

**PENSIONS OR THE GROUP RRSPS:
PATTERNS OF NEW PLAN ADOPTIONS,
ESTABLISHING SECONDARY PLANS,
TERMINATIONS AND PLAN
SUBSTITUTIONS**

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Pensions or the Group RRSPs: Patterns of New Plan Adoptions, Establishing Secondary Plans, Terminations and Plan Substitutions

Considerable research on the causes underlying the decline of defined-benefit pension plans and growth of defined contribution pension plans has been conducted in the United States since the 1980s. Two major sources of cause examined in the literature have been structural changes in the labour and pension markets. In the labour market, much attention has been devoted to declining employment in sectors where defined benefit pension coverage has historically been high such as in the unionized sector, manufacturing industry, and among larger employers (Gustman and Steinmeier, 1992). These shifting employment opportunities have been linked to particular demographic groups, helping to explain declining defined benefit coverage among younger males (Even and MacPherson, 1994) and the less educated (Bloom and Freeman, 1992). Much of the research concludes that labour market shifts can account for no more than half of the decline in defined-benefit membership coverage since the 1980s. In the pension market, attention has been focused on the substitution of defined benefit by defined contribution plans, owing to the relatively greater regulatory burdens associated with defined-benefit plans, especially for smaller firms (Kruse, 1995), and to the growth of 401(k) plans which are also believed to have important productivity enhancing potential and are better suited to more mobile employees who want more control over their pension investments (Ippolito, 1995). These shifts appear to be more a product of preferences among new plan adopters for defined contribution plans, rather than terminations of defined benefit plans and their replacement with defined contribution plans (Kruse, 1995; Ippolito and Thompson, 2000) however recent evidence questions this conclusion (Papke, 1999; Even and MacPherson, 2000).

Several important methodological weaknesses in the research studies conducted to date limit their usefulness for understanding the causes underlying the aforementioned trends. First, and with minor exception, most studies focus on economy wide changes in employment shares of employees covered by different types of plans. These studies do not provide a strong test of factor's motivating differential firm preferences for choosing one form of deferred compensation over another. Second, and related, those few studies that do examine firm level changes in plan status have only been able to examine the role played by a limited set of firm specific variables such as firm size, and unionization and industry status. Studies going beyond this limited list often rely on data imputed from industry level analyses. Taken together, these factors do not permit a strong test of factors motivating particular plan sponsors to choose or not to choose to adopt, maintain, terminate, or replace a particular form of deferred compensation. Third, limited evidence outside of the experience in the United States is available for comparative purposes. For instance, analyses of pension plan choice in Canada have been limited to cross-sectional analyses that have not even be able to differentiate between different types of deferred compensation (Swidinsky and Kupferschmidt, 1991; Morissette and Drolet, 2001; Luchak, Fang and Gunderson, 2004). Fourth, and perhaps most significantly, an important rationale for conducting this research revolves around concerns that the decline of defined-benefit plans and expansion of defined-contribution plans will have negative implications for the productivity of North American industry (Dorsey, 1995). Like most

pension research however this argument is often made but rarely tested in any convincing manner such as through an examination of firm preferences for alternative forms of deferred compensation.

The recent availability of the 1999 and 2001 waves of the Canadian Workplace and Employee Survey fills an important data requirement needed to more rigorously understand recent trends in deferred compensation in Canada. In particular, our analysis is able to track changes in firm's sponsorship of an occupational pension plan versus a group RRSP between 1999 and 2001. Given that approximately 85% of all pension plan members in Canada today are members of defined benefit plans and the Group RRSP has features very similar to 401(k) plans in the United States, our data allow us to provide important insights into the reasons underlying the relative growth and decline of defined contribution and benefit plans, respectively. In particular, the panel aspect of our data, as well as the rich level of detailed information collected, permits us to examine two particularly important issues. First, we are able to examine the role that changes in plan status are having in terms of overall trends toward particular types of plan sponsorship. For instance, are defined contribution plans growing due to preferences for such plans among new plan adopters, substitutions of defined contribution plans for pre-existing defined-benefit plans, or partial terminations of hybrid plans? Second, we are able to examine the role played by firm strategy and other firm characteristics on changes in pension plan status between 1999 and 2001. Given growing evidence that HR systems matched with firm strategies will enhance firm performance, examining the relationship between firm strategy and plan choice will provide important insights into why firms desire particular forms of deferred compensation over others.

Methodology

Our analysis is based on the 1999 and 2001 waves of the Workplace and Employee Survey. Responses from 6,322 workplace locations were received in 1999 for an initial survey response rate of 95 percent. Approximately 5,000 of these original workplaces were then resurveyed in 2001 and it is this panel that we use for the purposes of our analysis. The 1999 workplace sampling weights are applied to the 1999-2001 panel to make it representative of original workplace population across Canada with exception of governmental organizations and those in the primary sectors. Our methodology is desirable because it ensures the time order of cause and effect necessary in making causal attributions. This is particularly important in studying an HR practice such as a deferred compensation plan because it is common for HR policies to lag strategy development (Miles and Snow, 1984: 50).

Our dependent measures reflect a firm's change in plan status between 1999 and 2001. To construct these measures, we initially classified each firm's plan status in 1999 and then again in 2001 into one of four categories: no plan, pension plan only, group RRSP plan only, and hybrid plan (i.e., firm has both a pension and group RRSP). Cross classifying the categories across the two time periods leads to a matrix of 16 possible outcomes as shown in Table 1. Our first measure, *adoption status*, has 4 categories and represents all organizations who in 1999 had no plan and by 2001 continued to have no

plan (=1), adopted a pension plan only (=2), adopted a Group RRSP plan only (=3), or adopted a hybrid plan only (=4). Our second measure, *change in pension only status*, has 4 categories and represents all organizations who in 1999 had only a pension plan and by 2001 terminated this plan (=1), maintained the same plan (=2), substituted a Group RRSP for the plan (=3), or added a Group RRSP to create a hybrid plan (=4). Our third measure, *change in Group RRSP only status*, has 4 categories and represents all organizations who in 1999 had only a Group RRSP plan and by 2001 terminated this plan (=1), substituted a pension plan for the Group RRSP plan (=2), maintained the same plan (=3), or added a pension plan to create a hybrid plan (=4). Finally, *change in hybrid plan status*, has 4 categories and represents all organizations who in 1999 had a hybrid plan and by 2001 terminated this plan (=1), partially terminated the plan by removing the Group RRSP and leaving the pension plan (=2), partially terminated the plan by removing the pension plan and leaving the Group RRSP (=3), or continued to have the hybrid plan (=4).

Our main independent variable of interest, business strategy, was constructed by factor analyzing a list of 15 possible strategies which firms were asked to rate the relative importance of in terms of their general workplace business strategy. Ratings were on a five point scale ranging from 1=not important, 2=slightly important, 3=important, 4=very important, and 5=crucial. The factor analysis yielded a three-factor solution that formed the basis of our 3 measures of business strategy. These strategies were *cost reduction* (reduce labour costs, reduce other operating costs), *quality enhancement* (enhance labour management cooperation, increase employee skills, increase employee involvement, improve measures of performance), and *innovation* (undertaking research and development, develop new products/services, develop new production/operating techniques).

Firms pursuing a cost reduction strategy are comparable in orientation to other firms such as defenders (Miles and Snow, 1978; 1984) or cost leaders (Porter, 1980). These firms attempt to produce a limited line of products or services as cheaply as possible for a given level of quality. Such strategies are typically implemented in narrow, relatively stable markets where economies of scale using fairly routine technologies are possible. Such firms focus on efficiency as a source of competitive advantage. Cost reducers do not compete through people, preferring instead to minimize their vulnerability to the human element by work simplification, deskilling, machine-pacing, or heavy supervision. Empirical research showing firm performance to be higher when administrative HR practices (e.g., selection for manual skills, policies and procedures training, results based performance appraisal, hourly pay and individual incentives) are used where a cost saving strategy supports these arguments (Youndt, Snell, Dean and Lepak, 1996). Because pensions or the Group RRSP can be a significant component of total compensation with limited returns, cost reducers or an increase in importance of this strategy is expected to reduce the probability of adopting any type of deferred compensation plan, or where once such a plan has been adopted, to increase the likelihood of cost limiting changes such as plan terminations.

An innovation strategy is comparable to other typologies such as prospector (Miles and Snow, 1978; 1984) or differentiation (Porter, 1980). This strategy emphasizes speed and flexibility to expand into new markets and stimulate new opportunities ahead of the competition. Innovators tend to be found at the introduction or growth stages of an industry's life cycle where there are fewer competitors and technology is evolving. Innovators require highly skilled, creative people committed to continuous improvement and innovation. Innovators will place a premium on reward strategies that are flexible and enables the firm to reward employees selectively for their contributions to organizational performance. Such firms are likely to compete externally for employees with the right make-up for their organization and provide them with rewards that recognize their contributions and which give them a sense of oneness with the objectives of the firm. The Group RRSP is ideal for such firms because they offer employees and the firm the flexibility both demand. Accordingly, firms following an innovation strategy are most likely to adopt the Group RRSP or among firms with pre-existing plans to favour maintaining Group RRSP coverage or shifting toward such a plan.

A quality enhancement strategy is somewhat comparable to what Miles and Snow (1978) call analyzers or that Porter (1980) refers to as a focus strategy. Quality enhancers focus or specialize on meeting the needs of a particular segment of a market. They take fewer risks than innovators and are less committed to the stability relied upon by cost reducers. Their strategic focus is more on effectiveness than efficiency and they tend to expand into areas close their core competency. Thus, they are more likely observed making incremental improvements in existing products rather than developing wholly new products. Quality strategies tend to rely on relatively high skilled employees whose technical, problem solving and team skills provide the firm with a unique source of competitive advantage. Given the greater general reliance on the group and working together in teams, firms using this strategy will rely on rewards that promote egalitarianism and which facilitates group information sharing and problem solving. Empirical research showing firm performance to be higher when human-capital enhancing HR practices (e.g., selective staffing, selection for technical and problem-solving skills, comprehensive training, training for technical and problem solving skills, group incentives and salaried compensation) are used where a quality strategy supports these arguments (Youndt, Snell, Dean and Lepak, 1996). Pensions with some element of back loading of benefits such as that under the defined-benefit plan are well suited for such firms because they preserve the internal equity of the firm's wage structure and encourage long-tenure in the organization. Accordingly, firms following a quality strategy are most likely to adopt pensions or among firms with pre-existing plans to favour maintaining pension coverage or shifting in this direction.

In addition to the foregoing, we used several variables to control for the role that competitive pressures, firm size, distribution of full and permanent employment, unionization, and occupational, industrial and regional characteristics might be expected to play in predicting changes in deferred compensation plan status between 1999 and 2001. Competitive forces were measured by a variable indicating the number of competitors a firm directly competed with in 1999 and by the increase in number of competitors from 1999 to 2001. Firm size was measured by total employment in the

workplace in 1999 and by the change in total employment between 1999 and 2001. Full time employment represents the share of full-time employees in 1999 and by the difference in the full-time share by subtracting the share in 2001 from the share in 1999. Permanent employment share and unionization rate were measured the same way as full-time employment, reflecting the share of permanent to total and unionized to total employment in 1999 and between 1999 and 2001, respectively. Occupation is measured by the proportion of total employment in 1999 across 7 occupational categories, while industry and region are measured by 14 and 6 dummy variables measured in 1999.

While our data provides a novel look at the relationship between business strategy and firm preferences for sponsoring particular types of deferred compensation, our study is not without limitations that need to be recognized. First, we are unable to distinguish between defined-benefit and defined-contribution plan coverage within the pensions only category, which introduces uncertain amounts of error in our estimated results. This problem may be partly addressed by supplementary analyses of particular industries known to have high defined-benefit or defined-contribution plan coverage and/or segmenting our data by firm size given the well know positive relationship between firm size and defined-benefit coverage (Luchak, Fang and Gunderson, 2004). Second, our panel analysis is limited to a time frame of 2 years thereby attenuating the amount of change in plan status we are able to observe in any given organization. As this problem makes it harder to prove our hypotheses, we do not consider it to be a meaningful threat to our results. Third, our measure of coverage does not account for how many or what classes of employees are covered by the plan in question, only that some members of the organization are covered. This is something that needs to be addressed in future analyses as firms using HR as a strategic variable can and will be expected to have different employment systems in place for different categories of employees (Delery and Shaw, 2001: 181).

Results

Table 2 shows the main sources of plan growth and decline for pensions, the Group RRSP and hybrid plans between 1999 and 2001. The table portrays a few interesting patterns. First, and consistent with expectations, the overall growth rate for the Group RRSP over the time period is positive and far exceeds that of either the pension only or hybrid plan categories. Specifically, the Group RRSP grew 21.8% between 1999 and 2001, whereas pensions only and hybrid plans declined 10.84% and 7.39%, respectively. Second, the pension only category is far from static with new plan adoptions (23.32%) and to a lesser extent partial terminations of hybrid plans (8.96%) accounting for a sizable portion of growth between 1999 and 2001. By way of contrast, replacing an existing Group RRSP with a pension accounted for very little of new plan growth (2.75%). All of these sources of growth however were dwarfed by a high rate of plan terminations (22.80%) and conversions of pensions into hybrid plans (18.63%). Third, the Group RRSP only category is also far from static with new plan adoptions (29.60%) and to a lesser extent partial termination of hybrid plans (11.98%) accounting for virtually all of plan growth between 1999 and 2001. These latter two sources of growth far exceed that due to the substitution of Group RRSPs for existing pensions with

growth due to this factor representing 3.69%. A major source of decline for the Group RRSP comes from terminations with 21.28% of the plans in 2001 having been terminated. Fourth, hybrid plans also evidence noticeable signs of growth and decline with expansions of pensions into hybrid plans being the major source of growth in this category (21.19%) followed by new plan adoptions (12.04%). Overall decline in this category however was fuelled by partial termination of hybrid plans into the Group RRSP category (21.29%) and by hybrid plan terminations (18.16%).

Table 3 shows four different sets of multinomial logit equations meant to examine the determinants of changes in plan status between 1999 and 2001. The four equations examine: (a) adoptions (i.e., firms with no plan in 1999 adopt one of the 3 plan types or remains status quo in 2001); (b) changes in pension only status (i.e., firms with a pension only in 1999 choose to terminate, retain, substitute or add-on to this plan in 2001); (c) changes in Group RRSP only status (i.e., firms with a group RRSP only in 1999 choose to terminate, retain, substitute or add-on to this plan in 2001); and (d) changes in hybrid status (i.e., firms with a hybrid plan in 1999 choose to fully or partially terminate this plan or retain it in its entirety by 2001). Each is discussed in turn.

Focusing on Table 3 a), innovators are more likely to adopt the Group RRSP though the result is only marginally significant. Similarly, a quality strategy is related to a higher probability of adopting a pension only. Finally, cost reducers are less likely to adopt pensions likely reflecting the lack of reliance on the human element to achieve this type of firm's strategy. Only one of the change measures is significant, that being a shift toward cost reduction lowering the probability of adopting a pension. This finding may reflect the impact of a growing regulatory burden on more cost conscious plan sponsors.

Turning to all those firms that had a pension only in 1999, Table 3 b) shows the multinomial logit results for changes in plan status by 2001. The reference category in this equation is those firms that maintained the status quo and did not change pension status over the time period. Compared to the reference category, innovators are more likely to terminate a pension, a finding consistent with their greater preference for the Group RRSP. Firms shifting more toward an innovation strategy are generally more likely to maintain the status quo and maintain their pension only status. This finding may reflect the fact that some element of innovation can be effectively rewarded through a long-term contract. Cost reducers are also more likely to terminate pensions, and both higher levels of a cost reduction strategy and change toward this strategy raises the probability of adding a Group RRSP to the pension to form a hybrid plan. Finally, firms following a quality enhancement strategy are less likely to terminate and more likely to maintain their pension only status, a finding consistent with the preference of firm's using this strategy for encouraging long-term employment relationships. Shifting toward quality enhancement also encourages the addition of the Group RRSP to form hybrid plans.

Table 3 c) shows the results for those firms whose Group RRSP only status changed from 1999 to 2001. Again, innovators who would be expected to prefer the flexibility of a Group RRSP are less likely to terminate their plans though this result is

only marginally significant. Innovators are also more likely to add a pension onto a Group RRSP though whether the two plans are meant to cover the same employees we are not entirely sure. Consistent with expectations, firms shifting more toward innovation are less likely to substitute a pension for a Group RRSP, preferring to maintain their Group RRSP only status instead. Not surprisingly, cost reducers are less likely to substitute a pension for a Group RRSP a decision that would be more costly to implement. Finally, quality enhancers who have the strongest preference for long-term contracting are more likely to substitute the pension only option for a pre-existing Group RRSP. As well, firms moving in the quality direction have this same preference or to simply add a pension on to a Group RRSP to form a hybrid plan.

Table 3 d) shows the final set of results for all those firms that had a hybrid plan in 1999. A similar pattern emerges for innovators who show a preference for moving away from hybrid plans by either terminating them altogether or converting them to Group RRSP only plans, showing a lower likelihood of converting them to the pension only option. A comparable pattern exists for firms shifting more toward this strategy with an aversion to turn the hybrid into a pension only but a willingness to convert it to Group RRSP only. A cost reduction strategy is not significantly related to any of the changes in hybrid status, but a shift toward such a strategy is related to maintaining hybrid status and averting any form of full or partial termination. Perhaps it is the transaction costs of any of these forms of change that leads to this resistance. A quality enhancement strategy is also not related to changes in hybrid status, but a shift of strategy in this direction increases the probability that the firm will convert the plan to its ideal type, that being the pension only condition.

Discussion and Conclusions

Using workplace level data from the 1999 and 2001 waves of the Workplace and Employment Survey, a nationally representative sample of non-governmental and non-primary sector organizations across Canada, we find considerable change in retirement plan sponsorship by firms over the time period studied. While most growth for both pensions and the Group RRSP comes from new plan adoptions, most of the decline comes from plan terminations. Substitutions of one plan type for another constitutes a minor component of changes in plan status, a finding consistent with much of the research across the United States (Kruse, 1995). Business strategy plays an important role in predicting changes in firm sponsorship decisions of particular plan types over the time period studied with innovators who value maximum flexibility showing a clear preference for adopting the Group RRSP, quality enhancers who value long-term contracting to prefer pensions and cost reducers who do not rely on the human element as a source of competitive advantage to have a lower preference for deferred compensation altogether.

Our preliminary findings have implications for the slow decline of defined-benefit pension plans and steady growth of the Group RRSP in Canada over the past few decades. In particular, the trends seem to be fuelled more by decisions to either adopt or terminate a plan and very little by decisions to substitute between plans. As shown in our

multivariate analyses, an important reason for these shifts is due to firm preferences as revealed through their business strategies. As forces such as globalization and rapidly changing consumer preferences and technology lead to greater needs for firms to be more market responsive and cost conscious, firms are showing a clear preference for the Group RRSP over pensions in their reward programs. At the same time, however, pensions do continue to play a role in some industries, likely in more mature markets where an occupational pension plan can help facilitate the longer-term contract required of a human capital developing HR system. Our results suggest that future pension research, particularly in terms of understanding the functions of different plan types, can be meaningfully advanced through an examination of the relationship between firm strategy and firm sponsorship of alternative forms of deferred compensation.

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Table 1: Categorization of Changes in Plan Status between 1999 and 2001.

	Plan Status in 2001			
Plan Status in 1999	No Plan	Pension Only	Group RRSP Only	Hybrid Plan
No Plan	No change	New plan adoption	New plan adoption	New plan adoption
Pension Only	Complete Termination	No change	Plan Substitution	Plan Expansion
Group RRSP Only	Complete Termination	Plan Substitution	No change	Plan Expansion
Hybrid Plan	Complete Termination	Partial Termination	Partial Termination	No change

Table 2: Changes in Plan Status, 1999 to 2001

	<u>Pension Only</u>		<u>RRSP Only</u>		<u>Hybrid Only</u>	
	No.	%	No.	%	No.	%
Plans in 1999	40,354	112.16%	46,379	82.52%	34,145	107.98%
Add:						
New plan adoption	8,392	23.32%	16,637	29.60%	3,807	12.04%
Substitution (P <>R)	988	2.75%	2,072	3.69%		
Partial termination (H>P,R)	3,224	8.96%	6,731	11.98%		
Expand pension to hybrid					6,702	21.19%
Expand RRSP to hybrid					2,667	8.43%
Subtract:						
Terminations	8,205	-22.80%	11,960	-21.28%	5,743	-18.16%
Substitutions (P <>R)	2,072	-5.76%	988	-1.76%		
Expansion into hybrid	6,702	-18.63%	2,667	-4.75%		
Partial term (H > P)					3,224	-10.20%
Partial Term (H > R)					6,731	-21.29%
Plans in 2001	35,979	100.00%	56,204	100.00%	31,623	100.00%
Overall Plan Growth (%)		-10.84%		21.18%		-7.39%

Table 3: Multinomial Regression Results

a) From No Plan to:	No Plan	Pension	RRSP	Hybrid
No. competitors		-0.572 *	-0.422	0.045
Innovation		-0.165	0.449 *	0.432 *
Cost reduction		-0.531 **	0.078	0.083
Quality enhancement		1.068 ***	-0.441	0.347
Number employed		0.008 *	0.006	0.006
Full-time (%)		2.377 **	-0.389	3.364 **
Permanent (%)		-4.984 ***	3.314 *	-0.663
Unionized (%)		1.414	3.365 ***	3.349 ***
Δ No. competitors		-0.035	0.101	0.095
Δ Innovation		-0.168	0.162	0.127
Δ Cost reduction		-0.972 ***	-0.246	0.042
Δ Quality enhancement		0.287	-0.203	-0.059
Δ No. employed		0.006	0.003	0.005
Δ Full-time share		-1.705	1.346 *	4.709 ***
Δ Permanent share		-0.245	5.444 ***	0.627
Δ Unionized share		1.914 ***	1.355 ***	0.683 *
Chi-Square	616.97 ***			
N=	1768			

b) From Pension to:	No Plan	Pension	RRSP	Hybrid
No. competitors	-0.72 *		1.49 ***	0.58 *
Innovation	0.59 *		-0.03	-0.33
Cost reduction	2.04 ***		-0.62	0.76 ***
Quality enhancement	-1.85 ***		0.17	0.09
Number employed	-0.01 *		0.00	0.00 *
Full-time (%)	-5.91 ***		8.88 ***	4.00 ***
Permanent (%)	1.41		-1.38	-0.46
Unionized (%)	-4.01 ***		-4.52 ***	0.34
Δ No. competitors	-0.61		1.10	0.39
Δ Innovation	0.43		-0.47	-0.71 ***
Δ Cost reduction	0.58		-0.02	0.45 **
Δ Quality enhancement	-0.56		0.48	0.48 **
Δ No. employed	0.00 ***		0.00	0.00
Δ Full-time share	4.66 ***		7.17 **	1.91
Δ Permanent share	0.57		0.73	1.15
Δ Unionized share	1.62 **		0.34	0.48
Chi-Square	8866.75 ***			
N=	965			

c) From Group RRSP to:	No Plan	Pension	RRSP	Hybrid
No. competitors	0.59	-0.56		0.00
Innovation	-0.91 *	0.20		0.96 ***
Cost reduction	0.47	-2.29 ***		-0.33
Quality enhancement	0.06	2.19 **		0.62
Number employed	-0.01	-0.02		0.00
Full-time (%)	0.54	-3.64 *		-3.11 *
Permanent (%)	2.26	11.88 ***		2.05
Unionized (%)	-2.66	0.45		1.14
Δ No. competitors	0.52	0.12		-0.52
Δ Innovation	-0.28	-1.97 ***		-0.17
Δ Cost reduction	0.16	0.26		-0.19
Δ Quality enhancement	0.45	2.92 ***		0.76 *
Δ No. employed	-0.02	0.03 ***		0.00
Δ Full-time share	2.24	11.58 ***		-1.70
Δ Permanent share	1.35	6.52 **		2.91
Δ Unionized share	0.28	4.26 **		2.54 ***
Chi-Square	17180.15 ***			
N=	609			

d) From Hybrid to:	No Plan	Pension	RRSP	Hybrid
No. competitors	-0.16	0.51	-0.19	
Innovation	1.29 ***	-0.61 **	0.65 *	
Cost reduction	-0.91	-0.44	-0.28	
Quality enhancement	-0.61	-0.07	-0.08	
Number employed	-0.01	0.00	-0.01 ***	
Full-time (%)	0.22	0.80	-0.48	
Permanent (%)	-6.75 ***	-2.04	3.17	
Unionized (%)	-1.26	-0.83	-2.36 ***	
Δ No. competitors	-1.56 ***	-0.05	0.23	
Δ Innovation	0.28	-0.41 *	0.67 **	
Δ Cost reduction	-1.16 ***	-0.38 *	-0.81 ***	
Δ Quality enhancement	0.14	0.94 ***	-0.03	
Δ No. employed	0.00 *	0.00	-0.02 **	
Δ Full-time share	-0.18	1.42	0.98	
Δ Permanent share	-3.90 *	-0.50	1.05	
Δ Unionized share	-3.12 ***	-0.68	-1.97 ***	
Chi-Square	862.02 ***			
N=	973			

Notes: *, **, *** denotes significance at p < .10, .05, .01 levels; Each equation controls for number of establishments, non-profit status, and 7 occupational, 14 industrial and 6 regional categories.