

HR Secrets of Canada's Fastest Growing Companies

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We surveyed the Profit 500, an annual listing of the 500 fastest growing companies in Canada, to find out about their HR practices. We asked questions (see Appendix) surrounding their strategic capabilities, organizational development activities, change management processes, training opportunities, performance management systems, leadership development programs, and the use of HR technology.

Overall Findings

Overall, the top HR challenges faced by the Profit 500 include (1) finding key talent, (2) managing and feeding talent pipelines, (3) appropriately leveraging HR metrics to inform decision making, and (4) choosing and incorporating the right HR technology.

1. Finding (and Keeping) Key Talent

It may seem paradoxical that finding and keeping key talent is an issue, given the unemployment rates of recent years. However, increased hiring is leading to increased competition, leaving many organizations on the Profit 500 to discover new methods of attracting and retaining the talent they need. According to the survey, a little over 60% of the Profit 500 are looking for innovative ways to increase their ability to fill performance gaps, including the ability to analyze and select for the skills they require. This has led the Profit 500 to consider where and when employees work and how to engage them most effectively.

Predictions for the future:

- Increasing globalization coupled with the ability to work remotely will open the door for key talent to look outside their immediate physical reach for opportunities.
- Key talent will be seeking work arrangements that take into consideration the lifestyle they want to live. This includes more flexibility in schedules, an increase in remote work, and concepts such as unlimited time off and unlimited vacation. There will also be an increase in freelancers, consultants, and individuals seeking project-based contract work and an associated need regarding how to best manage such a workforce.
- The way in which work will be done will change considerably. Frederick Taylor and Scientific Management Theory will still prove influential in some industries and markets but a more holistic view of individuals and their relationship to work will drive the success of emerging and visionary organizations.

2. Managing and Feeding Talent Pipelines

The top of the list in the management of talent pipelines is leadership development. The Profit 500 have learned that developing leadership should not be an afterthought. Over 70% of respondent organizations maintain that their ability to lead by example and maintain a clear vision of the organization's future is either "Very Good" or "Excellent."



Figure 1: Strong Leadership

One of the challenges concerning leadership is in developing promotion strategies. Nearly 25% of the organizations surveyed indicated that they had a “Fair” ability to do so, signaling a need for further improvement within this area. Results indicate that the current leadership of the Profit 500 is strong but will need to be developed in the coming years in order to maintain desired levels of growth.

The Profit 500 realize the necessity of career development to empower employees, drive business success, and ensure a talented pipeline but are grappling with the execution of such programs and the overall process. Less than half of Profit 500 respondents said that their organization’s ability to identify relevant competency standards and develop an enterprise-wide training plan was “Very Good” or “Excellent” while the majority remarked that these abilities were either “Fair” or “Good.” One of the major challenges is deciding on the best combination of instructional and educational methods. A significant number of respondents revealed that their organization does a “Fair” job at this.

In order to support talent pipelines, many of the Profit 500 reported efforts to incorporate strategic human resource planning, but are experiencing hurdles in doing so. Part of the struggle is due to the fast-paced environment, high rate of growth, and changing market demands the Profit 500 experience on a daily basis.

Predictions for the future:

- The ability to foster leadership skills will become increasingly relevant. Corporate social responsibility, integrity, and ethics will guide more leadership decisions in the coming years.
- The availability of instructional methods and educational materials is continually expanding. The vital piece will be in determining who needs training/education, at what level, and when.
- Utilizing human resources as effectively as possible will become more critical to business success.

3. Leveraging HR Metrics

Linking human resources to the finance function and the business as a whole is a challenge for many organizations and the Profit 500 are no exception. Finance believes HR needs to speak the language of business, which is numbers. These numbers need to be tied to business and financial results. Talent and workforce analytics, along with big data, will continue to be a pain point as organizations struggle to quantify the benefits of human resources practices and policies.

Predictions for the future:

- Investment in workforce analytics will rise.
- Pressure on quantifying HR activities will continue to intensify and world-class organizations will be likely leaders in this space.
- HR will need to measure and predict performance more accurately and use these findings to keep business leaders apprised of workforce needs.
- As HR technologies become more sophisticated, HR metrics will become more readily available. Understanding what the numbers mean and translating them for varied audiences will become a required skill.
- Business goals will link directly to workforce strategies.
- The ability to obtain quality data will be of utmost importance.

4. Incorporating the Right HR Technology

As many in the Profit 500 will attest, utilizing readily available HR technologies can save a substantial amount of time, but only if it's the right technology for their particular organization. Deciphering which HR technologies are most effective is a crucial ability, one which the Profit 500 is tackling. According to the results of the survey, over 40% of the organizations felt they had a "Fair" or "Good" understanding of trends within the learning technology industry with an aim to increase their understanding to a level of "Very Good" or "Excellent". When asked about their knowledge of the limits and potentials of various types of technologies, approximately 60% seek to raise their current level of awareness.

Predictions for the future:

- Cloud-based HR technology is the new norm and best-in-class organizations are early adopters.

- The number of cloud-based HR technologies in the market will continue to grow. Finding the right ones to incorporate into a business will be critical as they will save time and resources that could be directed elsewhere.
- Some organizations will continue to seek integrated HR solutions, but standalone cloud technologies and applications still bring advantages, such as greater flexibility and ease of use.
- There will be a greater demand for mobile access to HR technologies and HR applications.

Greatest Strengths of the Profit 500

The greatest strengths of the Profit 500 include communication, interpersonal relationship building, and collaboration.



Figure 2: Strengths of the Profit 500

In light of the changing nature of work and the increasing need to work with (and through) others, it may very well be these skills which are allowing the Profit 500 to thrive. In fact, 70% of those surveyed responded “Very Good” or “Excellent” to:

- The ability to effectively interact with others to produce outcomes
- The ability to accurately assess the needs of other people
- An understanding of the goals and objectives of other people
- An understanding of the informal structure of the organization
- The ability to respect the values of others
- The ability to apply effective verbal/nonverbal/written communication
- An understanding of the communication pathways within the organization
- Knowledge of, and ability to, address individuals’ differences
- The ability to understand/overcome communication barriers

About The Author



Lynda Zugec is the Managing Director of The Workforce Consultants, a network of industrial-organizational psychologists and human resource professionals. She is the current “Practice Makes Perfect” columnist for the Canadian Society for Industrial and Organizational Psychology (CSIOP) and “International Practice Forum” columnist for The Industrial-Organizational Psychologist (TIP), a quarterly publication of the Society for Industrial and Organizational Psychology (SIOP). She strongly believes in, and supports, “Science for a Smarter Workplace.”

Industrial-organizational (I-O) psychology is the scientific study of the workplace. Rigor and methods of psychology are applied to issues of critical relevance to business, including talent management, coaching, assessment, selection, training, organizational development, performance, and work-life balance.

Appendix

About Our Survey

Our survey utilized the following Likert-type scale:

Poor – Fair – Good – Very Good – Excellent

We asked the Profit 500 organizations questions surrounding the following areas:

1. Industry Awareness
2. Leadership
3. Business Knowledge
4. Strategic Capability
5. Collaboration
6. Organizational Development
7. Administration
8. Change Management
9. Performance Management
10. Training
11. Design and Implementation
12. Awareness of Technology
13. Global Awareness
14. Coaching
15. Program Evaluation
16. Career Development
17. Interpersonal Relationship Building
18. Systems Thinking and Knowledge
19. Communication

The survey was conducted in 2015. Approximately 20% of organizations from the latest Profit 500 listing participated.

References

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