

Saskatchewan HR Trends Report Spring 2016

PURPOSE OF THIS REPORT

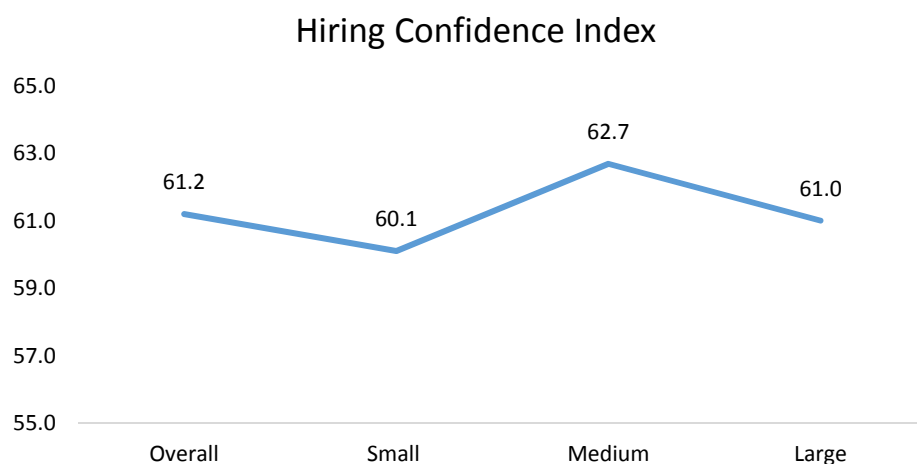
The Saskatchewan Association of Human Resource Professionals has commissioned this report to help fill the labour information void for its members and to discover industry benchmarks that will assist human resources professionals make better talent management decisions.

This report is a tool for HR professionals and their organizations in Saskatchewan to make informed decisions with reliable information on what is occurring in Saskatchewan's workplaces. Good labour market information can help human resources professionals make better decisions in giving human resources advice to their stakeholders.

HIRING CONFIDENCE INDEX

Saskatchewan's Hiring Confidence Index was created to measure how Saskatchewan employers feel about hiring over the next six months. The index emphasizes how confident HR professionals will be to hire the right people to fill vacant positions; the index also incorporates views on growth in the number of positions.

The index is made up of both an expectation of hiring levels over the next six months, and also the confidence respondents have in finding the right people to fill vacancies. The scores have a maximum value of 100 and a minimum value of 0. Scores of more than 50 mean HR professionals are more confident than concerned about hiring.

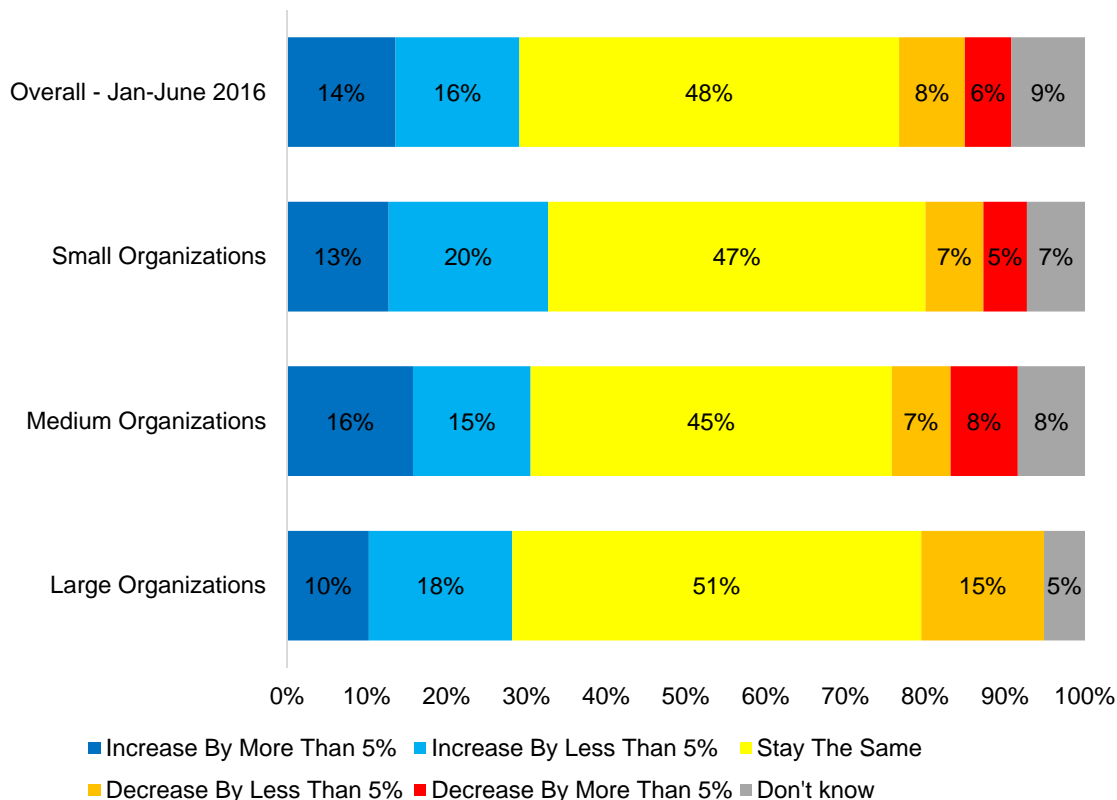


Overall, Saskatchewan's hiring confidence for the next six months (61.2) is slightly lower than the confidence for Western Canada (62.8). Scores in the low 60's suggest reasonable confidence levels – not overly confident, yet no need to worry at this point either. Medium sized organizations (62.7) have the most confidence in their hiring capabilities over the next six months, while small organizations (60.1) are feeling slightly less confident about their ability to grow and hire.

THE 6 MONTH OUTLOOK

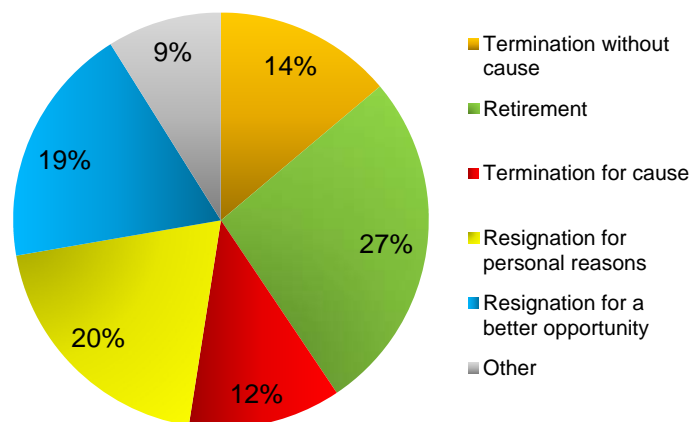
Overall, 29% of organizations expect to see positive employment changes over the next six months, as opposed to the 14% that expect any sort of decrease. Most organizations expect to either expand or stay the same (76.7% overall). This is a positive sign for Saskatchewan's labour market. It's encouraging to see that, across the board, about 90% of organizations are aware as to whether or not there will be changes to their employment numbers over the next six months. Hopefully, in light of some tough national economic times, these outlooks will continue to stay positive.

Expected Change in Employment



Over the next six months it is expected the majority of employees will leave organizations due to retirement. Resignations for personal reasons and to take a better opportunity both account for about one fifth of expected departures. Significantly, termination without cause is only 14%, this indicates that major layoffs are not anticipated.

Expectation for the biggest reason to lose staff in the next six months



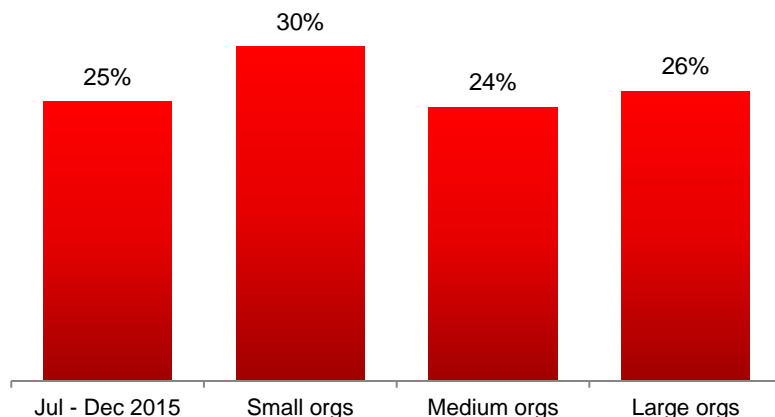
CURRENT TRENDS

In the July to December 2015 period 25% of organizations saw a net increase in the number of employees. While this is not extremely strong it is still more than the 21% who reported a net decrease. Nearly a majority (48%) reported that the number of people had stayed the same. Small organizations were the strongest when it came to employment growth with more of them reporting a net increase in employees than that of medium or large organizations.

The pattern of exact numbers of employees and contractors joining and leaving organizations shows nearly the same results. Small and large organizations gained employees and contractors, while medium-sized ones shed them slightly.

External contractors experienced a far smaller amount of change as compared to that of employees. This is unexpected as contractors are usually easier to add and remove than employees.

Percentage reporting net increase in employment



Employees	Small organizations	Medium organizations	Large organizations
Joined in last six months	3.4	20.2	116.6
Left in last six months	3.1	24.2	98.6
Net Employees	+0.3	-4.0	+18.0
Contractors			
Joined in last six months	1.3	1.9	15.4
Left in last six months	1.0	2.7	14.9
Net Contractors	+0.3	-0.8	+0.5

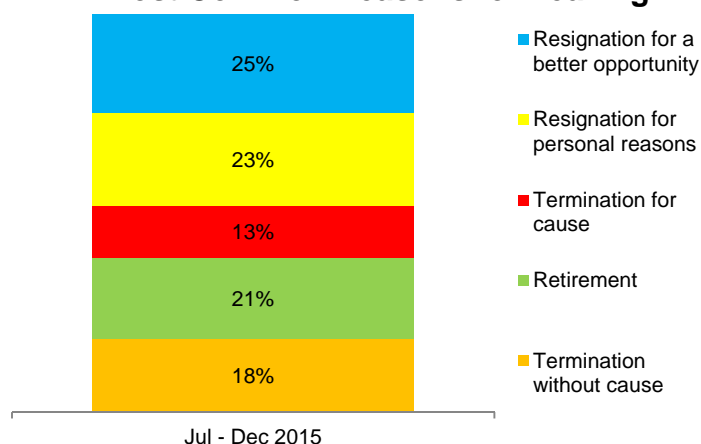
TERMINATION CAUSES

Over the last six months, the most common reason for leaving was *resignation for a better opportunity*. This is a sign of a healthy and active labour market. It was followed very closely by resignation for personal reasons and retirement.

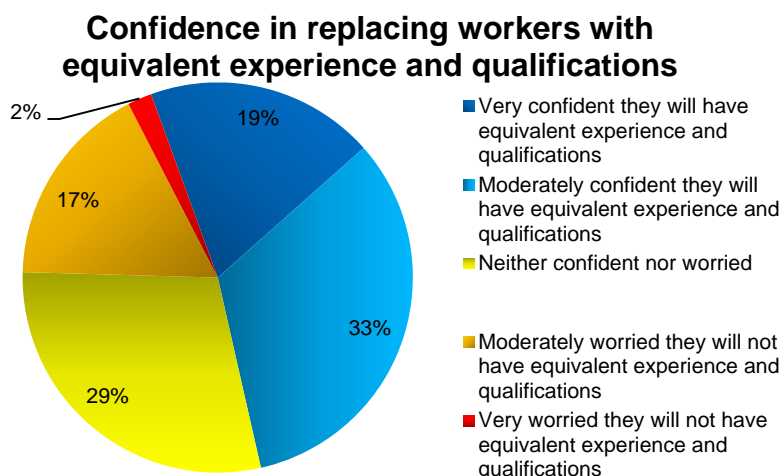
The most common reason for leaving varied considerably by job type. Top level jobs such as executives and managers were most likely to leave through retirement, while professionals and technical staff cited personal reasons as the most common reason to leave. Administrative staff left for better opportunities, while trades and journeypersons were most likely to have suffered downsizing.

Category of Employee	Most Common Reason to Leave
Executives	Retirement
Managers	Retirement
Professionals (i.e. engineers, accountants, HR)	Personal reasons
Technical Staff (i.e. designers, technicians)	Personal reasons
Tradesperson or Journeypersons	Termination without Cause
Administrative or support staff	Resignation for a better opportunity

Most Common Reasons for Leaving

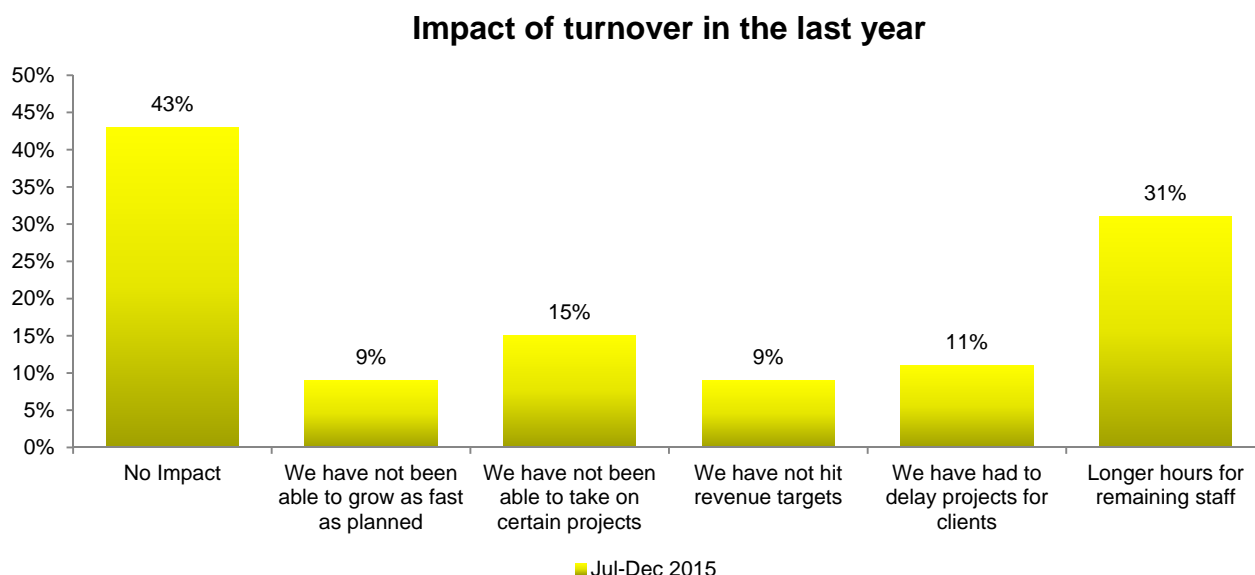


Just over half (54%) of HR managers are confident they can fill vacancies with workers who have equivalent experience and qualifications. Only 2% are very worried about finding qualified replacements.



TURNOVER COSTS AND RESPONSE

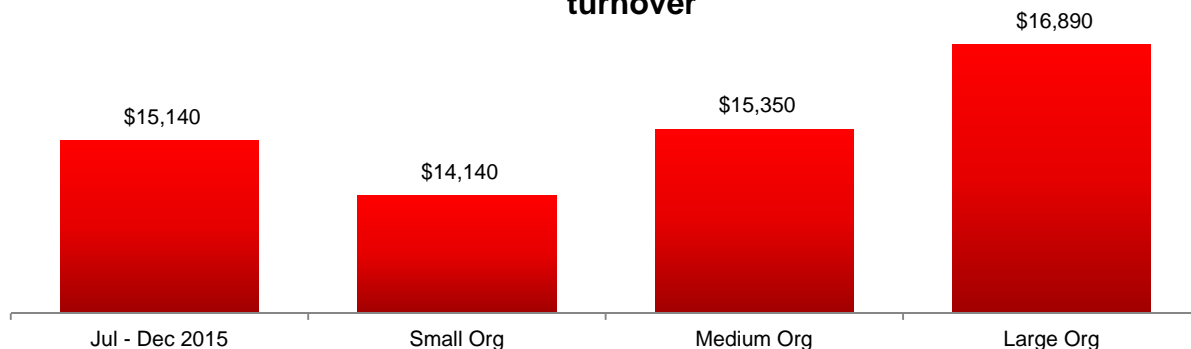
It is the remaining staff that bear the brunt of turnover. While 42% of organizations report that turnover had no impact on them in the last year, nearly a third said it resulted in longer hours for the remaining team members.



This is a significant number when compared to the other potential impacts which were only found in 9% to 15% of organizations. The next most common impacts of turnover are the inability to take on certain projects and delaying the projects that have been taken on. Less than one in ten organizations said that turnover had impacted revenue targets or growth plans.

Turnover is expensive for any organization. In Saskatchewan the average cost is in the range of \$15,000 for processing the turnover of an employee. Costs associated with replacing an employee, as well as lost productivity can be high. The cost of processing turnover increases with the size of the organization and can include severance, separation pays, benefits, and other costs. While smaller organizations had lower costs, they were only 16% less than the costs of the biggest organizations.

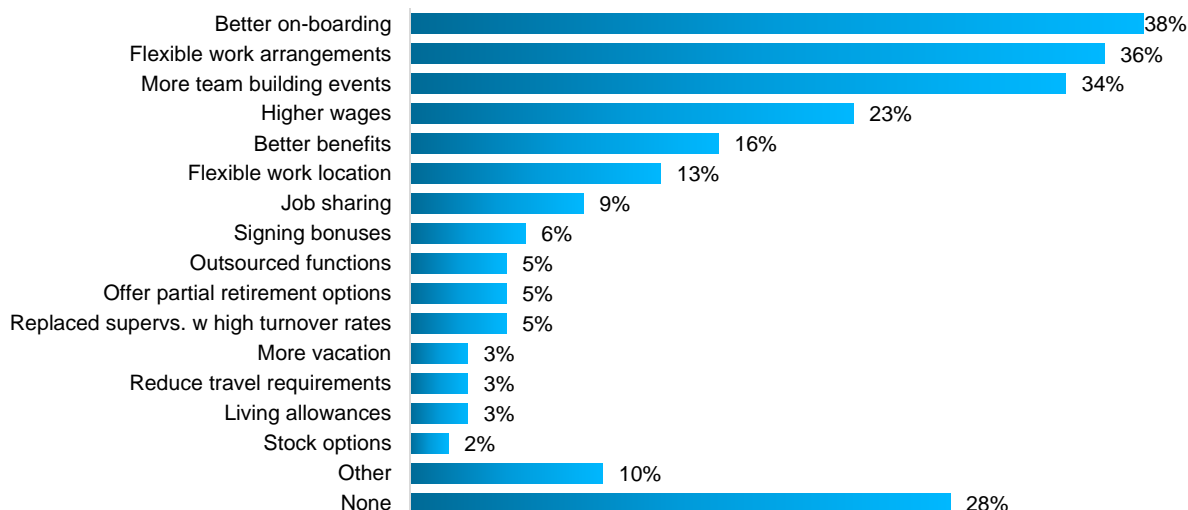
Estimated average total cost of processing an employee turnover



With turnover impacting so many organizations and costing them so much it is worth noting that 28% of respondents said they do not take any action to reduce turnover.

The most popular responses to reduce turnover are all non-monetary and have more to do with corporate culture and helping employees achieve work/life balance. Higher wages and better benefits were tried by only a few organizations.

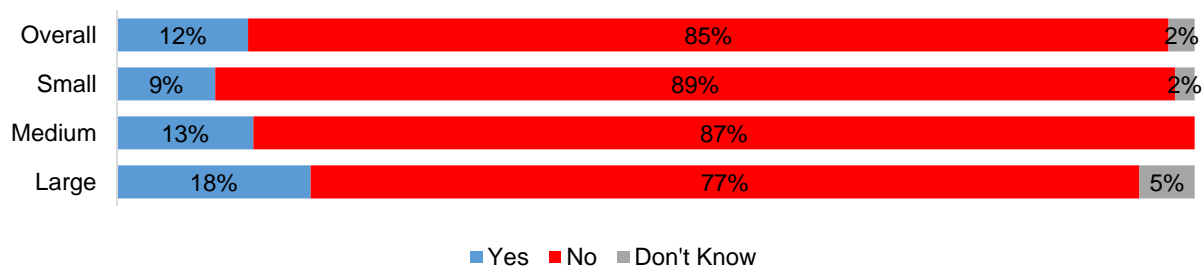
Actions taken to reduce turnover for any reason



TEMPORARY LAYOFFS

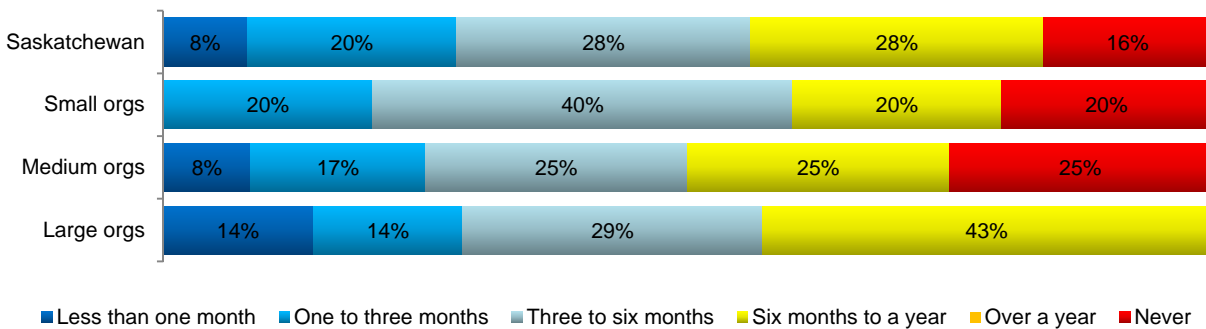
The goal of temporary layoffs is for staff to return to work before a long period of time, and in most cases that happens. Temporary layoffs are being used by 12% of organizations in Saskatchewan. The practice is used more frequently in large-sized organizations.

Temporary Layoffs



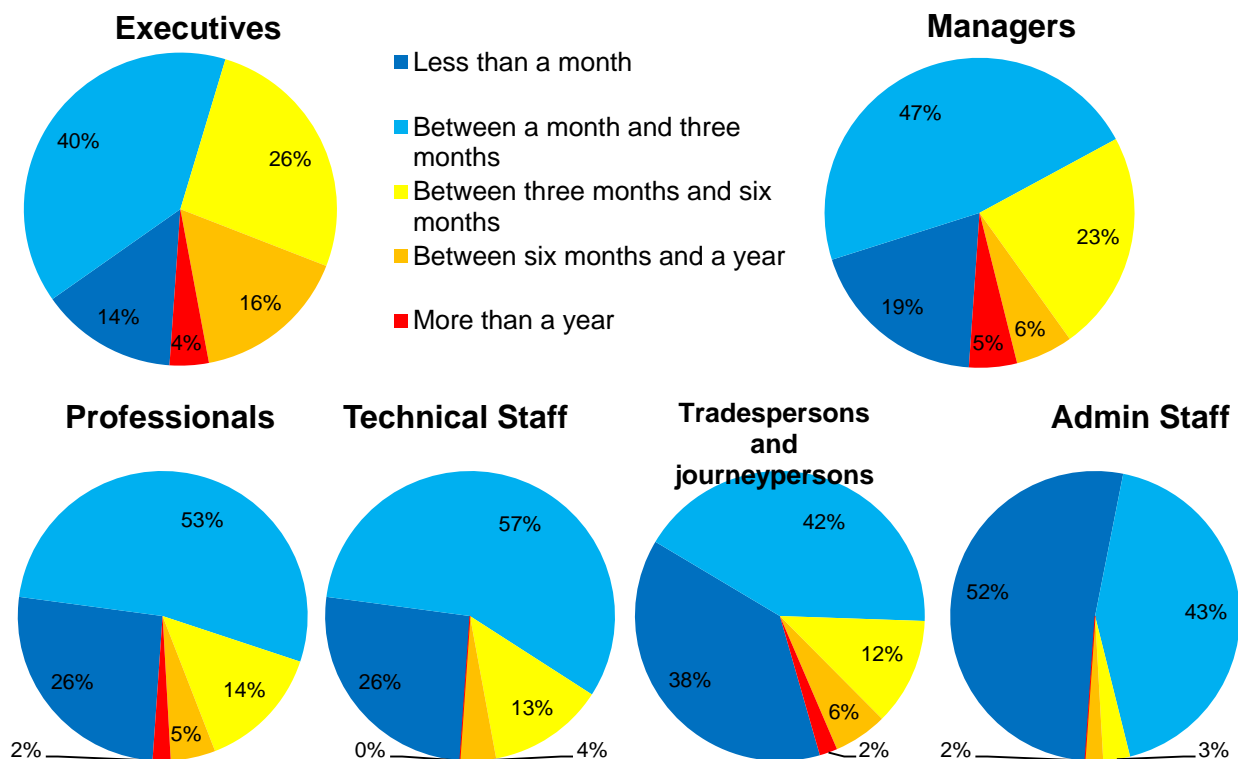
Overall, call-back times are reasonably short for temporary workers in Saskatchewan with 84% of organizations reporting that they call back temporary employees at some point within a year. It is encouraging to see short call-back times overall and even more encouraging to see very low percentages, across the board, of never calling temporary workers back.

Length of time laid off before being typically called back to work



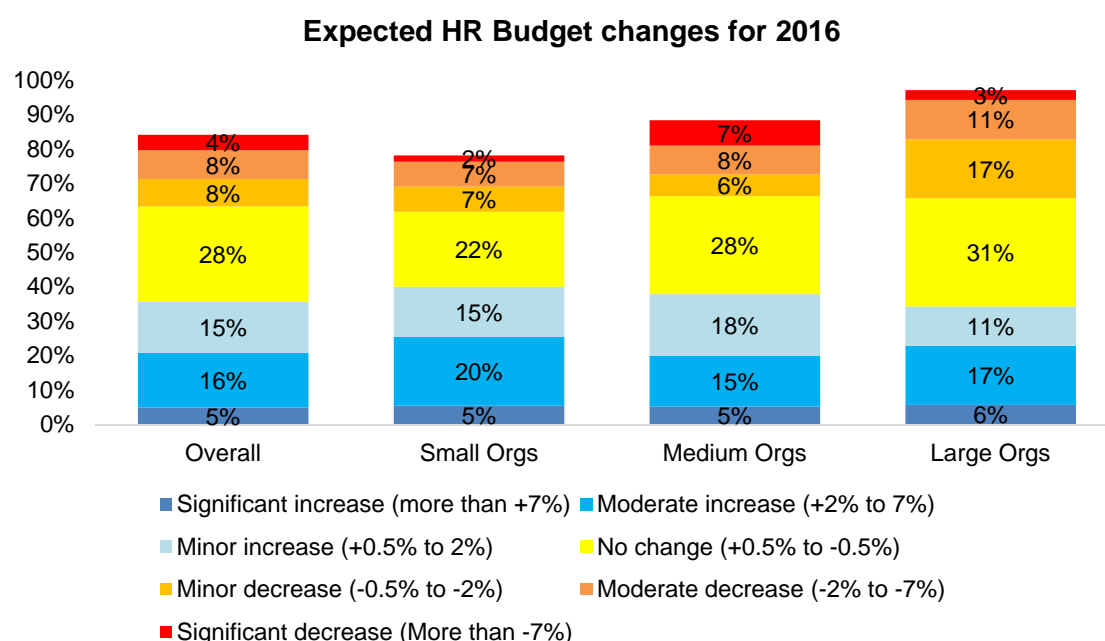
FILLING VACANCIES

The expected pattern for filling vacancies in a normal labour market is that more specialized positions take longer to fill than less specialized positions. This holds true in Saskatchewan in the second half of 2015. Fewer than one in five executive and managerial positions were filled in less than a month. Though significantly more than half were filled within three months. By contrast more than half of administrative jobs were filled within a single month, and 85% within three months. As the level of specialization and complexity is reduced the speed of hiring significantly increases.



HR BUDGET CHANGES

More organizations expect their HR budgets to increase rather than decrease over the next year. That said, one fifth expect a contraction in their budget. This is more common in larger organizations. The same group of large organizations are also less likely to report that they expect their HR budget to grow (34%) than small ones (40%). The moderate net increase suggests that organizations may feel comfortable at their current size and salary rates, or expanding slightly; meaning no need to cut back in the HR department.



Respondents were asked to provide an approximate ratio of HR employees to overall employees in their organizations. The average was one HR employee for every 120 employees. This figure is very dependent on the size of the organization, with small organizations having one HR person per 51 employees and large ones almost four times that with a ratio of 193 to 1. Medium-sized organizations were in the middle, with an average ratio of 103 to 1.

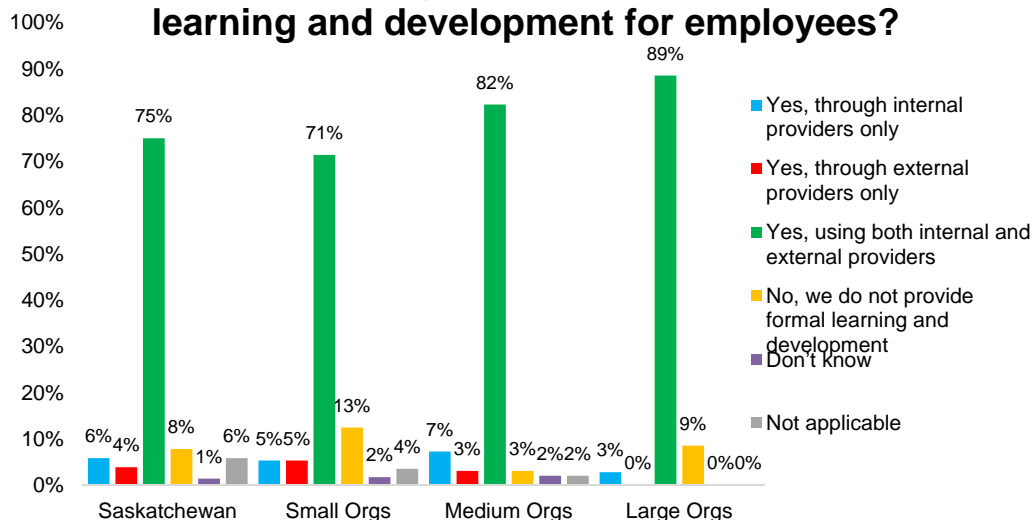
LEARNING AND DEVELOPMENT

Not surprisingly, learning and development plays a very important role in many organizations. Most respondents in the survey suggest that their organizations use some form of internal and/or external opportunities. Overall, approximately 85% of respondents provide some form of learning and development opportunities, with 8% reporting that their organizations do not invest

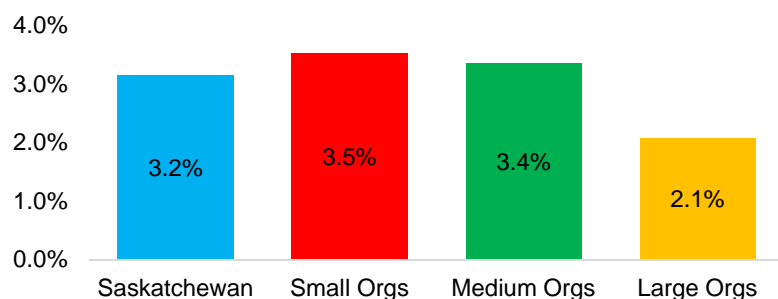
in learning and development. Combining internal and external opportunities seems to be the most popular form of learning and development for organizations of all sizes.

On average, organizations are investing slightly more than 3% of their total budget towards learning and development. Notably, large organizations devote slightly less (2%) than the provincial average to learning and development.

Does your organization provide formal learning and development for employees?



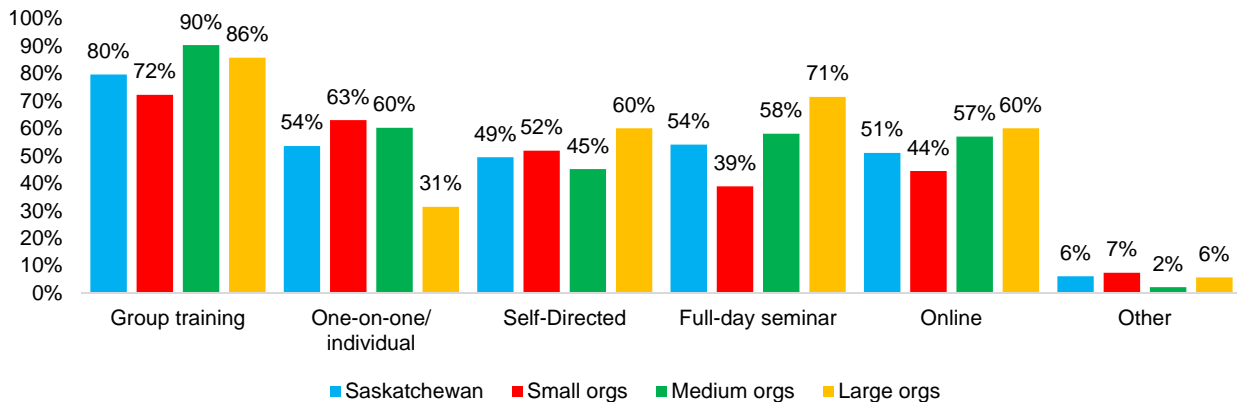
% of Budget Allocated to Learning and Development



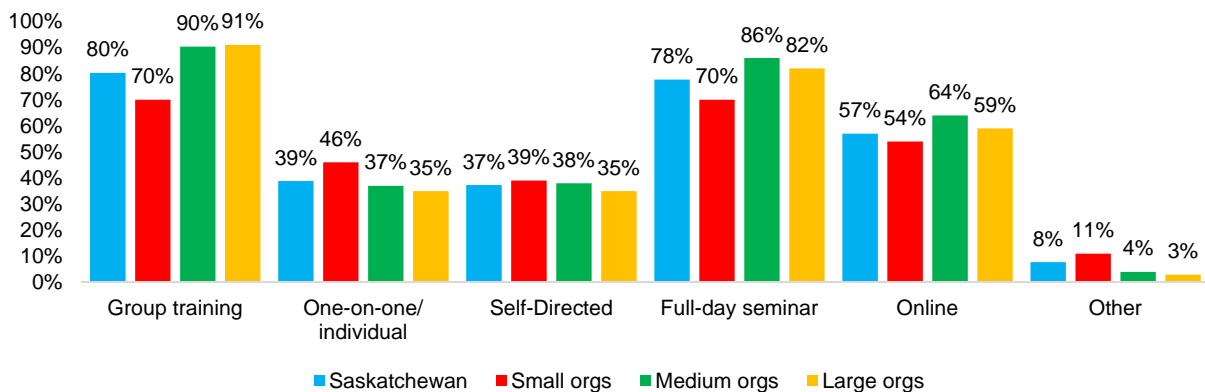
As seen above, most organizations use both internal and external resources for learning and development. But they use internal and external resources for different tasks. One-on-one and self-directed are much more likely to be done internally. While full-day seminars are more likely to include an external speaker or resource. That said both online

training and group training are equally likely to be delivered by external and internal resources.

Method of Delivering Internally Provided Learning and Development Opportunities



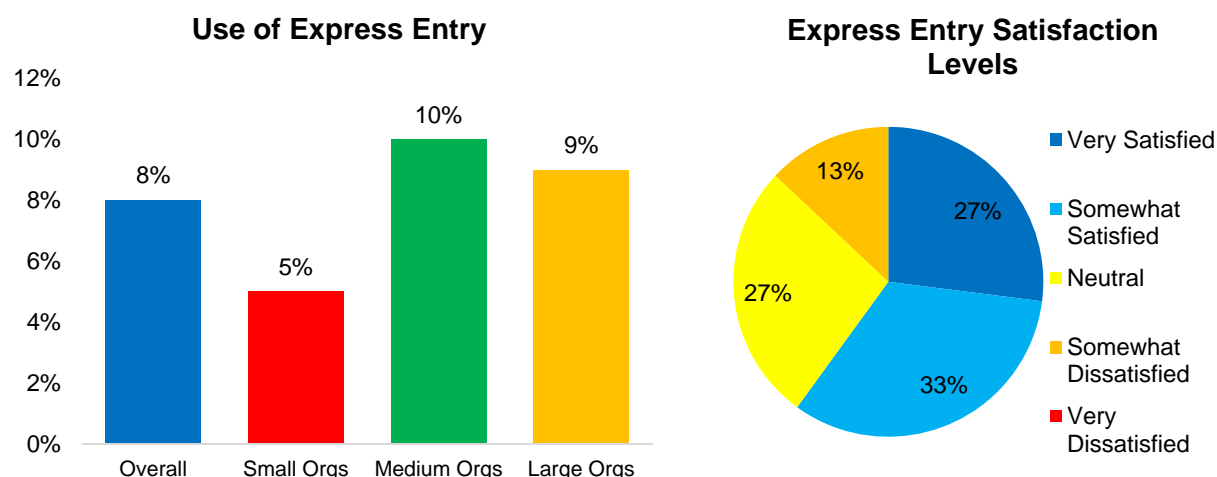
Method of Delivering Externally Provided Learning and Development Opportunities



Lastly, over 60% of respondents across Saskatchewan felt that they would use online training more over the next year; while only 1% thought they would use it less. This indicates future reports should expect to see the number of respondents benefiting from this trend of online learning.

EXPRESS ENTRY

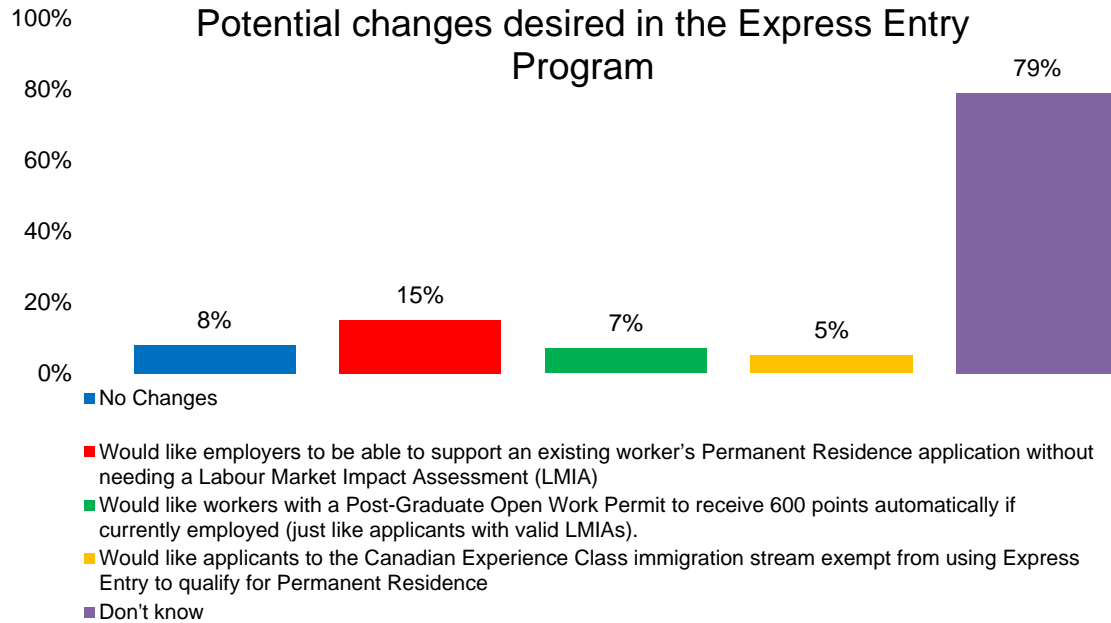
Express Entry is the selection system for Canadian immigration to select skilled workers for immigration to Canada through the economic class immigration streams. It is a completely electronic process involving the federal government, provincial governments and Canadian employers. It allows organizations and employers to select skilled international candidates (without cost) and bring candidates over more quickly.



Since its inception last year, 8% of organizations overall report having used the Express Entry program. It is most popular with medium-sized organizations (10%).

Overall, 60% of organizations feel satisfied with the program versus 13% that had negative experiences – and no one feeling extremely dissatisfied. Given that it is a recent program, it is to be expected that certain issues and challenges will need to be worked out over the next while before ratings improve. This is clearly shown by the fact that only 8% of respondents suggested that no change is needed for the Express Entry program.

That being said, the majority (79%) of organizations still do not know exactly what, if anything, they want to change about the program. Aside from not knowing, 15% of respondents want to be able to support an existing worker's Permanent Residency application without needing a Labour Impact Market Assessment.



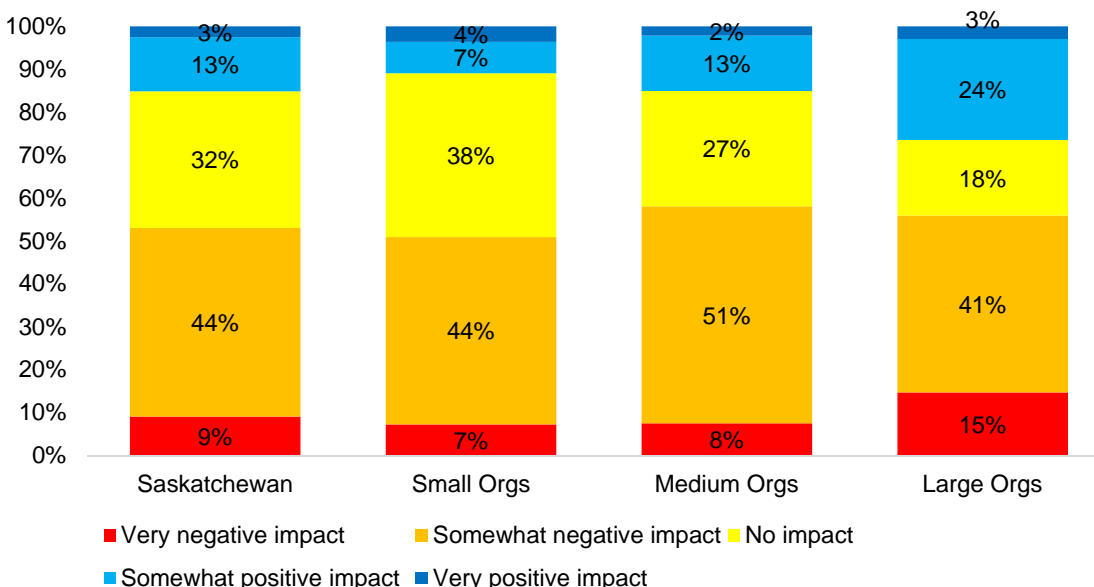
PARENTAL LEAVE

During the recent Federal election both the now governing Liberals and the Official Opposition Conservatives promised to implement changes to the parental leave benefits available through Employment Insurance.

When asked what the impact to their organization would be if parental leave was changed to 18 months and employees were able to take the time off in separate increments rather than all at once, 53% of organizations responded this would have a negative impact.

All organizations, regardless of size, anticipated significantly more negative impacts than positive. Only 16% of organizations foresee a positive impact.

Impact of allowing parental leave to be taken over 18 months



EMPLOYMENT STANDARDS

Respondents were asked to provide written comments on what changes they would like to see to Employment Standards in their province. The answers varied considerably. By far the most common was to make no change, and some provided rationale for this. The rationale fell into two categories – those who think the current employment standards are satisfactory as they are, and those who want government to stay out of the way. Several respondents indicated that they are still dealing with the changes to the employment standards that were made in 2014 and had no desire for any more change at this point.

The other significant number of comments were:

- More provincial statutory holidays – for example Remembrance Day.
- Increase the ease of inter-provincial labour mobility.
- Comments both for and against the position and power of unions.
- Calls for more clarity in existing standards.



TRENDS IN HR

Respondents were also asked to identify trends impacting their work in HR including government policies. While there were too many to enumerate, here are the most popular and significant:

- Immigration and Express Entry rules.
- Covering workers due to the amount of leave they can now take.
- Provincial funding cuts.
- Decline in the price of oil and the related economic downturn.



METHODOLOGY

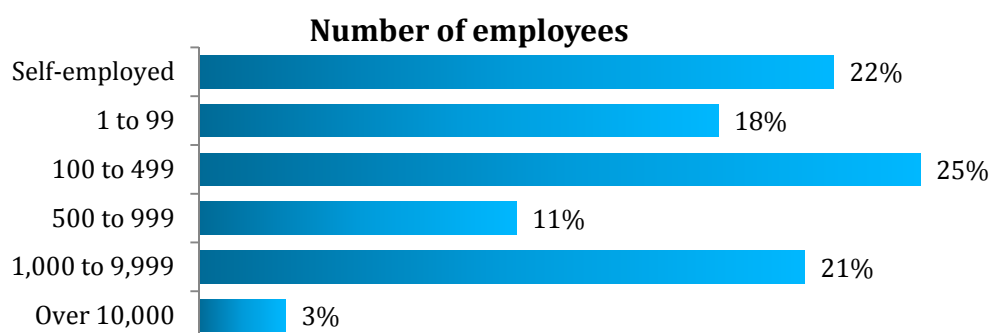
This survey was conducted online between November 18 and December 9, 2015. 1,240 members of the SAHRP were invited to participate via an email. Of these 355 completed enough of the survey for their responses to be useable, a response rate of 28.6%. 196 respondents completed every question, a completion rate of 15.8%. The margin of error of this survey varies depending on the number of completions each question received. The margin of error varies between +/-4.4% nineteen times out of twenty and +/- 6.4% nineteen times out of twenty.

Due to rounding some numbers may not add up.

RESPONDENT PROFILE

The respondents come from organizations of all sizes from sole-proprietors to multi-national corporations. The median number of employees in Saskatchewan per organization is 370 and the average number of employees is 1,477.

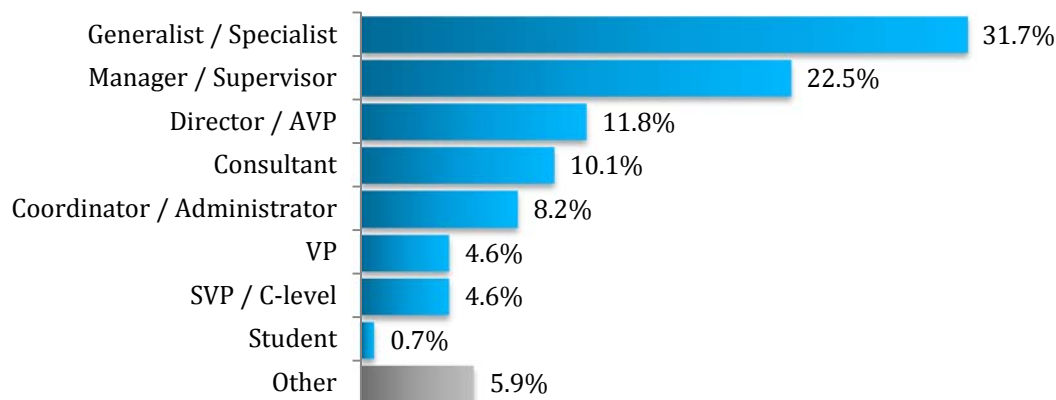
In this report small organizations are ones with fewer than 100 employees, medium have been 100 and 999 and large have 1,000 or more employees. Respondents were also distributed across a wide range of sectors.



Due to the sample size individual sectors could not be broken out with separate results.

Respondents work in all sorts of roles within their organizations, but generalists and managers were by far the most common.

Distribution by Role



FURTHER INFORMATION

The Saskatchewan Association of Human Resource Professionals (SAHRP) is the premiere professional association for human resource professionals and is the Certified Human Resources Professional (CHRP) granting body within the Province of Saskatchewan.

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