

Manitoba

HR Trends Report

Research to Help You Lead

MANITOBA HR TRENDS REPORT SPRING 2019

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INTRODUCTION

This report serves as a reference tool for HR professionals and departments in Manitoba to make better-informed decisions using up-to-date workplace information. Taken in concert with best practices, the right labour market information can help human resources decision-makers improve the advice that they provide.

CPHR Manitoba, CPHR British Columbia and Yukon, CPHR Alberta, and CPHR Saskatchewan have commissioned this study to supplement other sources of labour information available to their members and to provide benchmarks that can help human resources professionals make better decisions. This report details the results from CPHR Manitoba members. Results for Western Canada as a whole are available under a separate cover.

METHODOLOGY

The Spring 2019 wave of this study was conducted by Insights West on behalf of CPHR Manitoba, CPHR British Columbia and Yukon, CPHR Alberta, and CPHR Saskatchewan. The survey was conducted online from November 26th to December 23rd, 2018.

Members of the four CPHR associations were invited to participate via email communication from their respective associations. In total, 1,336 Manitoba human resources professionals were sent a survey invitation. Respondents were screened to include members who:

- Are currently employed;
- Have employees in Manitoba; and
- Are not in independent practice and working for one client over the past six months.

Among CPHR Manitoba members, a total of 158 human resources professionals participated in the survey, for an overall response rate of 11.83%. Survey responses to individual questions were optional. The margin of error of this survey varies depending on the number of completions each question received. The margin of error for a sample size of 158n (all survey respondents participating) is +/- 7.80% nineteen times out of twenty.

Throughout this report, where relevant and allowed by sufficient sample size, comparisons are made between different respondent subgroups, such as region and organization size. Where these differences are deemed statistically significant, they are indicated as follows:

 Statistically significantly **higher** than comparison group(s)

 Statistically significantly **lower** than comparison group(s).

Where available, results have also been compared to data from previous waves of this study, conducted by One Persuasion Inc.

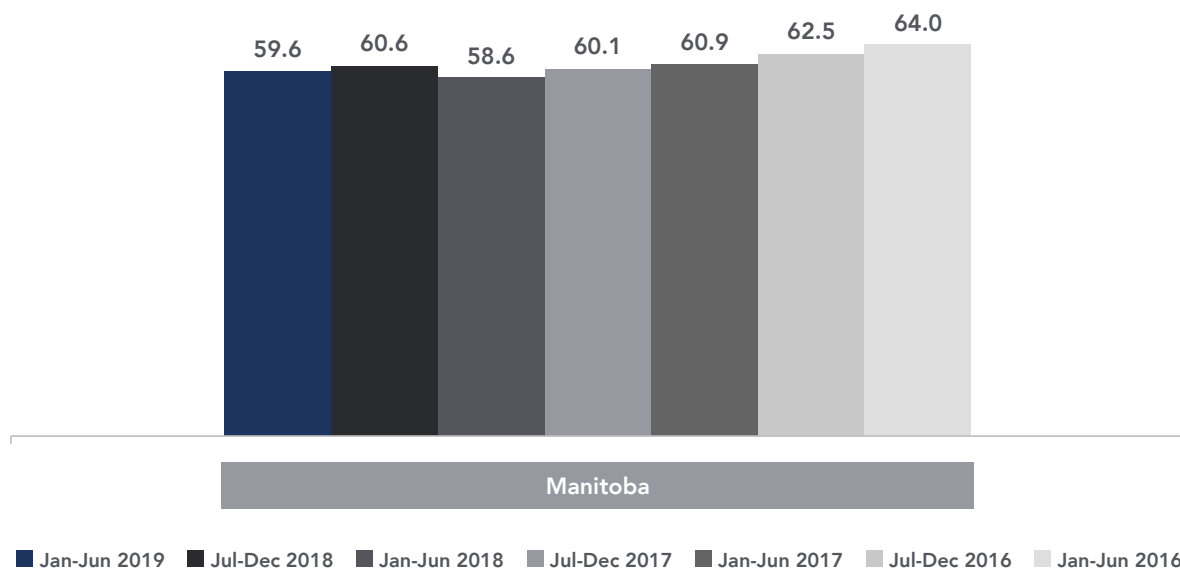
LABOUR MARKET FORECAST

HIRING CONFIDENCE INDEX

The Hiring Confidence Index was created to measure how employers feel about hiring over the next six months. The index emphasizes how confident HR professionals are that they can hire the right people to fill open positions and incorporates views on expected growth in the number of positions. The scores have a maximum value of 100 and a minimum value of 0. Scores greater than 50 signify that HR professionals are more confident than they are concerned about hiring.

The Manitoba Hiring Confidence Index has shown a slight directional decline for Spring 2019 but is higher than the results for Spring 2018. Manitoba's Hiring Confidence Index has remained generally stable over the past three years.

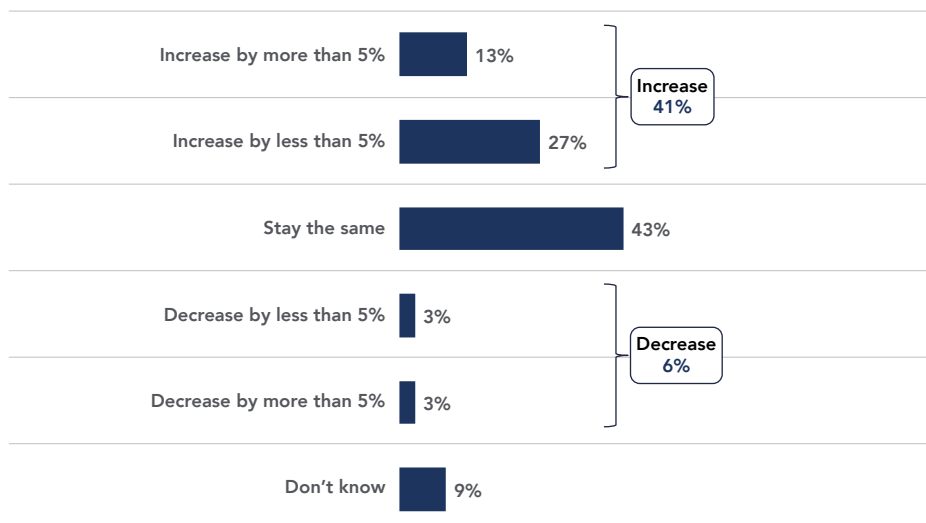
Hiring Confidence Index



THE SIX MONTH OUTLOOK

Two-in-five (41%) Manitoba organizations expect their headcount to grow in the first half of 2019, while a similar proportion (43%) expect their total number of employees to stay the same over this period. Few (6%) expect a net loss of staff.

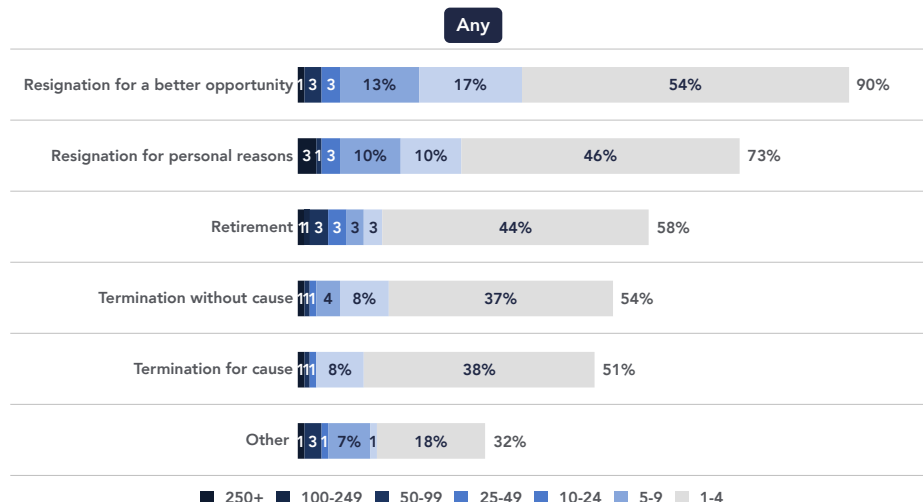
Expected Change in Employment in the Next Six Months



Base: Employed in HR Function, exclude n/a (n=102)
C13. Over the next six months, how do you expect the total number of employees to change for any reason?

Resignation for a better opportunity (90%) stands out as the most common reason for expected employee loss, followed by *resignation for personal reasons* (73%). *Resignation for a better opportunity* is a sign of a strong economy and labour market because people see better opportunities on offer and employers can still afford to hire them. A smaller majority (58%) expect to lose employees to *retirement*, while half (51%) expect to lose employees due to *termination for cause*.

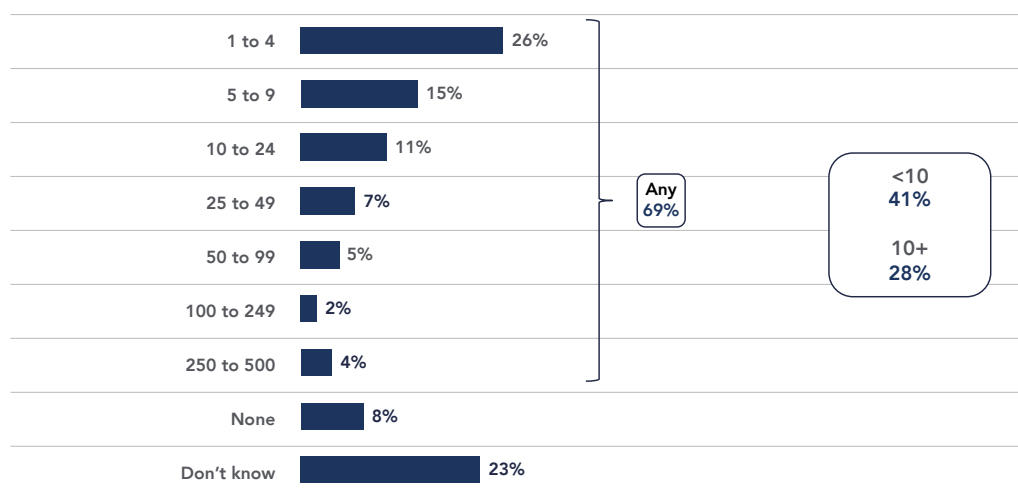
Expected Reasons for Employee Loss in Next Six Months



Base: Know expected employee loss (n=71*)
*Small base size; interpret with caution
C14a. In the next six months how many people do you expect to lose for each of the following reasons (retirement, termination for cause, resignation, termination without cause, other)?

Two-thirds (69%) of Manitoba organizations expect to lose at least some employees in the next six months, while one-quarter (23%) are not able to estimate their expected losses. In terms of the number of employees, Manitoba organizations are more likely to expect to lose less than 10 employees (41%) than 10 or more (28%).

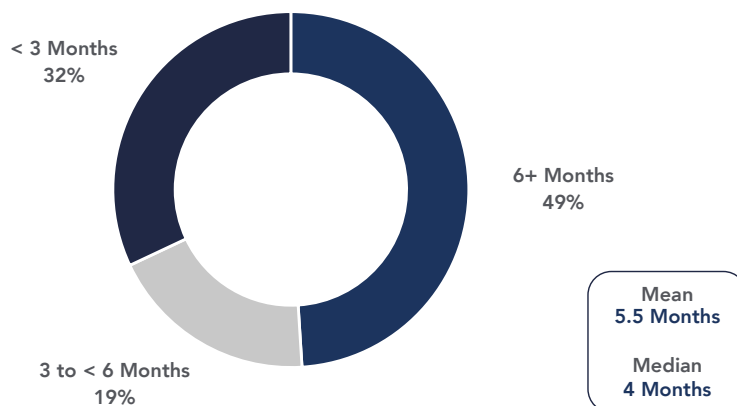
Predicted Employee Losses in Next Six Months



Base: Employed in HR function (n=103)
C14. In the next six months, how many people do you expect to lose in total at your organization?

Manitoba organizations report that on average they plan for changes in their workforce five and a half months in advance, with a median of four months. Half (49%) plan for changes six or more months in advance, while one-third (32%) do so less than three months in advance.

Typical Time to Plan Workforce Changes

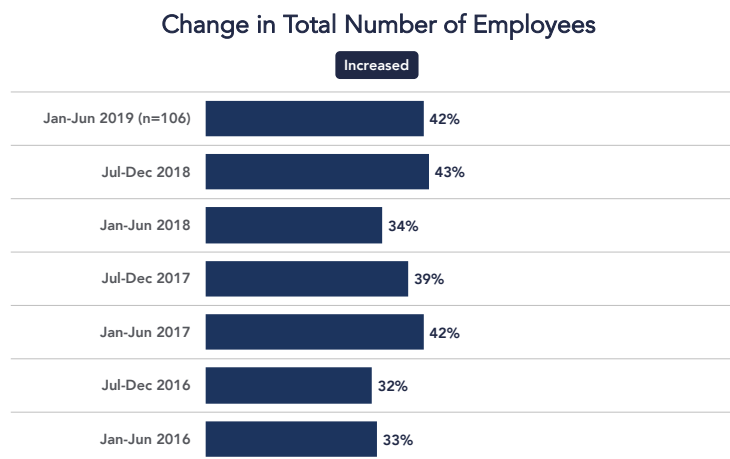


Base: Know expected employee change, exclude don't know (n=53)*
*Small base size; interpret with caution.
C13a. How many months in advance does your organization typically plan changes to the total workforce?

LABOUR MARKET STATISTICS

CURRENT TRENDS

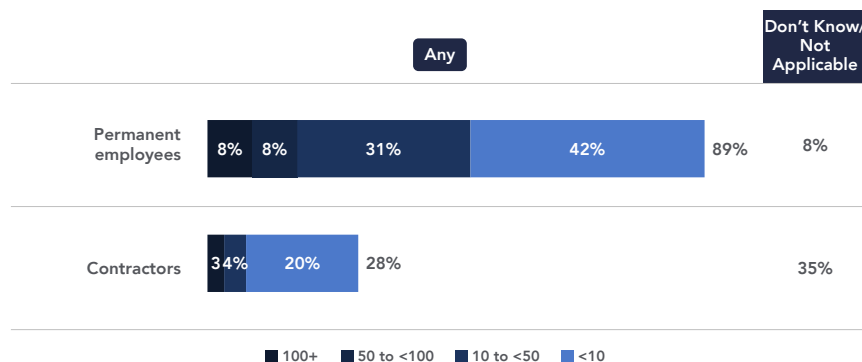
Two-in-five (42%) Manitoba organizations report a net increase in employment over the past six months, unchanged from the previous wave.



Base: Employed in HR function
C6. In the last six months, how has the total number of employees (full time and part time) in your organization's employment changed?

Nine-in-ten (89%) Manitoba organizations report the loss of permanent employees over the past six months. Just over one-quarter (28%) report the loss of contractors, although one-third (35%) say they either "don't know" or "not applicable," indicating that many of these organizations likely do not have contract employees.

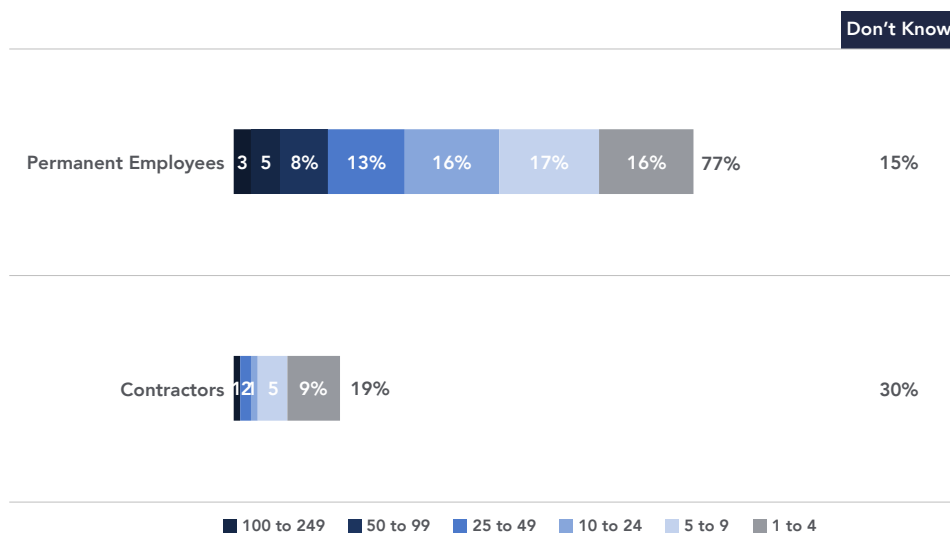
Number Who Left Organization in Past Six Months



Base: Employed in HR function (n=98)*
*Small base size; interpret with caution.
C7. In the last six months, how many people have left your organization's employment for any reason (retirement, downsizing, resignation, termination, etc.)?

Manitoba organizations are far more likely to have hired new permanent employees over the past six months than contractors. Three-quarters (77%) have hired new permanent employees in the past six months, while one-in-five (19%) have hired contractors.

Number of Recent Hires



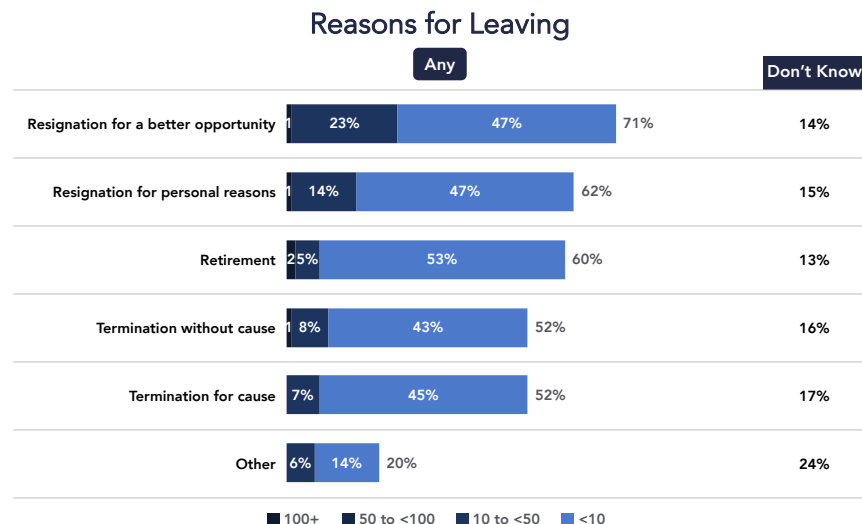
Base: Employed in HR function (n=96)*

*Small base size; interpret with caution.

C10. In the last six months, how many people have joined your organization for any reason (new hires but exempting acquisitions, and mergers)?

TERMINATION CAUSES

Resignation for a better opportunity (71%) is the most common reason employees left an organization over the past six months, followed by resignation for personal reasons (62%) and retirement (60%). Employees are equally likely to have left due to termination without cause (52%) and with cause (52%).



Base: Employees left organization (n=87)*

*Small base size; interpret with caution.

C8. In the last six months, how many people have left your organization's employment for any reason (retirement, downsizing, resignation, termination, etc.)?

Termination for cause is the most common reason for executives, technical staff, administration/support staff, and other employees to have left Manitoba organizations in the second half of 2018. Managers are most likely to have retired, and tradespersons/journeypersons are most likely to have left because they were terminated without cause. Resignation due to personal reasons or opportunity are the most common reasons for professionals to have left. Resignation for opportunity is also a common reason for technical staff.

Average Number of People Who Left By Position

	Employment Type						
	Executives	Managers	Professionals	Technical Staff	Tradespersons/Journeypersons	Administration/Support Staff	Other
Retired	8.9	28.5	23.6	29.9	12.7	26.5	43.3
Terminated for cause	18.9	7.6	12.5	38.4	18.0	59.5	60.4
Resigned for personal reasons	1.2	17.4	37.8	31.7	26.8	28.1	40.8
Resigned for opportunity	1.1	23.2	39.4	36.9	26.1	45.2	43.2
Terminated without cause	12.7	16.9	26.6	31.0	32.4	37.0	46.4

Base: Employees left organization (n=87*)

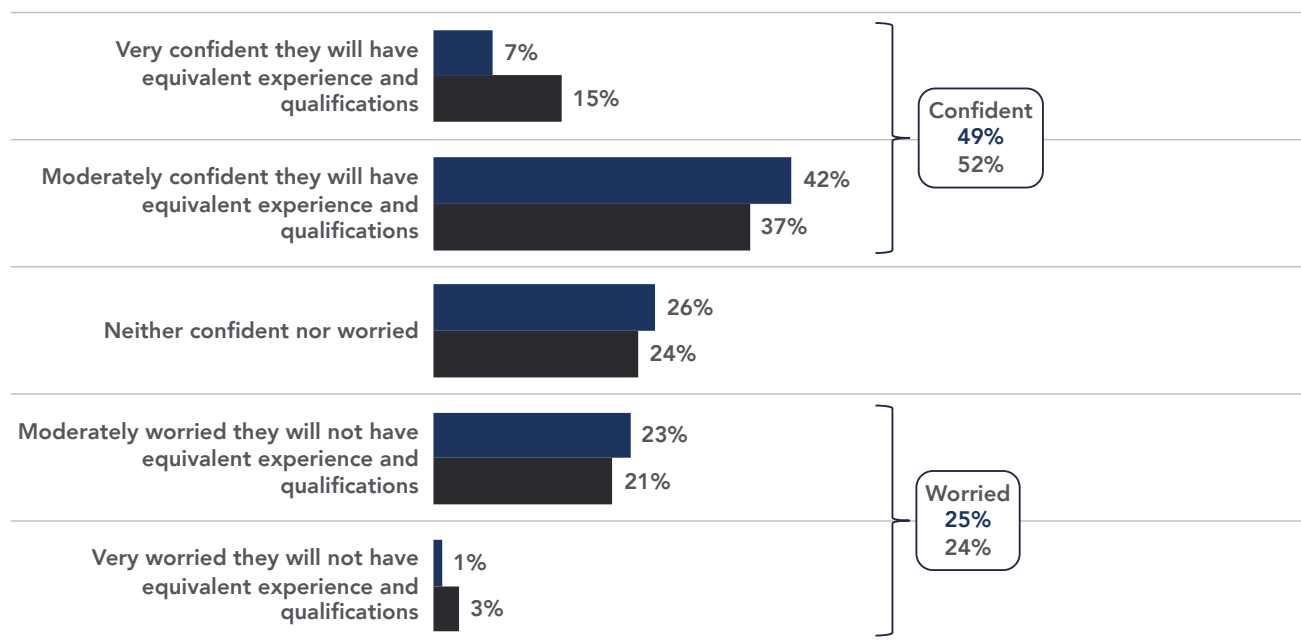
*Small base size; interpret with caution

C9a-e. In the last six months, how many people have left your organization's employment for any reason (retirement, downsizing, resignation, termination, etc.)?

Half (49%) of Manitoba organizations are confident that new hires who fill vacant positions will have equivalent experience and qualifications, a slight directional decline from the latter half of 2018. One-quarter (25%) are worried that new employees will not have equivalent experience and qualifications.

Confidence in Experience and Qualifications of New Hires

■ Jan - Jun 2019 (n=141)
■ Jul - Dec 2018



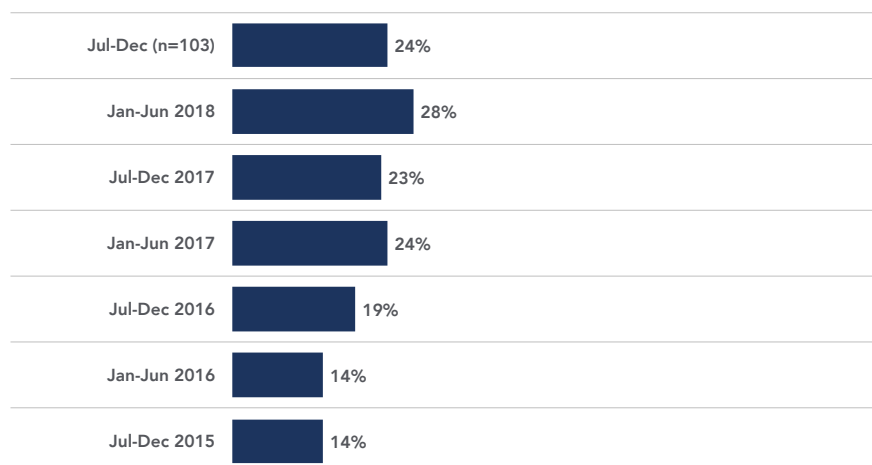
Base: Employed in HR function

C4. Over the next six months, how confident or worried are you that new hires to fill vacant positions will have equivalent experience and qualifications?

TEMPORARY LAYOFFS

One-quarter (24%) of Manitoba organizations engaged in the practice of temporary layoffs in the last half of 2018, a directional decline from the first half of 2018. Results from this wave are similar to the same time period in 2017.

Engaged in Temporary Layoffs in Past Six Months

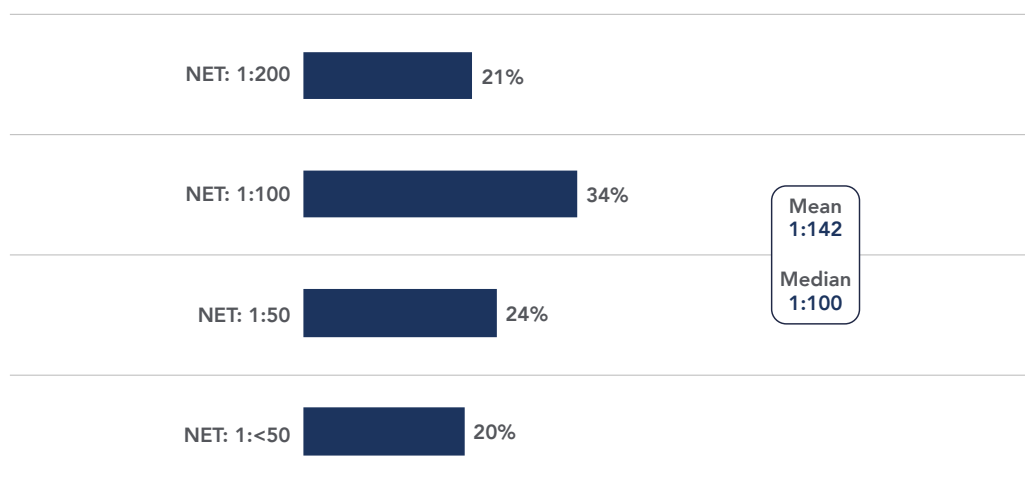


Base: Employed in HR function
C12. Has your organization engaged in temporary or seasonal layoffs in the last six months?

HR TEAM RATIO

Manitoba organizations have an average of 142 employees for each Human Resources employee, with a median of 100 employees for each HR employee. At the top of the scale, one-in-twenty organizations (21%) have a two hundred to one employee to HR professional ratio, while a similar proportion (20%) have one-fourth the ratio, with less than fifty employees for every HR employee.

Ratio of HR to Other Employees



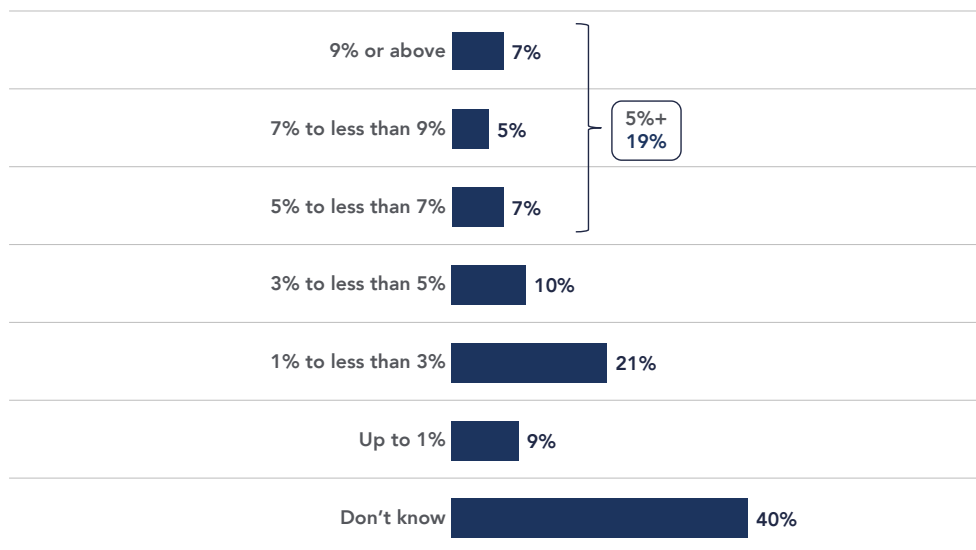
Base: Employed in HR function (n=94)*
*Small base size; interpret with caution.
C5. What is the ratio of HR employees to all other employees in your organization?

EMPLOYEE DEVELOPMENT

LEARNING AND DEVELOPMENT BUDGETS

The majority (60%) of Manitoba organizations are aware of what percent of their budgeted expenses are allocated towards learning and development for employees in their organization. One-in-five (19%) allocate at least five percent of their budgeted expenses towards learning and development. The largest proportion allocate between 1% and 3% of their budgeted expenses for this purpose.

Budgeted Expenses for Employee Development

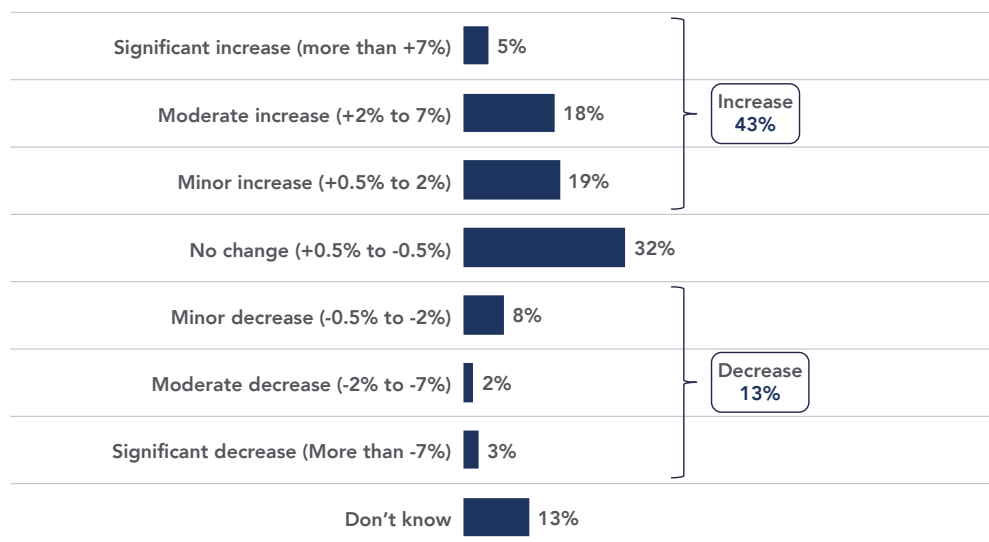


Base: Employed in HR function, excluding not applicable (n=109)

D6. Approximately what percentage of budgeted expenses is allocated for learning and development for employees in your organization?

Two-in-five (43%) Manitoba organizations expect to see an increase in their human resources budget for next year, including one-in-twenty who expect to see a significant increase of 7% or more. Just over one-in-ten (13%) expect to see a decrease.

Expected Change to 2019 HR Operations Budget



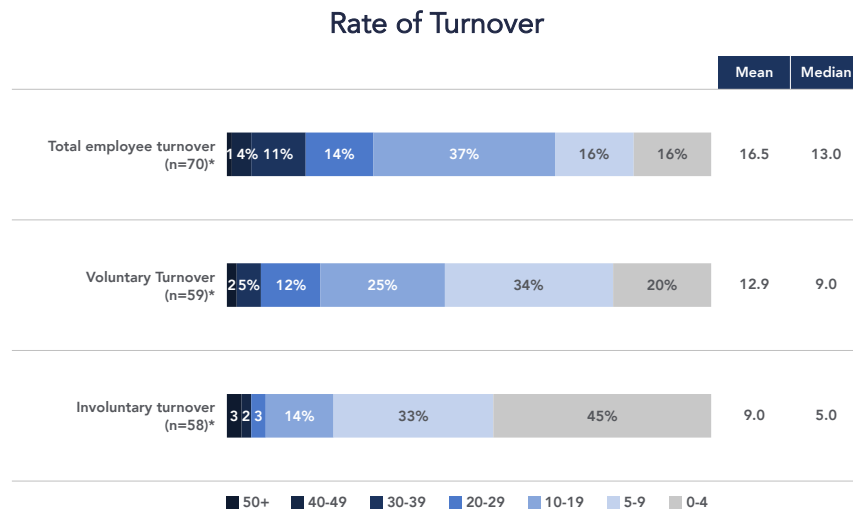
Base: Employed in HR function, excluding not applicable (n=110)

D5. Which one of the following options most closely matches how you expect your HR operations budget to change within the next budget year?

EMPLOYEE TURNOVER

TURNOVER RATE

Manitoba organizations saw an average employee turnover (employees leaving as a percentage of the total) of 16.5% over the past year. The average voluntary turnover (12.9%) was higher than that of involuntary (9.0%).



Base: Employed in HR function

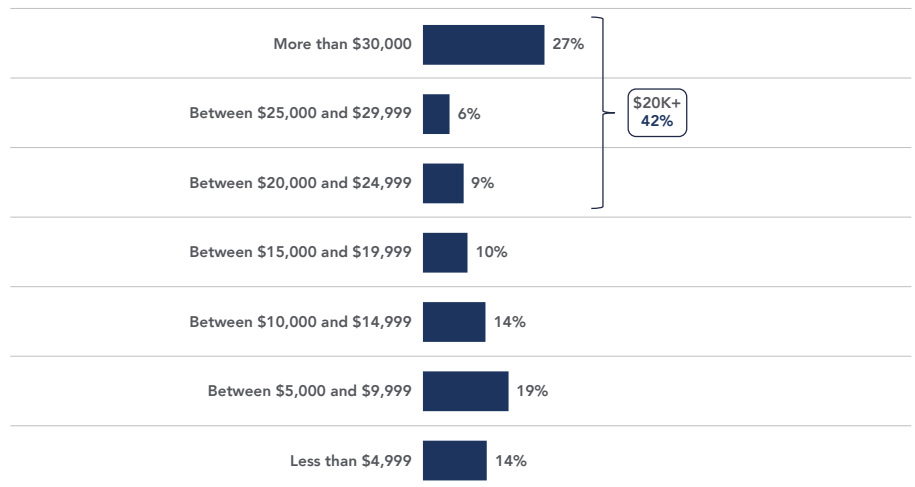
*Small base size; interpret with caution.

D3. What is the rate for the following types of turnover at your organization (number of employees leaving as a percentage of total)?

TURNOVER IMPACT

Two-in-five (42%) estimate that in the previous year, total employee turnover cost their organization \$20,000 or more; one-quarter (27%) estimate the total cost as \$30,000 or more.

Total Estimated Cost of Employee Turnover in Past year



Base: Employed in HR function, excluding don't know (n=98)*

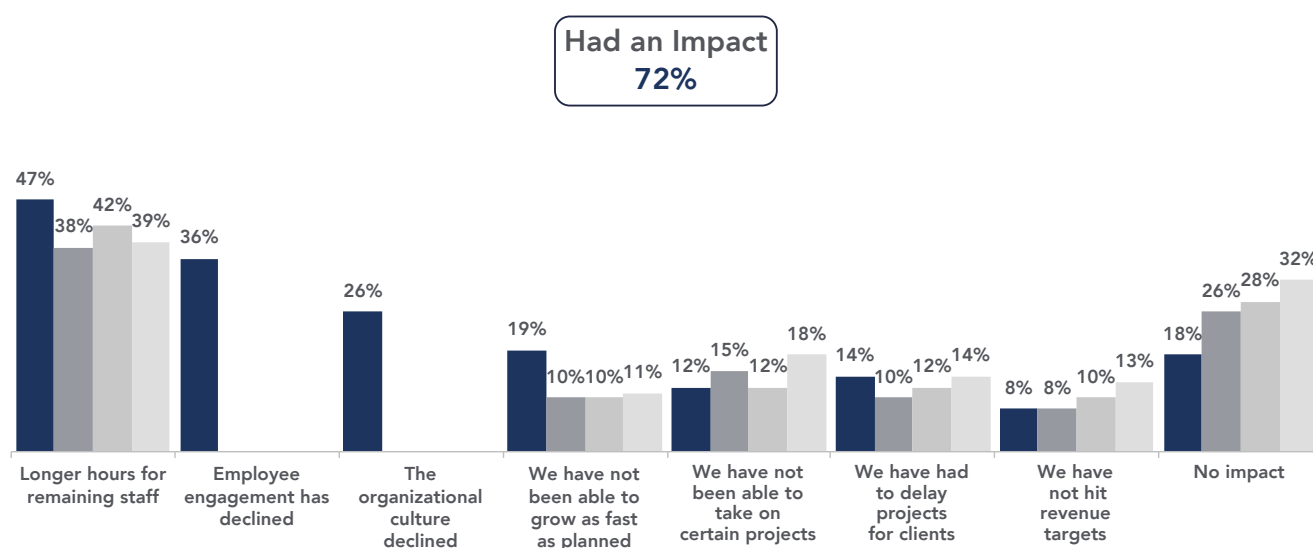
*Small base size; interpret with caution.

D4. Please estimate the total cost to your organization in the past year when processing an employee turnover for any reason.

In addition to direct monetary costs, just under three-quarters (72%) of Manitoba organizations report other effects of employee turnover, most commonly *longer hours for remaining staff* (47%), followed by a *decline in employee engagement* (36%). One-in-ten (8%) continue to believe that they have *not hit revenue targets* due to employee turnover.

Past Year Turnover Effects

■ Jul-Dec 2018 ■ Jul-Dec 2017 ■ Jul-Dec 2016 ■ Jul-Dec 2015



Base: Employed in HR function, excluding not applicable (Jul-Dec 2018 n=119)

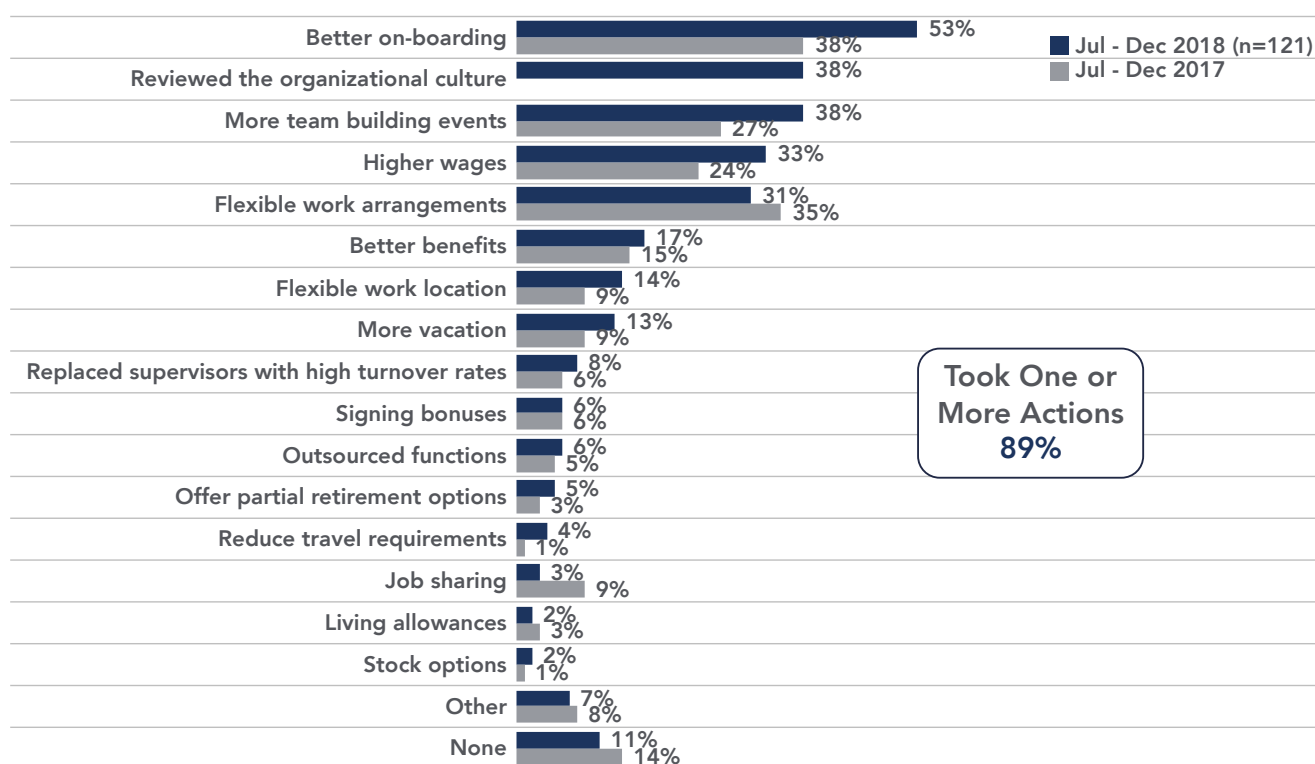
D2. In the past year, how has employee turnover affected your organization?

Note: "Employee engagement has declined" and "The organizational culture has declined" were added in the Jul-Dec 2018 wave.

REDUCING TURNOVER

Nine-in-ten (89%) Manitoba organizations took one or more actions to reduce employee turnover. Better onboarding (53%) continues to be the most popular action and has increased from the same period last year. Other common actions include *reviewing the organizational culture* (38%), *higher wages* (33%), and *flexible work arrangements* (31%).

Past Year Actions to Reduce Turnover



Base: Employed in HR function, excluding not applicable

D1. In the past year, what actions have you taken to reduce turnover for any reason?

Note: "Reviewed organizational culture" was added in the Jul-Dec 2018 wave

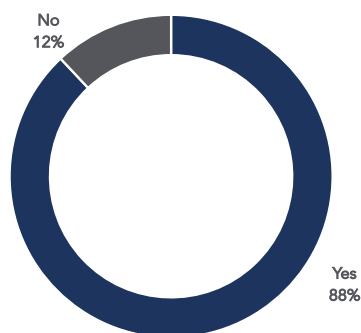
PERFORMANCE MANAGEMENT

USE OF FORMAL PERFORMANCE REVIEWS

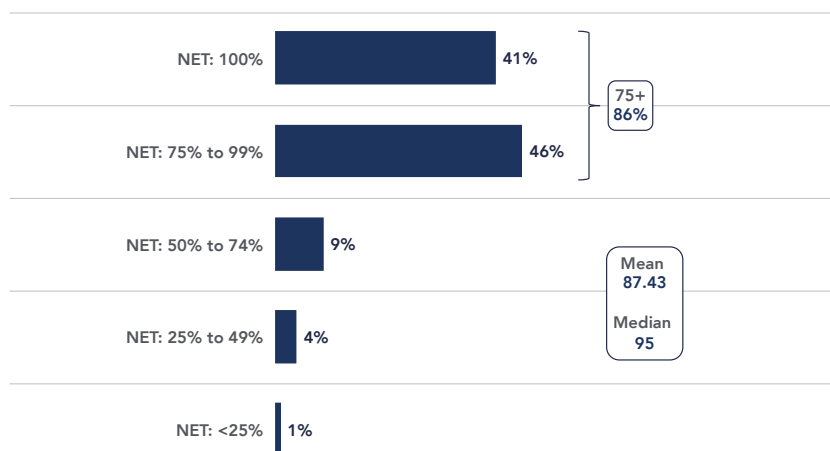
Nine-in-ten (88%) Manitoba organizations have a formal performance review program.

Among those with a formal performance review program, a strong majority (86%) find that they have a compliance rate of at least three-quarters, including two-in-five (41%) who have 100% compliance.

Use Formal Performance Review



Performance Review Completion Rate

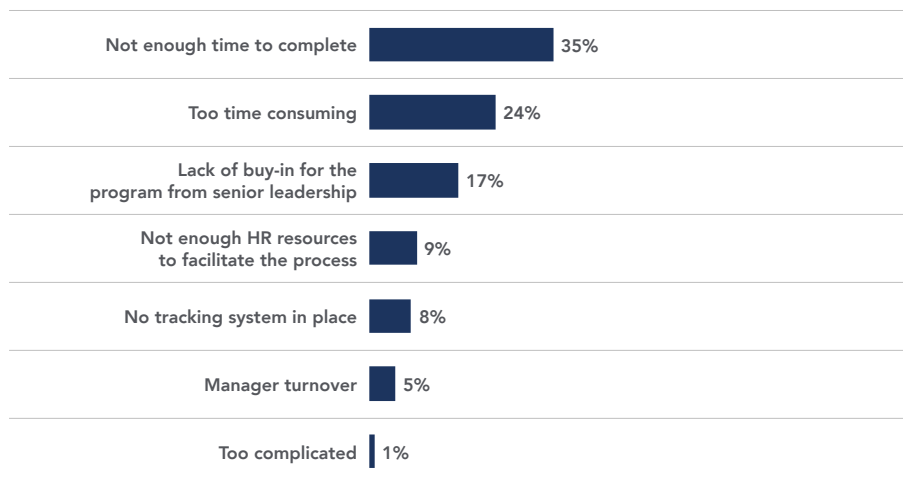


Base: Employed in HR function (n=117)
P1. Does your organization use/have a formal performance review program?

Base: Have formal performance review, excluding not sure (n=81)*
*Small base size; interpret with caution.
P2. What is the completion/compliance rate for your performance review program?

Among those who indicated that their organization does not have complete compliance with the performance review program, the most common reasons are related to time – either that there wasn't enough time to complete the review (35%) or that the process was too time consuming (24%). One-in-five (17%) say it is due to a lack of buy-in from senior leadership.

Reason for Non-Compliance with Performance Review Program

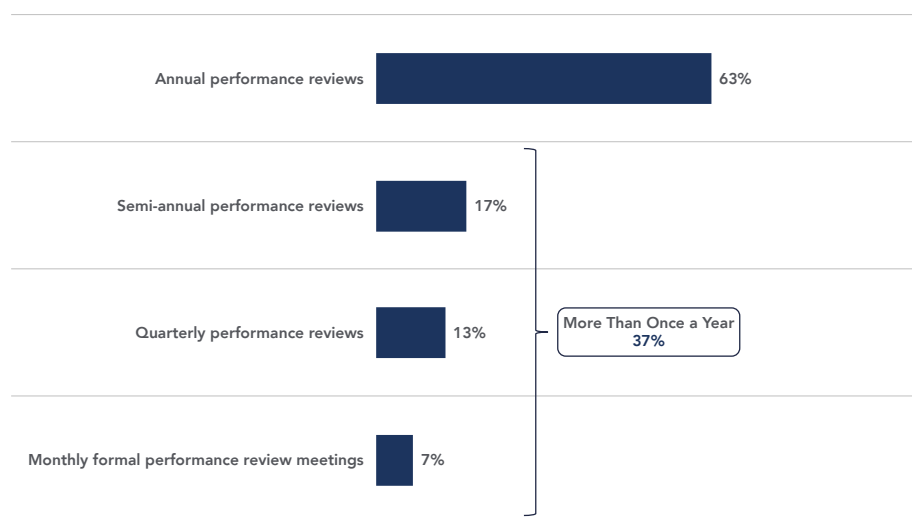


Base: Have formal performance review (n=98)*
*Small base size; interpret with caution.
P5. Based on your experience at your current organization, what is the primary reason for non-compliance with the performance management program?

APPLICATION OF FORMAL PERFORMANCE REVIEW PROGRAM

The majority (63%) of those with formal performance review programs conduct a review annually. Two-in-five (37%) conduct more frequent reviews, including just under one-in-ten (7%) who do so monthly.

Performance Review Frequency

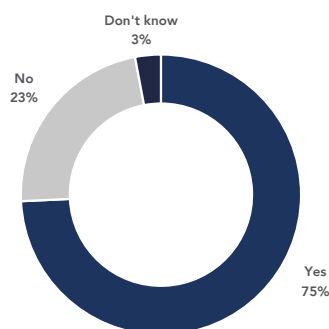


Base: Have formal performance review (n=103)
P1a. What is the frequency of the performance review process?

The majority report that their performance review program includes both performance ratings/rankings (73%) and qualitative observations (64%). Less than half (41%) report having quantitative benchmarks.

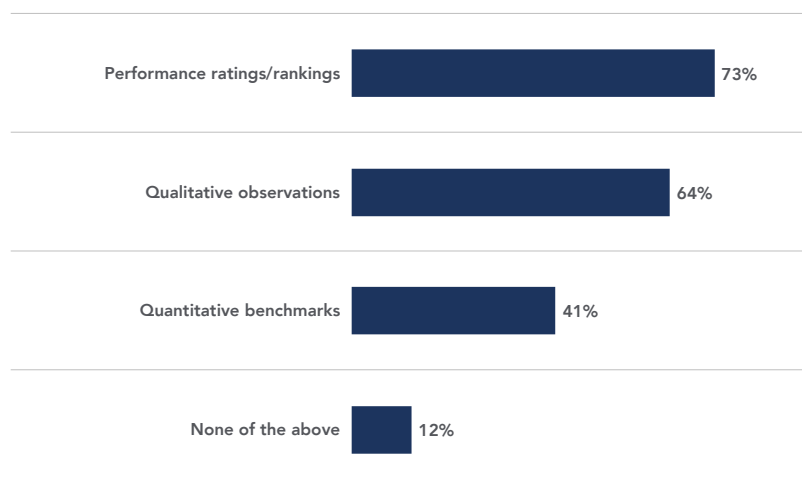
Another three-quarters (75%) report having a self-assessment process as part of the performance management review.

Self-Assessment Process as Part of Performance Review



Base: Employed in HR function (n=110)
P9. Does your performance management review process allow for self-assessment as part of the review?

Performance Review Components

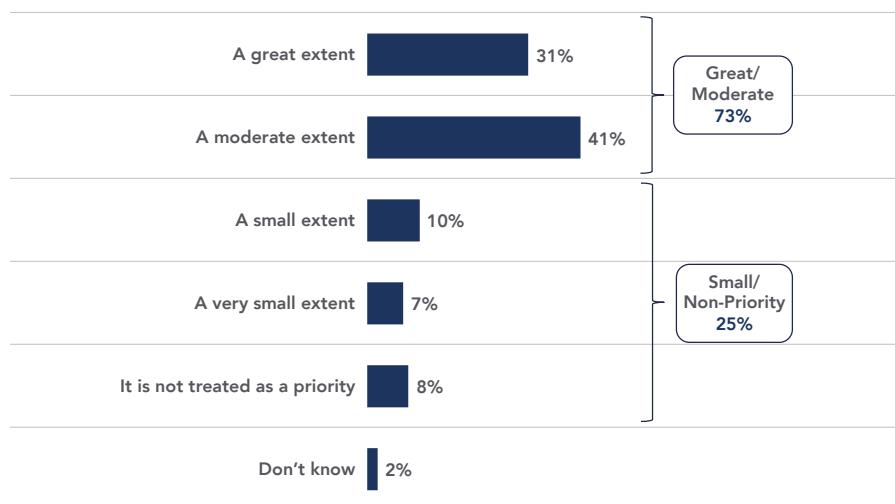


Base: Have formal performance review (n=102)
P3. Does your performance review program include the following?

ATTITUDES TOWARDS FORMAL PERFORMANCE REVIEW PROGRAM

Three-quarters (73%) report that compliance with their organizations' performance management review program is treated as a priority, including three-in-ten (31%) who agree "to a great extent." One-quarter (25%) don't think compliance is treated as a priority.

Extent Performance Management Compliance Treated as a Priority



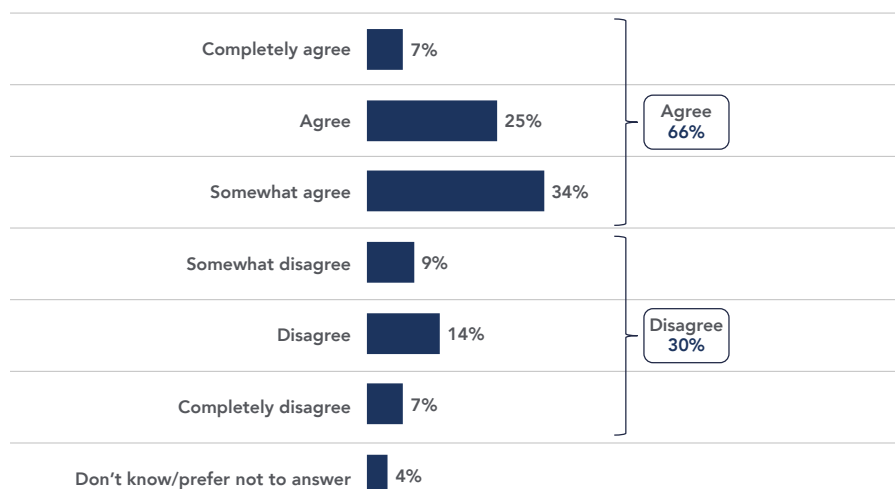
Base: Have formal performance review (n=99)*

*Small base size; interpret with caution.

P4. To what extent does your organization treat compliance with the performance management program as a priority?

There is room for improvement in the effectiveness of management programs in Manitoba. Although two-thirds (66%) agree that their organization's management program is effective, within this group, few (7%) completely agree with this statement while one-third (34%) somewhat agree. Three-in-ten (30%) disagree with this statement as it applies to their organization.

Agreement that My Organization's Performance Management Program is Effective



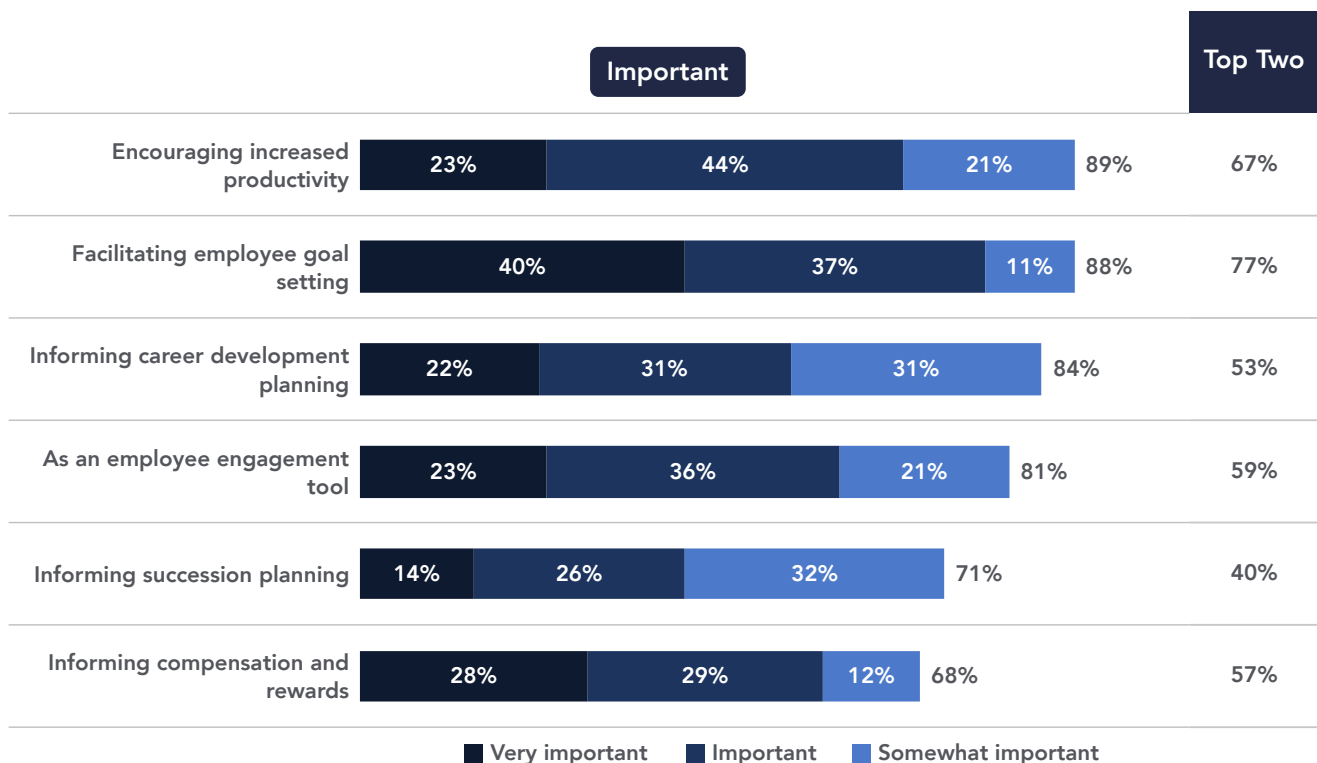
Base: Employed in HR function (n=112)

P7. To what extent do you agree with the following statement?

My organization's performance management program/system/method is effective at managing performance of employees.

The majority of Manitoba organizations consider all of the aspects of their employee management programs at least somewhat important. *Facilitating employee goal setting* (77%) receives the highest proportion of “very important” or “important” ratings (top two), followed by *encouraging increased productivity* (67%). *Informing succession planning* receives the lowest important ratings, with two-in-five (40%) rating this aspect in the top two.

Importance of Goals for Performance Management Program



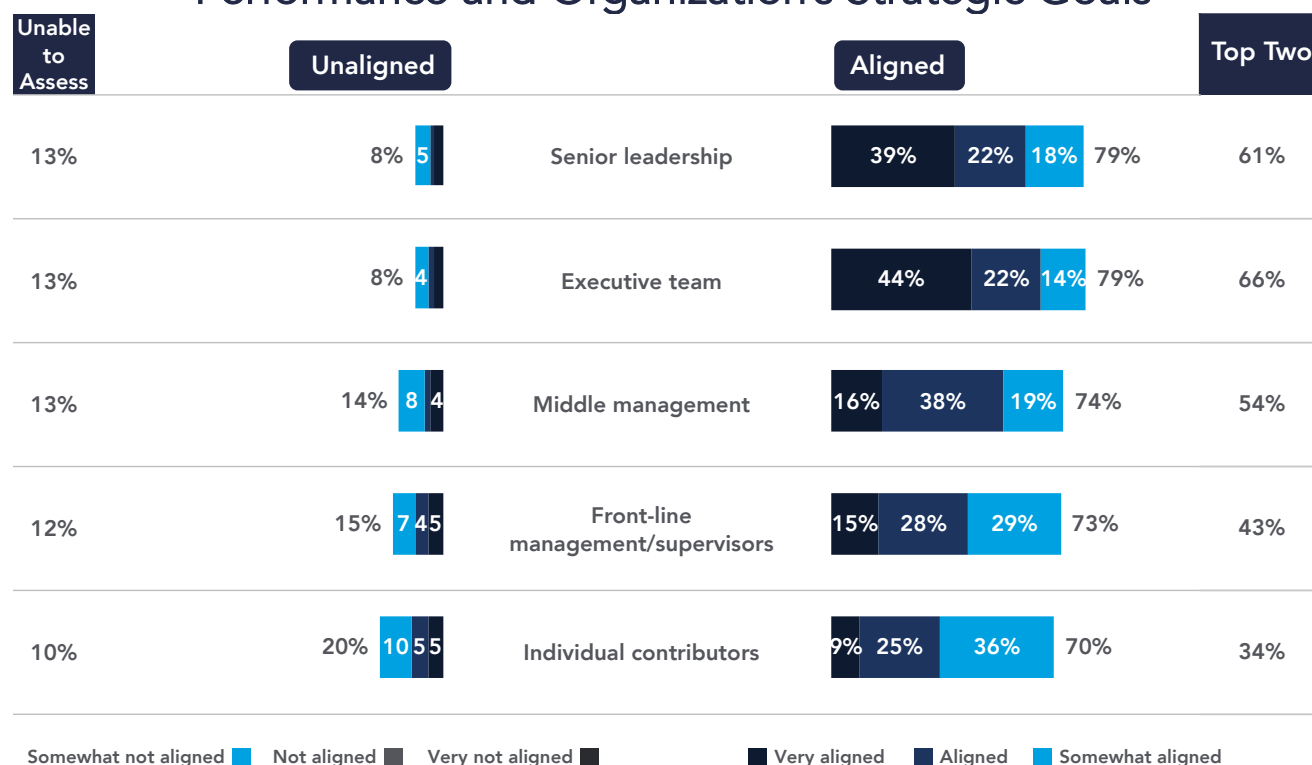
Base: Have formal performance review (n=98*)

**Small base size; interpret with caution*

P6. Please indicate below the importance of the following purposes at your organization.

The majority believe that individual performance goals at their organization are at least somewhat aligned with the strategic goals of their organization for all levels; however, when viewing the strength of that alignment, clear distinctions become apparent. While the majority of senior leadership and executive team's performance goals are "very aligned" or "aligned" (top two) with the organization's strategic goals, this is true for less than half of individual contributors and front-line management/supervisors.

Extent of Alignment Between Individual Performance and Organization's Strategic Goals



Base: Employed in HR function (n=110)

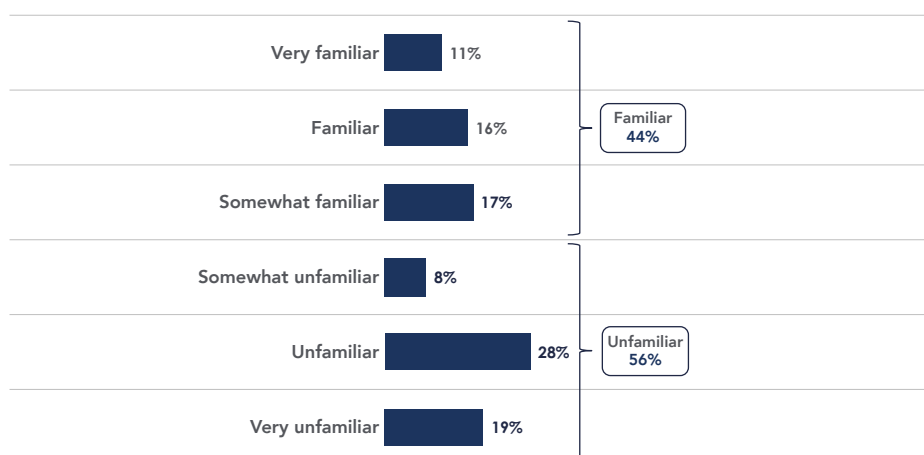
P8. Based on your knowledge, to what extent are individual performance goals aligned with the strategic goals of your organization for different levels of employees?

TRUTH AND RECONCILIATION

FAMILIARITY AND ACKNOWLEDGEMENT

More than two-in-five (44%) Manitoba HR professionals consider themselves familiar with the fact that the Truth and Reconciliation Commission's report included specific Calls to Action for the business community. A larger proportion (56%) consider themselves unfamiliar with this fact.

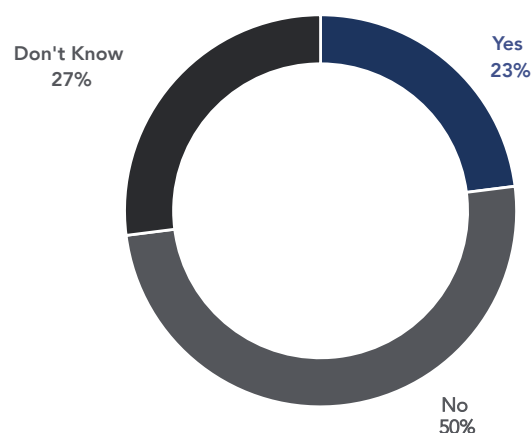
Familiarity with Truth and Reconciliation Commission's Calls to Action



Base: Employed in HR function (n=109)
P11. How familiar are you with the fact that the Truth and Reconciliation Commission's report included specific Calls to Action for the business community?

Less than one-quarter (23%) work for an organization that formally or informally acknowledges the Truth and Reconciliation Commission's Calls to Action.

Truth and Reconciliation Acknowledgment

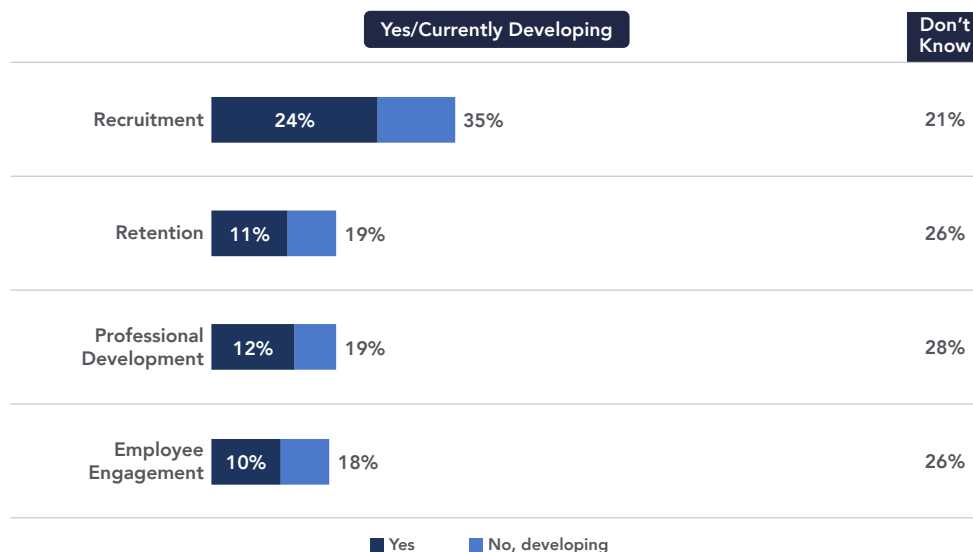


Base: Employed in HR function (n=110)
P10. Has your organization formally or informally acknowledged the Truth and Reconciliation Commission's Calls to Action?

INDIGENOUS STRATEGY

One-quarter (24%) of Manitoba organizations currently have an Indigenous strategy for recruitment, and an additional one-in-ten (11%) are currently developing one. One-in-five either currently have or are developing Indigenous strategies for employee retention (19%) and professional development (19%) and/or engagement (18%).

Indigenous Strategy for HR Practice Areas

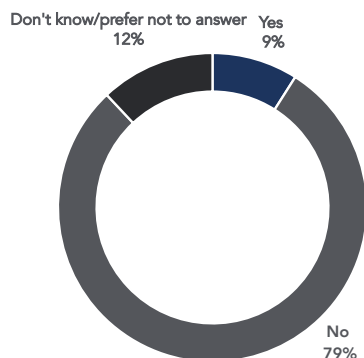


Base: Employed in HR function (n=108)

P13. Has your organization developed a strategy aimed at persons who identify as indigenous for the following?

Only one-in-ten (9%) include reconciliation as part of their diversity and inclusion strategy, and a similar proportion (8%) have a separate reconciliation strategy from diversity and inclusion.

Inclusion of Reconciliation Strategy in Diversity Strategy

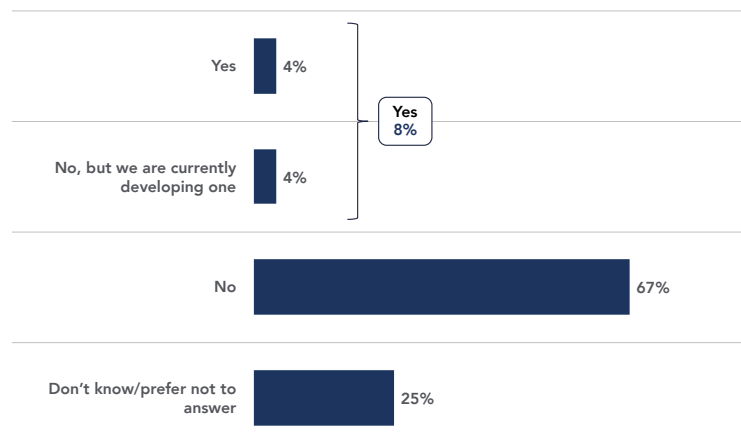


Base: No separate reconciliation strategy (n=75)*

*Small base size; interpret with caution.

P15a. Does your organization include reconciliation as part of the diversity and inclusion strategy?

Separate Reconciliation Strategy from Diversity and Inclusion Strategy

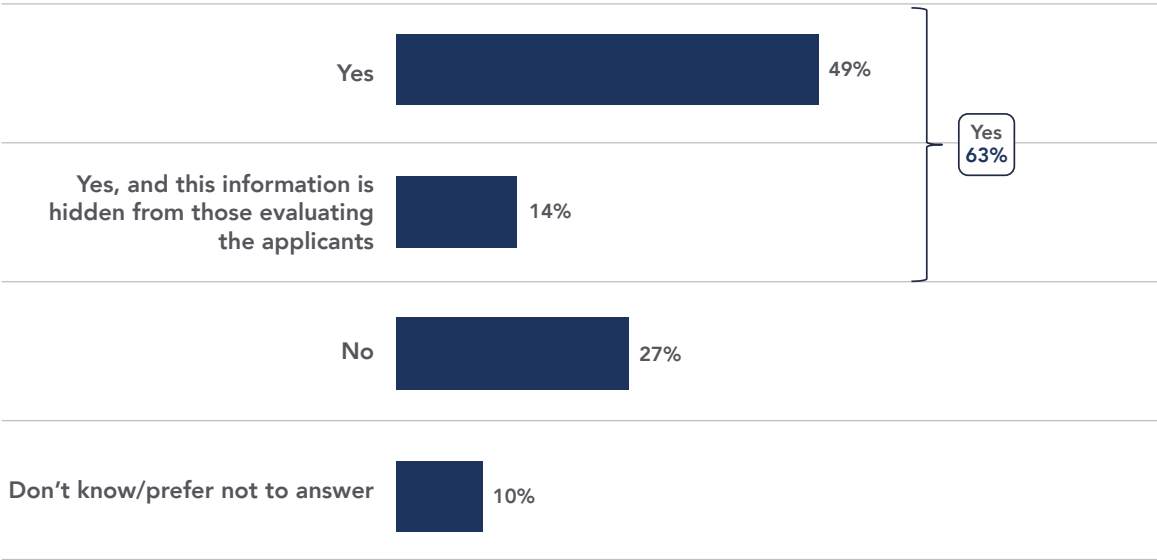


Base: Employed in HR function (n=106)

P15. Does your organization have a reconciliation strategy separate from the diversity and inclusion strategy?

The majority (63%) of Manitoba organizations offer job applicants the opportunity to self-declare that they are Indigenous at some point during or after the recruitment process. This includes 14% who keep this information hidden from evaluators.

Opportunity to Self-Declare as Indigenous



Base: Employed in HR function (n=108)

P14. Does your organization offer job applicants the opportunity to self-declare that they are Indigenous at any-point during or after the recruitment process?

In the survey, indigenous training was classified into three types: Introductory training, community engagement training and cultural awareness training. Generally, Introductory training focuses more on imparting knowledge and understanding on Canada's history from an indigenous perspective, treaties, residential schools and the importance of reconciliation. Whereas, cultural awareness training is often more in-depth and will include building awareness of cultural values and practices in indigenous communities. Community engagement training tends to focus on equipping an individual with knowledge and tools to build respectful relationships with indigenous communities.

A similar proportion offer at least some training for all of the different training types tested, with one-third offering introductory Indigenous training for existing employees (33%), three-in-ten offering Indigenous community engagement training (31%) and/or introductory Indigenous training for new hires (28%) and one-quarter offering Indigenous cultural awareness/competency training (26%).

Among those who have some sort of Indigenous training, this type of training is most commonly required by all employees, followed by those who will interact with Indigenous communities in their day-to-day work. Few require the training only of those in supervisory, management, or leadership positions.

Requirement to Complete Indigenous Training by Role

	Training Types			
	Introductory Indigenous Training for New Hires	Introductory Indigenous Training for Existing Employees	Indigenous Community Engagement Training	Indigenous Cultural Awareness/Competency Training
ANY	28%	33%	31%	26%
All employees	19%	24%	14%	27%
Only employees that will interact with Indigenous communities in their day-to-day work	4%	6%	8%	5%
All front-line supervisors	3%	1%	2%	0%
Middle management	0%	0%	2%	0%
All management	3%	3%	5%	3%
Senior leadership	1%	2%	3%	3%

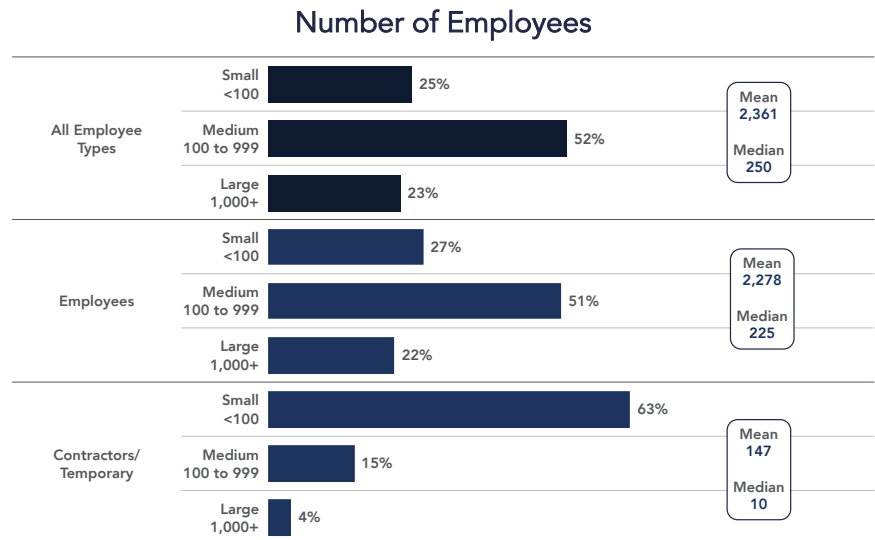
Base: Employed in HR function (n=108)

P12. Please indicate for whom does your organization require to complete the following type of training?

RESPONDENT PROFILE

ORGANIZATION SIZE

For the purposes of this report, small organizations are defined as those having fewer than 100 employees (of all types), medium organizations as those having between 100 and 999 employees, and large organizations as those employing 1,000 or more employees. The average number of employees for organizations across Manitoba is 2,361, while the median is 250.



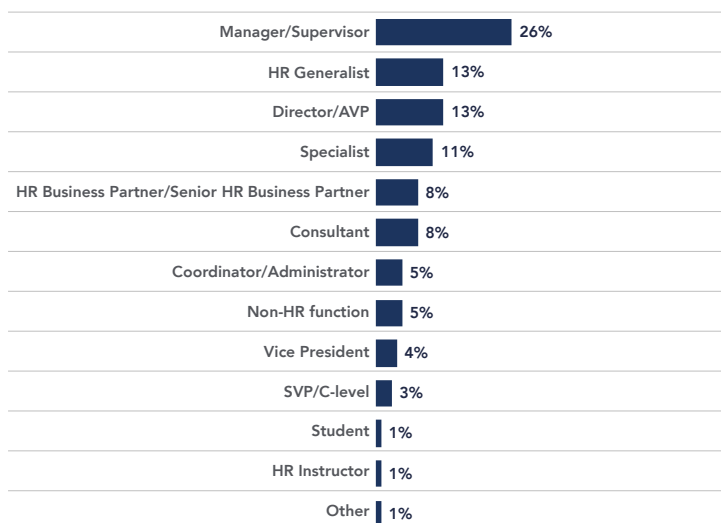
Base: Employed in HR function (n=142)

C2. How many people (both full time and part time) does your organization have in the province of (S1).

DEMOGRAPHICS

Respondents were also distributed across a wide range of roles in the organization as well as sectors and organization type. Half (50%) have at least some unionization among their employees.

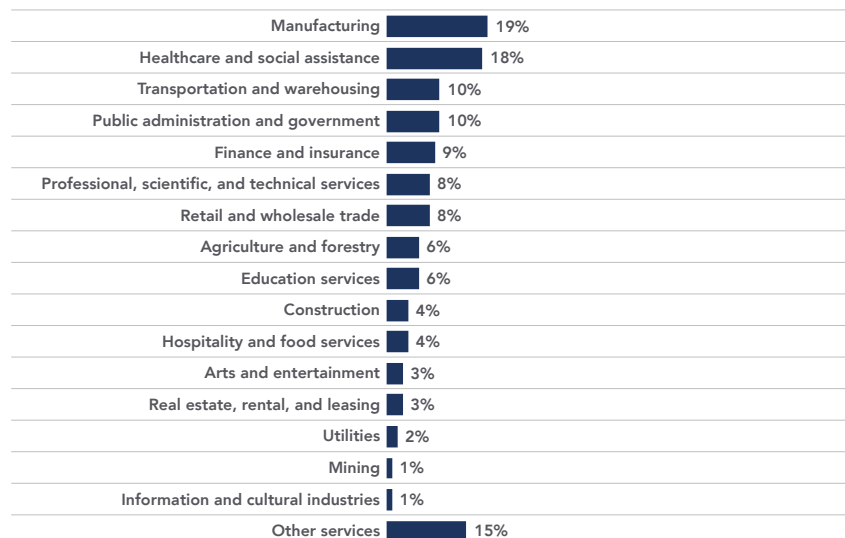
Organization Role



Base: All respondents (n=158)

C1. Which option best describes your role in your organization?

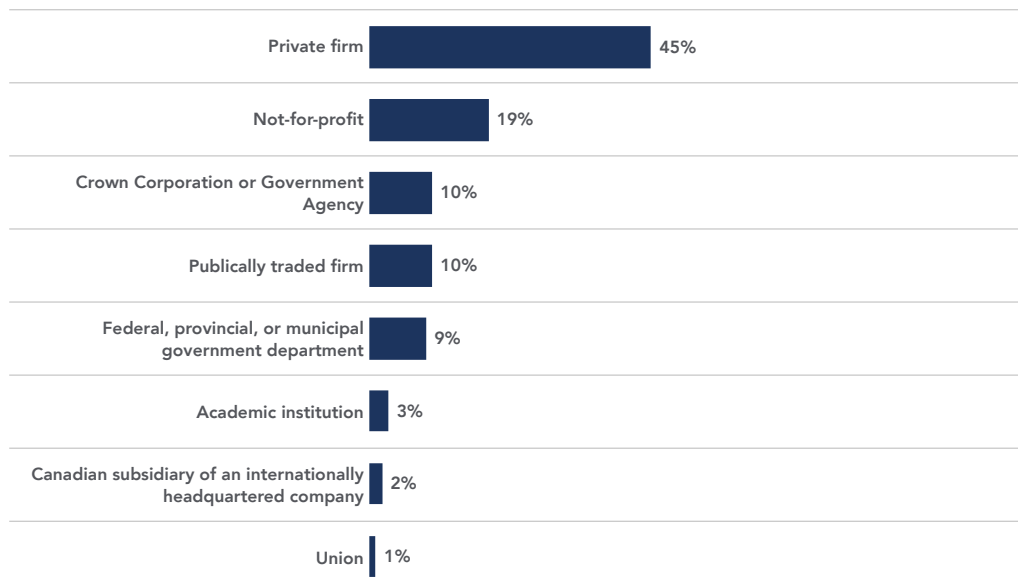
Organization Sector



Base: Employed in HR function (n=143)

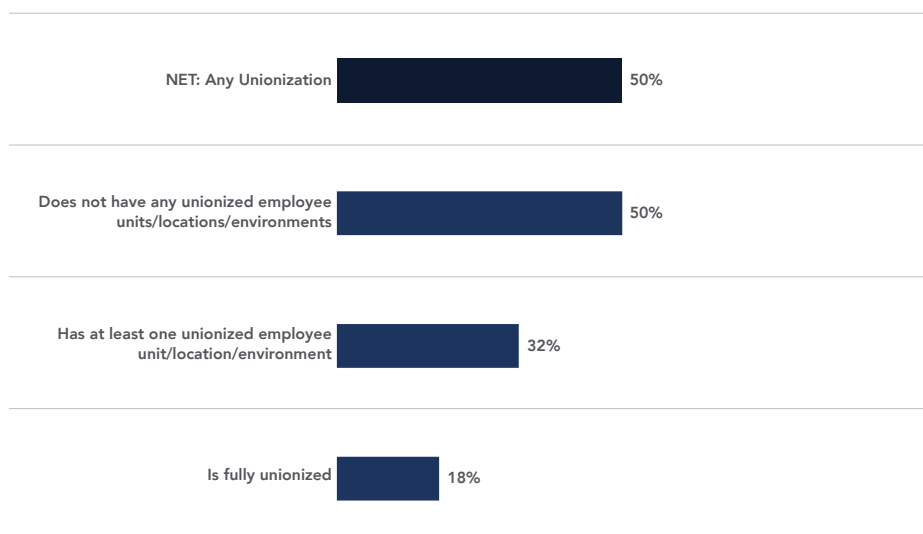
C3. What sector does your organization operate in? If you are a consultant to multiple firms, please select all of the applicable areas.

Type of Organization



Base: Employed in HR function (n=143)
C3a. My organization is a...

Organization Union Status



Base: Employed in HR function (n=143)
C3b. Which of the following best describes your organization?

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ABOUT THE ORGANIZATION

Chartered Professionals in Human Resources of Manitoba

CPHR Manitoba is the professional association dedicated to strengthening the human resources profession and upholding the highest standards of practice. We link members, businesses, and the general public to important HR issues and trends that are occurring provincially, nationally, and globally.

CPHR Manitoba is the exclusive certifying body in Manitoba for the nationally recognized Chartered Professional in Human Resources (CPHR) designation - the leading standard for HR professionals in Canada. The CPHR demonstrates HR expertise, experience and ethical management of today's human capital.