

EXECUTIVE SUMMARY



An Inquiry into the State of HR in Canada

April 2011

Paul Juniper and Alison Hill
Queen's University IRC



EXECUTIVE SUMMARY



An Inquiry into the State of HR in Canada

April 2011

Paul Juniper and Alison Hill
Queen's University IRC



ACKNOWLEDGMENTS

The Queen's University Industrial Relations Centre would like to recognize and thank all the individuals who participated in our survey, "An Inquiry into the State of HR in Canada." Your thoughtful feedback, insights, and comments have helped us to better understand and describe the HR profession in Canada.

INTRODUCTION

The Queen’s University Industrial Relations Centre (IRC) is committed to increasing our research portfolio. Recognizing that the state of the human resources (HR) profession is changing, in Canada and around the globe, the IRC sought to explore both quantitatively and qualitatively how Canadian practitioners view their profession. In February 2011, we launched a 53-question survey, “An Inquiry into the State of HR in Canada.” The purpose of the survey was to describe the HR profession in Canada, based on the perspectives of practitioners.

We divided the survey into two sections. In the first section, we asked demographic questions that addressed respondents’ professional backgrounds, role(s) in their organization, and the structure of their organizations. In the second section, we asked for individual perspectives on the HR profession. The survey included a mixture of open and close-ended questions, which were pilot tested with a sample of HR practitioners in our database, to ensure clarity and comprehensiveness of the questions. We pre-tested the survey, and then launched a live version of the survey on February 9, 2011.

When the survey closed on February 28, 2011, a total of 451 complete responses were collected. The IRC Research Team proceeded to aggregate and analyze the data. This Executive Summary presents an overview of some of the survey data. In the first section, we outline some of the key demographic trends that were revealed in our survey data. In the second section, we discuss the involvement of respondents in HR activities, the perceived challenges and priorities for HR departments, and the skills and knowledge that are required by HR professionals. Then, we discuss the future of HR in Canada. We conclude the report with a discussion on our findings and our next steps.

SECTION I: DEMOGRAPHIC INFORMATION

We began our survey by asking questions that would allow us to describe the demographic characteristics of HR professionals in Canada and the organizations in which they work. Accordingly, in this section we discuss the demographic trends that prevail amongst HR professionals, including: gender, age, level of education, number of years of experience, job title, and primary roles. We then present data regarding HR association membership. Finally, we describe the distribution of organizations in our study, in terms of size and sector representation.

Gender

The majority of our survey respondents, 73%, are female. Figure 1 illustrates the distribution of female and male responses.

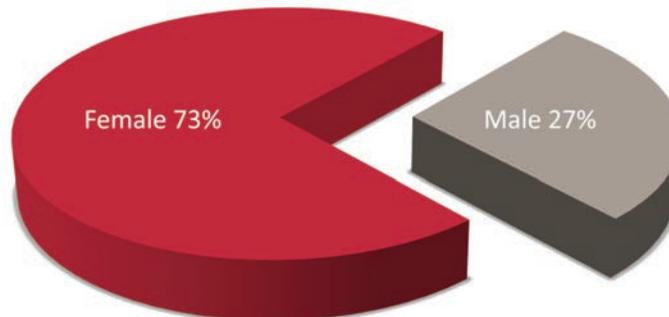


Figure 1. Gender

Age

Our survey sample spans all age brackets. Approximately 55% of our respondents are over the age of 46, while 45% are 45 years of age or younger. Respondents are concentrated between the ages of 46 and 55, with 33.7% of our respondents falling into this age category. Figure 2 illustrates the distribution of ages of the respondents.

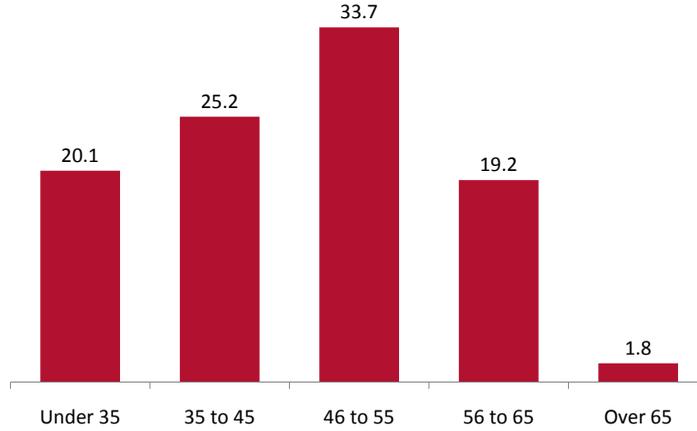


Figure 2. Age distribution of respondents

When we analyzed the age of our survey participants according to gender, we found that the male respondents are, in general, older than the female respondents. For example, 63.7% of males are over the age of 46, compared to 51% of females in this same age category.

Education

HR professionals are well educated. Approximately 91% of our respondents hold some type of post-secondary education. More specifically, 43.5% of respondents have earned an undergraduate degree, while 23.3% of respondents have earned a graduate degree. A further 23.7% have earned a college diploma or certificate (Figure 3).

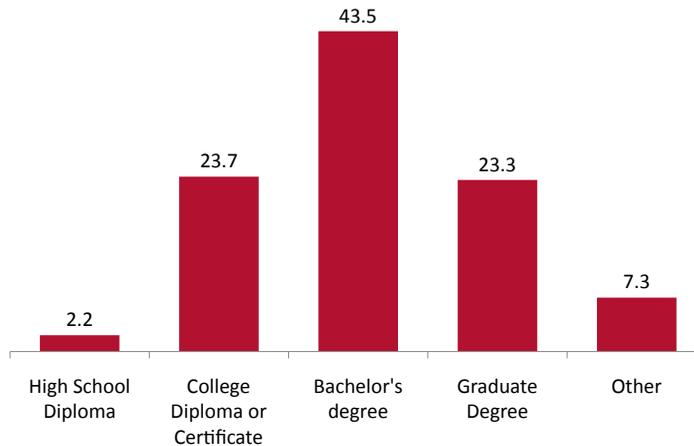


Figure 3. Highest level of education achieved

More than half of our survey respondents, 52.1%, hold a Certified Human Resources Professional (CHRP) designation.

Years of Experience

The number of years of experience that an individual has in the HR field is relatively evenly distributed across respondents. As Figure 4 illustrates, approximately 42% of our respondents have between five and 15 years of experience, with 28% of respondents having 16 to 25 years of experience, and the remainder of survey sample evenly split with either less than 5 years of experience (15%) or more than 25 years of experience (15%).

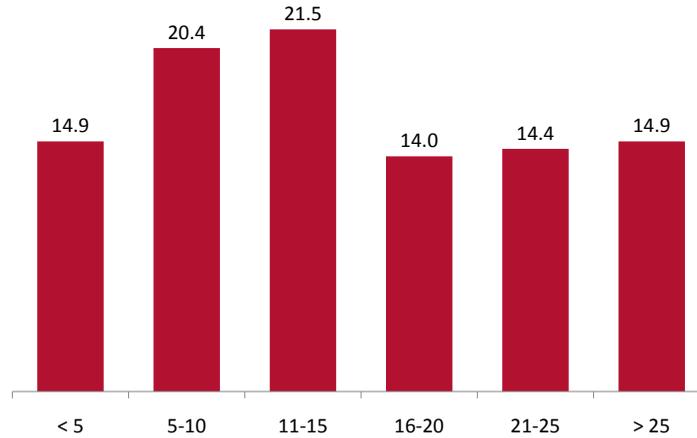


Figure 4. Number of years of experience in the HR profession

Job Title

Approximately 29% of our survey respondents hold titles that are professional or technical in nature; 45% are managers or directors, and 10% are executive leaders (CEO/presidents, vice-presidents, or equivalent titles). Figure 5 shows the range of job titles included in our survey.

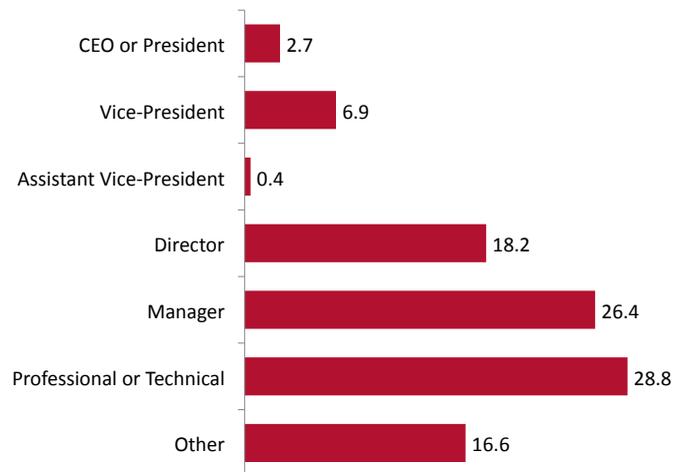


Figure 5. Job title

An interesting trend in the data is that while 73% of our respondents are female, males who participated in our survey are more likely to hold senior titles than are females. For example, when we compare the distribution of males and females who are in the role of CEO/President (or equivalent), we find that 4.1% are males, and 2.1% are females. In contrast, 30.7% of females occupy a professional/technical role, whereas 23.1% of males are in this same job category.

These numbers are not at all surprising. Our data show a statistically significant relationship between age, gender, and experience. That is, males in our study are, in general, older than females and have more experience in the HR profession (as measured in years of service). We surmise that experience, in part, contributes to the fact that males hold more senior roles than females.

Primary Role

When asked what their primary role in their organization is, the HR professionals in our survey reported that they are predominantly HR generalists (31.3%), are responsible for senior leadership (28.2%), or manage employee/labour relations (12.6%). Figure 6 illustrates the primary roles held by our survey respondents.

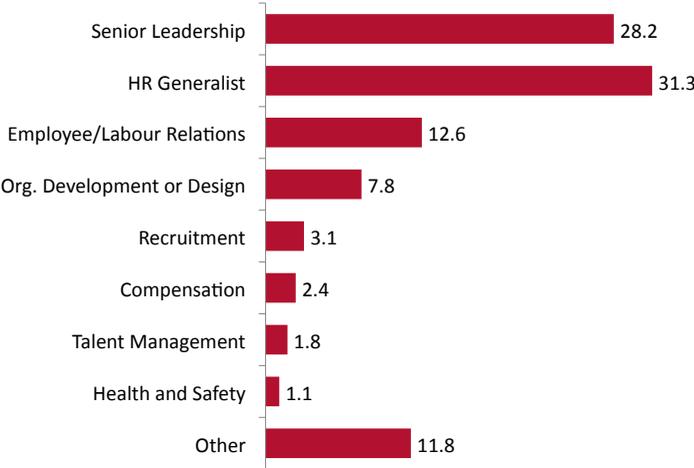


Figure 6. Primary role of respondents

The primary roles held by our survey respondents are consistent with the distribution of job titles presented in the previous section.

HR Association Membership

More than three-quarters (76%) of our survey respondents belong to a provincial HR association. Other associations to which HR professionals in our survey belong include International Personnel Management Association (IPMA) and WorldatWork. Approximately 10% of survey respondents are IPMA members and 5% belong to WorldatWork. Grounded in these numbers, we conclude that HR professionals value membership to an HR association.

Organizations

It is important to note that individuals provided their own perspectives on the HR profession. While we did ask respondents to identify the size of their organization and the sector in which they are employed, responses are not necessarily tied to organizational affiliation.

HR professionals in our survey are equally employed in the public and private sectors. 43.7% of our survey respondents work in the public sector, while 42.8% are private sector employees. In addition, 8.0% of survey respondents work in the not-for-profit sector. The remainder of the survey respondents, 5.5%, is employed in “other” sectors.

Organizational size ranged from fewer than 500 full-time equivalent (FTE) employees to more than 5,000 FTE employees. Approximately 41% of the organizations represented in our study have fewer than 500 FTE employees, while 35% have between 500 and 4,999 FTE employees, and 24% have more than 5,000 FTE employees. Figure 7 illustrates the distribution of organizational sizes represented in our survey.

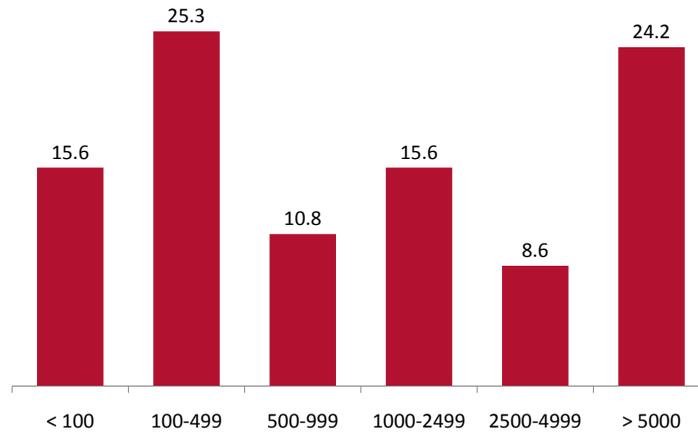


Figure 7. Distribution of the size of organizations, by number of FTE employees, for whom respondents work.

SUMMARY

In general, the HR professionals in our survey are well educated, CHRP certified, and belong to a provincial HR association. Their role is either that of HR generalist or senior leadership, as reflected in both the primary roles that respondents espoused, and the job titles that they identified. Respondents also have a wide array of experience in the field of HR, with males having been employed in the HR profession longer than females. The majority of the survey respondents are female.

SECTION II: PERSPECTIVES ON HR

In the second section of our survey, we asked respondents to provide their insights on the HR profession. Accordingly, we begin this section with an outline of the HR activities in which respondents are engaged, followed by a summary of the respondents' perspectives on the key challenges and priorities for HR departments across the country, and the skills and knowledge required by HR professionals. We then discuss the professional development for HR practitioners, and the future of HR in Canada.

HR Activities

We wanted to know to what extent HR professionals are involved in HR activities. To do this, we provided survey respondents with a list of 16 activities, and asked them to rank the extent of their involvement in each activity on a ten-point Likert scale (1= very uninvolved; 10= very involved). We also asked to what extent the respondents were involved in those same activities two years ago. We then compared the results from both questions.

Aggregate data reveal that with the exception of recruitment, respondents perceive that their involvement in all HR activities has increased. According to our survey results, the activities in which HR professionals are most involved include employee relations, employee engagement, organizational culture, employee training and learning, and change management.

The activities in which HR professionals reported the largest increase in involvement are ethics, succession planning, change management, organizational culture, and HR governance (see Figure 8).

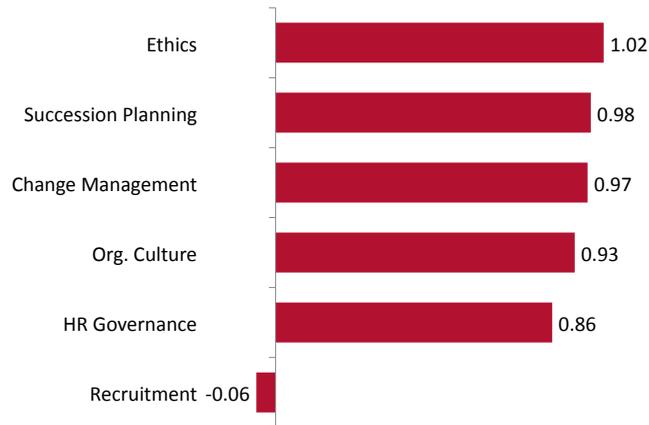


Figure 8. Change in involvement rating for the five activities with the largest increase, along with recruitment, the only activity with a decrease in involvement rating.

Interestingly, organizational culture and change management are ranked highly both in terms of current involvement and in terms of increase in involvement. This finding suggests that these two areas, organizational culture and change management, will play a more dominant role in HR departments and may supersede more traditional functions, such as recruitment.

HR Challenges

To determine the top five HR challenges facing HR departments in Canada, we asked our survey respondents to rank a list of 18 items in order from most significant to least significant. Once aggregated, we determined that talent management, including recruitment, retention, and performance management, is clearly the most significant challenge HR departments in Canada are faced with today. Employee engagement is ranked as the second most significant challenge. Interestingly, 51.7% of our survey respondents reported that their organization has conducted an employee engagement survey in the past twelve months. Succession planning, change management, and organizational culture creation and maintenance were ranked three through five respectively. Figure 9 displays the rank order of HR challenges, as perceived by survey respondents.

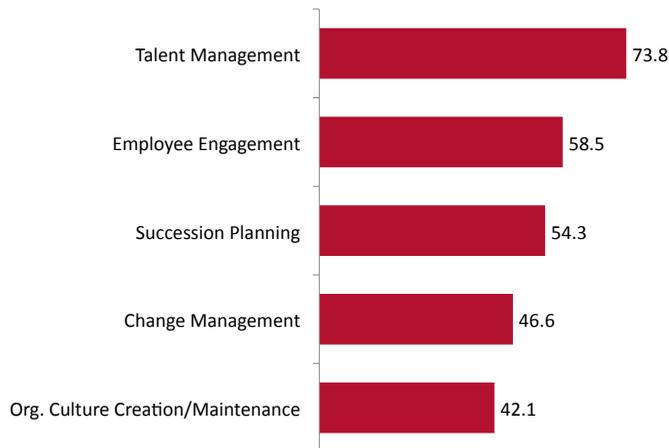


Figure 9. The top five HR challenges along with the percentage of respondents that included each challenge in their personal top-five list.

HR Priorities

In addition to the HR challenges that organizations encounter, we also wanted to reveal the top three immediate and long-range priorities for HR departments. To do this, we asked two open-ended questions. We invited respondents to list their top three immediate (i.e., in 2011) and long-range (i.e., within the next five years) priorities. We then coded the responses and aggregated the data to determine the total number of occurrences for each priority, and put these priorities in rank order.

Immediate HR Priorities

Aggregate data reveal that the number one immediate priority for HR departments is succession planning. Tied for second place are employee engagement and talent management, while training, learning, and development (TLD) is in fourth. Interestingly, these immediate HR challenges align with the HR priorities espoused by survey respondents (refer back to Figure 9). Figure 10 illustrates the immediate priorities for HR departments, according to our survey data.

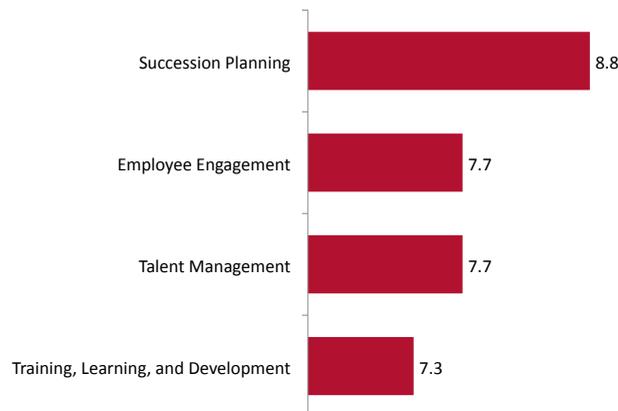


Figure 10. Immediate priorities for HR departments along with the percentage of respondents that cited them in their personal top-three list.

Long-Range HR Priorities

Indeed, the long-range priorities for HR departments appear to be similar to the immediate priorities. Data reveal that the number one long-range priority for HR departments is succession planning. Thus, succession planning is both a significant immediate and long-range priority for HR departments. Talent management is the second most important long-range priority for HR departments, while recruitment is third. Figure 11 outlines the long-range priorities, in rank order, cited by our survey respondents.

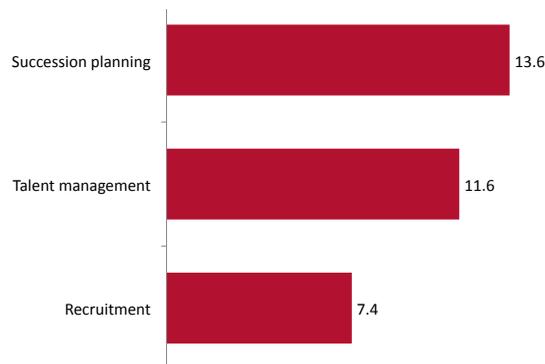


Figure 11. Long-range priorities for HR departments along with the percentage of respondents that cited them in their personal top-three list.

Intuitively, these findings make sense. As HR departments attempt to manage the job vacancies that occur as a result of voluntary turnover (due to an aging population), individuals will need to be recruited to fill these roles, and talent management will be required to ensure that employees have the skills and knowledge that they need to perform well on the job.

Critical Skills for HR Professionals

What are the critical skills that HR professionals must have? We asked survey respondents to answer this open-ended question by listing the top five skills they consider to be the most important for HR professionals. To determine the top five skills for HR professionals, as perceived by our survey respondents, we tallied the total number of occurrences for each skill, and then ranked these skills from greatest to fewest number of responses.

Data reveal that the top three skills that HR professionals think are required in the field are ones that are, perhaps, not easily taught in a classroom, but rather acquired through experience. Communication, for example, ranks as the number one skill, with 19.8% of respondents including it in their list (see Figure 12). Analytical, critical, and/or strategic thinking is ranked second, cited by 18.8% of respondents, while interpersonal skills is third, cited by 10.4% of respondents. Technical skills, cited by 10% of respondents, and conflict resolution, cited by 7.1% of respondents, are ranked fourth and fifth respectively.



Figure 12. Top five critical skills for HR professionals in Canada along with the percentage of respondents that cited them in their top-five list.

We conclude that HR professionals perceive a shift in the skills required for their work. That is, while traditional HR skills are still necessary, a more holistic skill set is mandatory. The ability to communicate effectively, think strategically, and interact with colleagues at all levels are integral to the role of an HR professional.

Knowledge Required by HR Professionals

Having identified the skills that are deemed critical for HR professionals, we now discuss the top five critical pieces of knowledge that our survey data reveal as important for HR professionals. Again, this question was open-ended. Data were analyzed following the same method that we used when analyzing the skills data (refer to previous section).

Of particular interest is that business acumen ranks well ahead of the other knowledge. In fact, 16.4% of the respondents cited business acumen as a critical piece of knowledge (see Figure 13). An understanding of employment law and legislation and talent management are tied for second, cited by 11.8% of the respondents respectively. A broad grasp of HR knowledge is in fourth place, cited by 8.3% of the respondents, and knowledge of employee and labour relations ranks a close fifth, cited by 8.2% of the respondents.

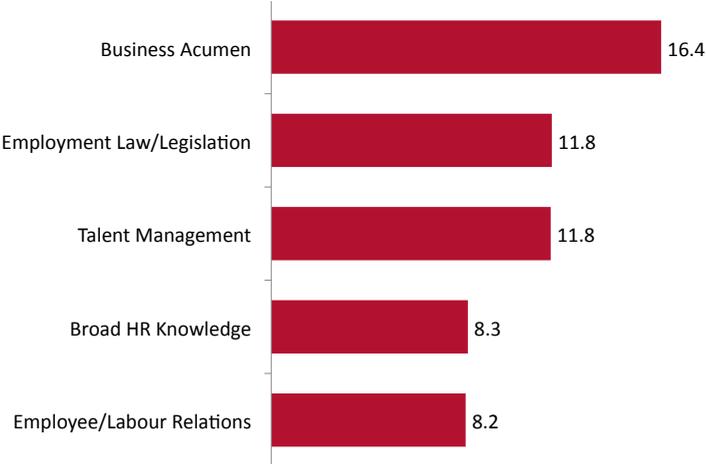


Figure 13. Top five pieces of knowledge critical for HR professionals along with the percentage of respondents that cited them in their top-five list.

Training, Learning, and Development for HR Professionals

Despite recognizing the skills and knowledge that are essential for HR professionals, less than half of our survey respondents, 39.2%, have a written career or learning plan in place. While many of the professionals may have a verbal career or learning plan, few have articulated their goals and objectives in writing.

Over half, 58.8%, of our survey participants do have a budget for training, learning, and development (TLD). Figure 14 illustrates the distribution of training budgets across this group. Note that 31.4% of participants have an annual TLD budget that exceeds \$5,000, while only 16.4% of respondents have budgets that are less than \$1,000.

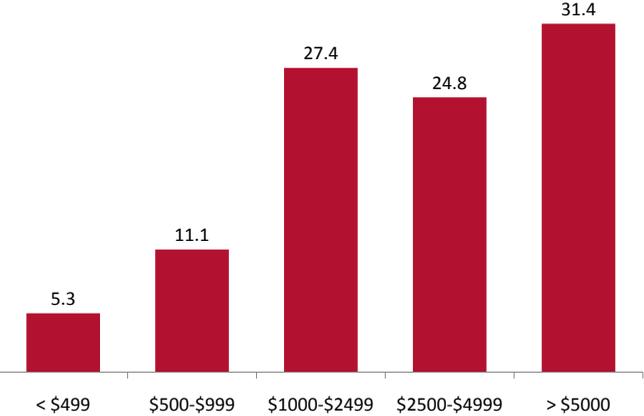


Figure 14. Distribution of TLD budgets of respondents whose organization has a TLD budget.

SUMMARY

Based on our survey data, it seems that the challenges HR departments are facing align closely with both the immediate and long-range priorities for departments. To effectively manage these challenges and priorities, HR professionals require a broad range of skills and knowledge that include not only what can be taught, but also what is acquired through experience and mentoring. In particular, HR professionals must have a solid understanding of business fundamentals, as well as HR specific knowledge, such as employment law and legislation, talent management, and employee/labour relations.

The Future of HR in Canada

Overall, HR professionals hold a positive outlook on the future of HR in Canada. In fact, 80.7% of respondents said that they are “optimistic” about the future of HR in Canada. When asked to qualify their response, respondents reported that they think that the HR field is a growth area, with more job opportunities likely available in the future. According to many of the respondents, HR is increasingly viewed as a value-add to organizations, as senior management relies more heavily on HR to participate in strategic decision-making, and realizes the linkage between effective people management and corporate performance. As one respondent commented, “HR professionals are gaining respect and are being viewed as key players in the business world.”

Many respondents also commented favourably on the quality of the talent entering the workforce. The professional requirements for HR practitioners now demand a high level of skills and knowledge, helping to shift the HR profession from an administrative or transactional function to an integral business partner. In summary, organizations and HR professionals are more aware of the potential that HR has to enhance organizational performance.

This optimism, however, was not shared by all of our survey respondents. Those who reported that they are “pessimistic” (8.2%) or “not sure” (11.1%) about the future of HR are, in general, concerned about the lack of professionalism in the profession and the credentials that are required in order to obtain a CHRP designation.

Public, private, and not-for-profit sectors are all relatively equally optimistic, pessimistic, and unsure about the future of the HR profession (see Figure 15).

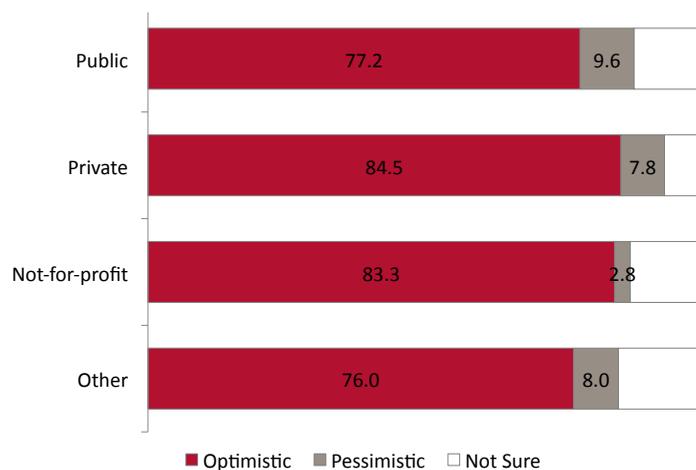


Figure 15. Outlook on the HR profession, by sector.

We think it is important to note that few respondents (19.3%) perceive that the number of hours that they contribute to their organization will increase in the next year. The majority of our respondents (74.1%) said that the number of hours that they contribute per week would remain the same. A small percentage, 6.7%, reported that their hours would, in fact, decrease.

Likewise, the majority of HR professionals (69.3%) reported that they have work-life balance, while 30.7% said that they do not.

We asked respondents the extent to which their HR department is currently involved in helping to shape the strategic direction of their organization. We also asked the extent to which they think their HR department should be involved in shaping the strategic direction. When compared, the average rating for current HR involvement in strategic direction is 6.7 (out of 10), while the average rating for desired involvement is 8.8 (out of 10). Thus, in general, HR professionals think that HR could, and should, play a more active role in shaping the strategic direction of organizations.

CONCLUDING THOUGHTS

The purpose of our survey was to describe the state of the HR profession in Canada, based on the perspectives of practitioners. This Executive Summary presented an overview of the demographic profile of the HR profession in Canada, and highlighted perspectives on the future of the profession.

We were pleasantly surprised by the overwhelmingly positive support for our research. In addition to the 451 complete responses, we received more than 130 partial responses that were not included in our analyses.

Furthermore, two associations, the Human Resources Institute of Alberta (HRIA) and the International Personnel Management Association (IPMA), spontaneously offered to distribute our survey to a wider audience, and we are grateful for their support of our research. The IRC hopes to sustain and grow its collaborative partnerships with HR associations and organizations as we seek to describe and understand the HR profession in Canada.

Indeed, it seems that the HR profession is interested in trends in the profession, given the engagement in our survey. Accordingly, we conclude that there is an emerging need for continued research—both academic and practitioner-based—on the HR profession.

The congruency in the answers to our open-ended questions was an unexpected, yet exciting finding. When respondents had the opportunity to provide their own thoughts and insights, we soon realized that the insights shared by professionals are often similar.

Unfortunately, we received few responses from Quebec. The IRC does not, at present, have the capability to conduct research in both official languages. We acknowledge the fact that our survey was only available in English, which may have impeded the francophone population from participating in our research.

Like many of the respondents who participated in our research, we see the value of HR as a true profession and a core component of organizational success. We too are optimistic about the future of the profession and the momentum it will generate, as it moves forward with innovative technologies that support HR systems and the expanding capacities of the professionals in the field.

NEXT STEPS

This inaugural survey is part of a longitudinal research project. The IRC intends to conduct the survey biennially going forward. We welcome comments regarding our research. Please contact our Research Associate (IRCResearch@QueensU.ca) with any questions or concerns regarding our work.

RESEARCH BIOS

PAUL JUNIPER (MA, Geography (York); CHRP; SPHR; Honourary Life Member, HRPA) became the sixth Director of the Queen's University Industrial Relations Centre (IRC) in 2006. Paul is a leading and respected figure in Canada's HR community, with 30 years of experience in human resources and association leadership. Paul continues to speak to national and international audiences on The Future of HR and Raising the Bar on HR.

ALISON HILL is a Research Associate with the IRC. She recently completed her Master of Education degree from Queen's University. Alison helps to manage the IRC's Research Briefs and E-News, publications that are distributed to clients every four to six weeks. Alison's research interests include organizational culture, organizational learning, trends in human resources, program evaluation, and adult education principles and practices.

QUEEN'S IRC

As the oldest degree-granting institution in Canada, Queen's University enjoys an enviable international reputation for excellence in education and research, consistently ranking near the top of all Canadian universities on a host of academic benchmarks.

Queen's IRC focuses on developing and delivering labour relations, human resource management and organization development programs for busy practitioners. As a result of continuous research and more than 70 years of experience, we have identified the core competencies every organization development, human resources, and labour relations practitioner needs to be successful. Each of our programs focuses on one of these essential skills.



Industrial Relations Centre (IRC)

School of Policy Studies
Queen's University
Kingston, ON K7L 3N6

Tel: 613-533-6628

Fax: 613-533-6812

Email: irc@queensu.ca

Visit us at: irc.queensu.ca



Industrial Relations Centre (IRC)
School of Policy Studies
Queen's University
Kingston, ON K7L 3N6

Tel: 613-533-6628
Fax: 613-533-6812
Email: irc@queensu.ca

SCHOOL OF
Policy Studies
QUEEN'S UNIVERSITY