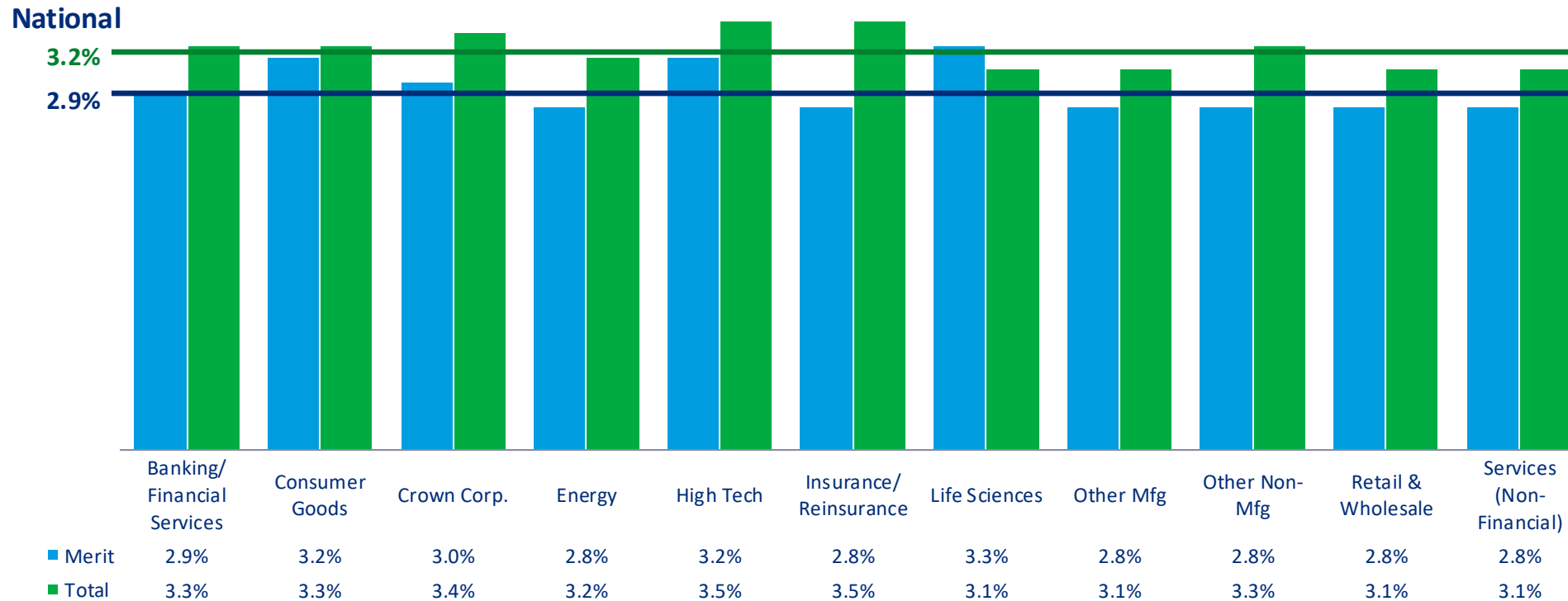
Source: Mercer CA Compensation Planning Surveys, Average Increases (including companies reporting 0 increases).  
Actuals collected March for each respective year

# Minor variations by industry

## 2026 Projected Merit and Total Salary Increase Averages

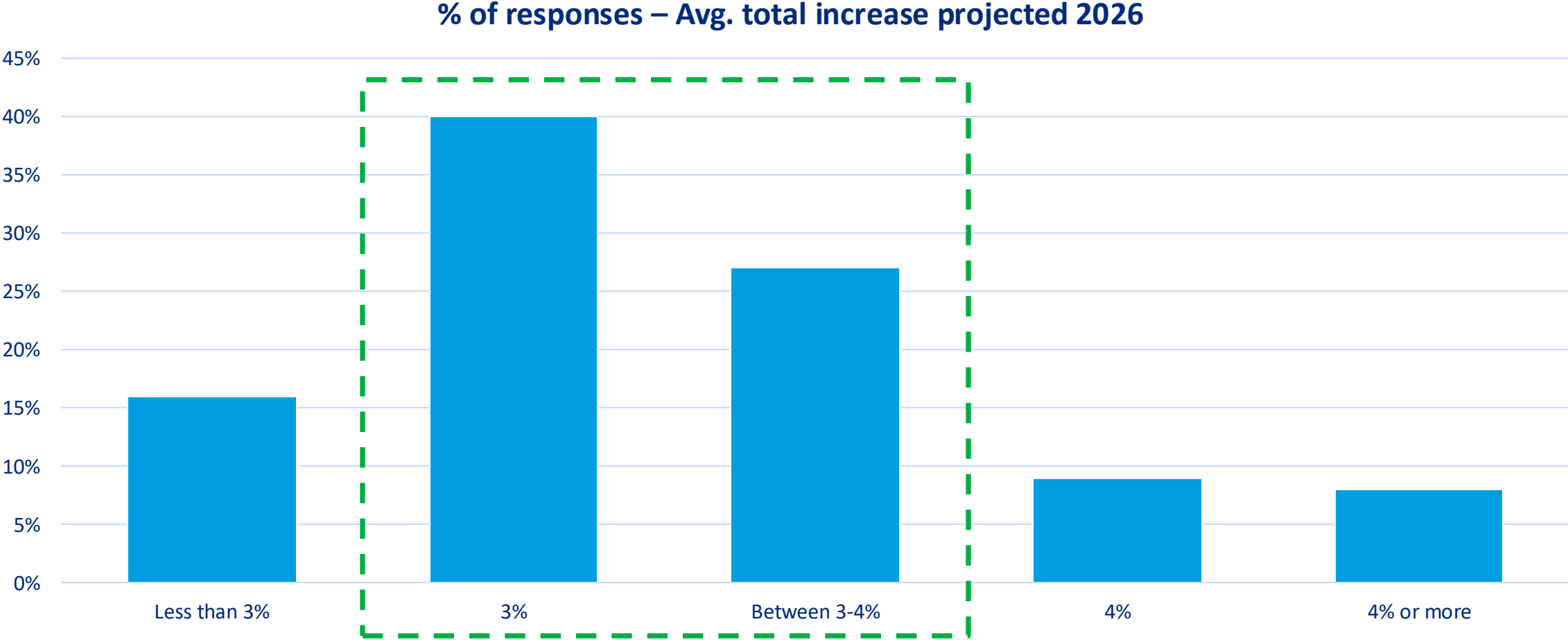


**High Tech & Insurance**  
have the highest  
total increase  
budgets at 3.5%



# 3% remains the most common total increase projection

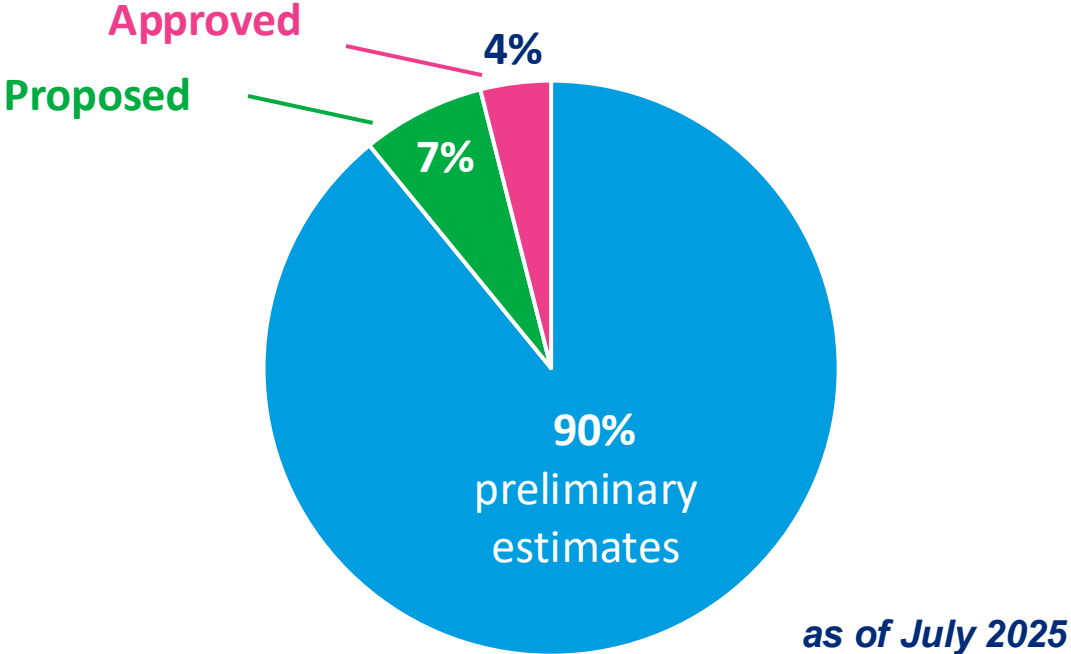
Fewer organization forecasting >4% for 2026



# Most budgets are preliminary, approved budgets are up

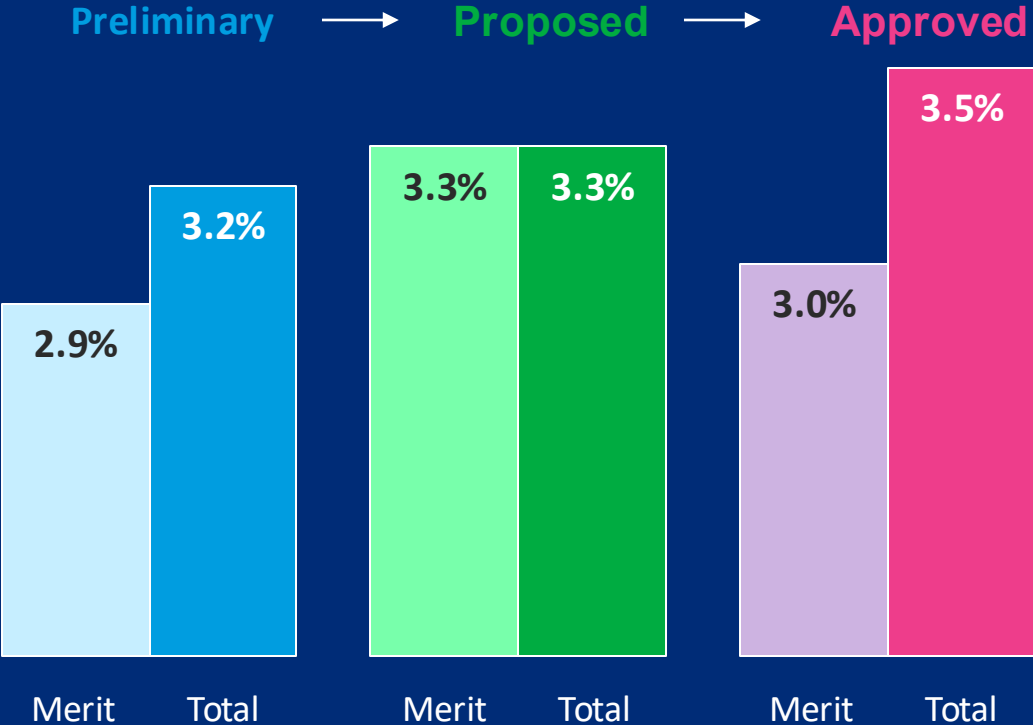
## What's the status of your budget?

Participants were asked if budget data is preliminary, proposed to leadership, or approved by leadership



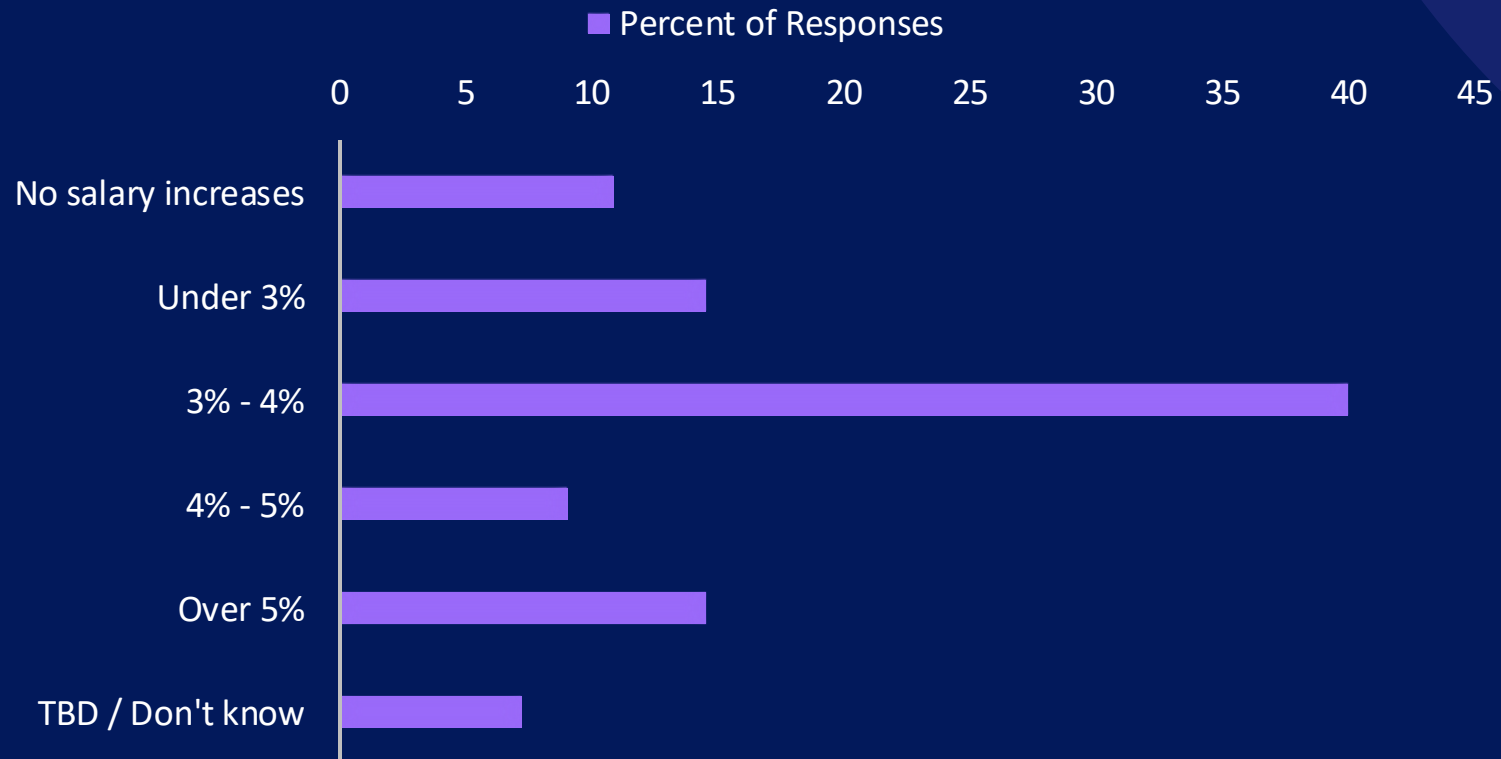
Source: Mercer CA Compensation Planning Surveys, Average Increases (including companies reporting 0 increases).  
Mercer

## 2026 Projected Salary Increase Budget



# 2026 Projected Salary Increases for Canada's Tech Sector

Data from TAP Network's November 2025 Member Pulse Survey (56 responses)



# Questions?

[www.tapnetwork.ca](http://www.tapnetwork.ca)

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