

CPHR/CRHA

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The Canadian CEO's Guide  
to Better Outcomes

A Chartered Professional in Human Resources  
has the expertise that can help.

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# Creating Leaders



The role of a leader is to create more leaders, not more followers. CPHR will work with you to bring your vision to reality. While you lead, the processes and systems your CPHR sets in place ensure that your best stay with you and stay motivated, and others opt out.



# 6 Ways to Keep Your Best Talent

Congratulations! You've got a talented superstar who's a huge asset to your organization. Are you doing all you can to keep them?

A recent survey by CEB Global reports that one-third of star performers feel disengaged from their employer. In other words, they've already checked out and are looking for their next job.

Turnover is risky and expensive. When you include the costs of lost business due to disruption; a loss in terms of training; the departure costs; disruption to productivity; and the expense of hiring, it represents about 40% of an employee's salary. For the average Canadian salary (\$48,000) that cost of departure is estimated at \$18,000. (Manulife Financial)

The good news is that you have complete control over the things that keep the best people engaged and contributing, if you choose to:

## **1 / Show them the big picture.**

Your top people genuinely care about mastering their work and making a difference. As a leader, clearly define your company's true purpose (think beyond the bottom line) and demonstrate it wherever possible.

## **2 / Balance being professional with being human.**

How many companies demonstrate compassion? Show that your people mean more than their eight-hour work output. Celebrate their wins, empathize when they need support, and challenge them when they need a nudge.

## **3 / Give rewards and recognition.**

Top performers won't accept being ignored. This doesn't have to be complex or costly, but it should always be credible. Earned financial rewards and perks are important, but so is a sincere mention in a staff meeting, or a personal note of thanks.

## **4 / Establish strong performance management.**

Don't reward or ignore underperformance. It demoralizes the top performers and encourages underperformers to stay. Managers sometimes turn a blind eye to underperformers or give them endless chances to redeem themselves. Encourage and support tough, but fair decisions.

## **5 / Strengthen individuals and teams.**

Provide opportunities for personal development and access to the tools needed to advance their careers. Encourage them to grow as a team, welcoming projects that allow collaboration and play a direct role in your company's success.

## **6 / Most importantly, elevate your HR function.**

Despite the growing importance and complexity of managing people, many businesses treat HR as if it were just a necessary administrative function. But HR can lead the way on several fronts, including the above five steps - which are not quick fixes. They are long-term strategies that should be aligned to your unique market and your culture. They require thoughtful establishment and ongoing management to deliver the dividends that will set you apart.

**Maximize your investment in talent. Ask a CPHR.**

# Performance Management as a Strategic Advantage

Imagine keeping your best talent and sending under-performers to your competition (who may pay them more than you did). In this knowledge and innovation economy, managing turnover becomes a real strategic advantage.

A CPHR is an expert in the systemic causes of turnover. They understand that when a high performer leaves, it can stall the performance of your entire organization. But when low performers stay too long, it creates poor engagement, decreases productivity and increases the odds that your best talent will leave.

Some turnover is detrimental and expensive, some is not. According to Manulife Financial, losing and replacing a high performing employee can cost you up to 40% of their salary. Keeping an underperformer can cost significantly more.

Functional turnover applies to the rate at which low performers quit. It assumes that the departure of poor-performing individuals will improve (or at least not damage) organizational performance.

Dysfunctional turnover applies to high performers' quit rates. It assumes that the departure of high-performing individuals will damage the organization and its productivity.

By implementing performance management and a total rewards program, your CPHR can work with you to develop functional turnover and create a workplace environment where your best talent chooses to stay.

Studies have proven that high performers want to work in a high-performance culture. They want to contribute, be productive and to stay challenged in a culture that rewards them for meeting high expectations. On the flip side of the coin, low performers tend to voluntarily leave these types of cultures.

To encourage and keep high performers and have low performers leave voluntarily, an organization must focus on programs that define and set employer's expectations. Most effective HR programs can be divided into two major groups:

**1. Inducements and investments (reward programs):** this includes training, pay rates, benefits, job security and procedures.

**2. Employer expectations (performance programs):** this includes individual pay for performance systems, as well as employee monitoring and performance appraisals with the goals of raising overall performance levels and sorting the workforce based on performance levels.

These programs help create a positive, healthy turnover for low performers and improve retention rates for high performers. However, much of these programs' success depends on how much employers are willing to invest in them.

Many employers fall into the trap of being underinvested or overinvested in their performance management programs. Underinvested employers place high expectations on individuals but offer low levels of inducements - causing high performers to question why they bother.

Overinvested employers offer high levels of inducements attached to little performance expectation.

This create golden handcuffs, where good and poor performing employees alike have little reason to leave, reducing overall turnover and decreasing the value of your investment.

The solution is in knowing which HR programs impact the retention of high performers while ensuring the proper resources get applied to addressing the issue of dysfunctional turnover. A CPHR can help you strike the right balance.

### **Will more rewards reduce turnover?**

Research has shown that high inducements, such as rewards programs, keep both high performers and low performers loyal (perhaps too loyal) to an organization. However, lower inducements and high performance expectations encourage poor-performing employees to leave. Another way to look at it is that when an employer emphasizes performance expectation-enhancing practices over rewards, their best talent tends to stick around longer.

Good performers really want two things from you. One, they want better opportunities to achieve, thereby earning financial rewards, validation and other valuable recognition in relation to their performance. And two, they want a sense that their goals are attainable, meaning that they are productive in their work and better able to get things done.

### **Are your top people getting what they need?**

If you are ready to improve your company's productivity by weeding out low performers and rewarding high performers, you must start by challenging what you know about performance management.

A CPHR can help you set high but attainable expectations for your people and choose purposeful programs that will reward high performers with incentives while further challenging them to achieve new goals. When an employee feels challenged, their productivity, along with their perceived value of the work and the desire to continue reaching new levels of success increases. In this type of dynamic culture, most low performers will self-select the option to show themselves the door.

Retaining the right people for all the right reasons requires an investment of another kind: a strategic, HR investment.

### **Looking to strengthen your team and maximize performance? Ask a CPHR.**

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# Leading Change

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Whether you are driving change or it is driving you, make sure it's a change for the better. Change is dynamic and demanding. To strengthen your odds of success, you need someone experienced and knowledgeable dedicated to seeing it through. You need a CPHR.



# 7 Tips for Getting the Results You Want From Change

If only the corner office came with a crystal ball and a money tree. But you can't predict the future and you can't afford underperformance on a key strategic move. Yet study after study puts the under-performance (or failure) rate of mergers and acquisitions somewhere between 70% and 90%.

One contributing factor is people's response to change. Change is unsettling for most, which makes adapting to it messy and complicated. In change, the leader becomes more visible, as people look for tangible and intangible indicators that they can trust.

You need the capacity to address all aspects of the change. CPHRs work with you, focusing on the human aspects of change, guiding the organization past the anxiety and pitfalls that inhibit the achievement of your desired results.

Here are seven things to keep in mind when change affects your company:

## 1 / Know the results you want to get.

If you chose this change, stand by the end goal. When everyone understands the results you want to achieve, you have a better chance of getting buy-in to make effective systemic or operational changes.

## 2 / Share information as quickly as possible.

If you are at the helm of a public company, employee communication comes second to informing investors. Because of this, major announcements can reach the media before you have an opportunity to tell your people. Hearing the news second-hand creates a culture of mistrust and fear, create a plan to share organization-changing information with employees on day one.

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### **3 / Speak clearly, credibly and often.**

There is no perfect way to communicate change, which means as information is circulated, things can often be misinterpreted or misunderstood. Take the initiative to clear up any confusion as quickly as possible, offering reassurance or guidance to those who need it.

### **4 / Highlight the opportunities; acknowledge the challenges.**

Change can open the door to exciting new things, but it won't be perfect. Remind people of the opportunities; recognize the good things that you want to keep; and don't burden people with expectations of perfection. Offer realistic resources to help them prepare for new procedures, meet new expectations or transition into new roles.

### **5 / Watch and listen.**

Not everyone deals with change the same way. While some employees may be comfortable expressing their concerns directly to you, many won't. Pay attention to what people say and show you through their attitudes and performance, then take necessary steps to deal with any angst.

### **6 / Protect what is most important.**

In the case of a leadership change, it is imperative to protect the established culture – the set of traditions, norms, attitudes and standards that keep a company stable and consistent. A change in leadership can threaten the culture, so stakeholders must ensure that before any transition of power is made, the company's values and beliefs will be sustained. In some cases, creating a new culture is necessary as a result of a merge. CPHRs can assist with the cultural integration and engaging teams across the organization.

### **7 / Be the change.**

As the captain of the ship, you must steer your team toward success. In uncertain times, they will take their cues from you when it comes to having the right outlook and attitude toward change. Instead of focusing on events over which they have little or no control, encourage your employees to contribute, look ahead and keep moving forward.

### **Address all aspects of organizational change. Ask a CPHR.**

# A CPHR Is Your Partner In Change Leadership

Whether marked by growth, downsizing or disruption, change is a reality for most companies in today's competitive market. Because the environment is changing fast, being able to lead change is perhaps the most critical capability expected of business leaders today.

In uncertain times, a CPHR can help your leadership team gain their footing and help apply the best people management strategies to ensure a smooth transition is made during organizational change and restructuring or the implementation of efficient new processes.

CPHRs are expert at supporting the organization and its need for change and facilitating the change process: improving change leadership capability, enabling people to respond to new realities or requirements of the job, and shoring up the organization's ability to be well-situated from a staffing perspective now and in the future.

## What is Change Leadership?

Change leadership is the ability to influence and enthuse others through personal advocacy, vision and drive, and to access resources to build a solid platform for change.

A 2014 IBM survey of 1,500 global leaders found that only 20 per cent of organizations consider themselves competent at leading change. 70 per cent of respondents said their change initiatives fell short of meeting their project objectives of time, cost and quality. Similar numbers occurred when introducing mergers and acquisitions.

The downfall of many managers is that they fail to discern the difference between "leading change" and "managing change." You can be a great manager, yet a poor leader. Inevitably, this leads to a system failure when trying to institute organizational change. A few examples:

A manager will focus on tasks, checklists and outcomes. But a leader will focus on relationships with their people and the conditions for success.

Along with solving problems, they must build and support the internal community.

A manager negotiates commitments. But a leader will inspire because they understand that inspiration powers engagement.

A manager pretends like they know what's going to happen. But a leader will look, listen and learn from their people and lean into the experiences required for genuine transformation.

Change leaders will want a CPHR on their team to encourage employees to commit to (get buy-in) and champion the vision. They can be an invaluable resource in energizing the change process and removing any remaining barriers to change. A CPHR can play several important roles in supporting and implementing organizational change:

- Joining the company owner in planning and implementing the change project. Responsibilities can range from restructuring the team to advising on the introduction of new training tools to help ensure a smooth and efficient transition.
- Bringing specialized knowledge and intrinsic expertise to help leaders better understand the necessary architectural structure of successful change. This may include coaching, facilitating educational workshops or locating resources, such as reading materials and theoretical models.

- Advising the company through the process of creating or implementing change. Whether overseeing a small department restructuring or wholesale organizational change, a CPHR is able to challenge key people and guide them toward the goal of getting it right.
- Setting expectations of the process, troubleshooting problems that occur and managing others' reactions to change. This is especially invaluable when discussing complex matters such as succession planning, joint ventures and exit strategies.

Many business leaders have a tendency to act swiftly and conclude the change process quickly. After all, they've seen it coming for months. A CPHR can act like a good conscience, guiding the organization to pay attention to all possible aspects of change, even when it seems unpopular or is deemed unnecessary. Often, a CPHR's greatest values are patience, persistence and perspective. That includes insisting that all components of the change are communicated, understood, tested and monitored to make sure the final impact on the organization is meaningful and sustainable.

CPHRs understand the value of strategic change leadership and they know how to maximize its value to achieve results.

**If your change strategy isn't gaining traction, ask a CPHR.**

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20%

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# Leading Edge



Innovation isn't for everyone all the time. What model of innovation fits your needs? Do you need to be first, or better? Is it the whole organization, or one or two sections?

Innovative leaders see the tides of change and position their organization to ride them. CPHRs are uniquely qualified to work with you to determine your current innovation culture and help you create the right fit for you.



# 8 Google Strategies To Create A Culture Of Innovation

Most CEOs believe technology will completely reshape or disrupt their businesses over the next five years, according to PwC 2017 Annual CEO survey. The question is: do you want to lead the innovation, and if so, by how much?

Some degree of innovation is a priority for most CEOs, yet most attempts to create an environment where people can challenge traditional thinking or have the freedom to produce creative outcomes fall flat. Very quickly, leaders learn that an innovative culture is much more than splashing bright paint colours on the wall or installing a basketball hoop in the staff lounge.

Many innovative ideas are lost to the culture of 'that's not the way we do things around here.'

Google, arguably the most innovative company on the planet, is often touted as one of the best and most innovative places for employees to work. It goes beyond their unconventional perks of on-campus gourmet cafés, stress-relieving massages and nap pods and speaks more about its intrinsic culture.

While Google doesn't claim to have a secret formula for fostering innovation, they do apply eight principles to creating an innovative culture. These are their ideas. To be truly innovative, work with a CPHR to determine your unique mix:

## 1 / Use the 70/20/10 model

To allocate resources and promote out-of-the-box thinking, keep 70 per cent of projects dedicated to the core business, 20 per cent of projects related to the core business and 10 per cent of projects unrelated to core business. If your culture is resistant to innovation, have the 10% lead the way.

## 2 / Think 10x

True innovation happens when you try to improve something by 10 times rather than by 10 per cent. Thinking 10 times bigger pushes you beyond existing models and forces you to rethink problems and re-imagine how to approach a solution.

If your culture is resistant to innovation, lead the way with

# 10%

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### 3 / Share everything

Collaboration is essential to innovation, so it is important to be transparent and to share as much information as possible with employees.

### 4 / Hire the right people

Recruiting by employee referral is one of Google's most effective hiring tools, but they also have a robust screening process that includes knowledge, leadership potential, cognitive ability and personality to ensure people are a good fit.

### 5 / Look for ideas everywhere

Great ideas can be found everywhere, so get out of the office.

### 6 / Use data, not opinions

Test and measure almost everything in order to have a continuous data stream to shape your decisions and help make smarter, better informed choices.

### 7 / Focus on customers, not the competition

Google's attitude is if they focus on users, everything else will follow. Although they operate in a heavily competitive space, the company believes that their desire to improve the lives of users has helped them build a loyal fan base who loves what they do.

### 8 / Launch, then listen

A restaurant holds a soft opening to ensure all systems are go before opening its doors to the public. Similarly, Google releases certain products as beta launches, then revises the product based on feedback collected from users. Do you have a reliable test market for trying out new ideas?

Google believes that company culture and innovation are inextricably linked.

**Are you ready to create a culture of innovation? It starts with hiring a CPHR.**

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True innovation happens when you try to improve something by

**10x**

# You Can't Flip The Innovation Switch At The Last Minute

In PwC's newest annual global CEO survey, technology and innovation are top of mind for the majority of Canadian business leaders. Most CEOs believe that technology will completely reshape their businesses over the next five years.

While 62 per cent expect that technology will disrupt them, only 10 per cent say that hiring people with innovation skills is a priority (compared to 23 per cent globally). Naturally, this raises questions about how well prepared Canadian companies are at responding to technology-based disruptions like the sharing economies, artificial intelligence and the associated fast-evolving consumer behaviour.

It is surprising that innovation is not one of the top priorities for Canadian CEOs given that most understand that it is key to understanding and dealing with technical changes. By shrugging off these changes, companies are overlooking potential blind spots that can lead to inadequate training, technology and talent and may be putting themselves at risk for being left behind.

Organizations need the right people with the right skill sets to execute and to change rapidly. A CPHR can help you foster the environment you need to strengthen that team.

According to the survey, Canadian CEOs prioritize problem solving, collaboration, emotional intelligence and risk management as the skills they look for most in new hires. Digital skills are far down the list, as CEOs appear to place lesser value on science, technology, engineering and mathematics (STEM) skills compared to their global counterparts.

However, if innovation is truly important to your organization, you must attract, recruit and ultimately select people for that purpose.

A CPHR can foster innovation in three ways: hiring for innovation, creating a culture of innovation and finally, training and rewarding for innovation. Some of the ways this can be accomplished include:

- When posting for positions, highlight the values of creativity and innovation in the company description.
- Identify innovative thinkers based on their capabilities: are they naturally inquisitive and open to new ideas?
- Ensure that all levels of management are willing to support, plan for and nurture a culture of creativity, collaboration and innovation. This means doing whatever it takes to go from being a “no” culture to a “yes” culture.
- Reinforce the company's commitment to innovation by putting mechanisms in place to reward exceptional contributions. Ensure that compensation strategies, performance management programs and other forms of incentives and recognition are helping to develop the people and culture of the organization.
- Train and support management as they engage employees and encourage them to become actively involved in on-the-job innovation. Ask what they're working on, where they see the potential developing, what challenges they face and lastly, what additional support they need to reach the final stage of completion.

### **Caution: Innovation may be uncomfortable**

If you hire innovators, it's important to know how to handle them – because not everyone gets how they tick. Eric Schmidt, the Chairman of Google between 2001 and 2011, once said that “The story of innovation has not changed. It has always been a small team of people who have a new idea, typically not understood by people around them and their executives.”

A lack of leadership support is one of several cultural barriers to innovation. Yet, if you want to attract innovative thinkers to your team, their performance must be supported with a creative environment, and that starts at the top.

CPHRs know that the precursor to keeping innovation is organizational change. If you're not ready for the next big idea, it will often walk out your door and become your competition.

It could mean giving a small group some rein to innovate, without disrupting the core (at first). It may mean restructuring or finding a way to reinforce the importance of innovation in your organizational values and the long-term vision for your business. It's not always easy or comfortable.

Leaders, managers and key influencers should receive training on ways to more effectively manage, communicate and adapt to change.

If they do not understand innovation, they stand in the way of progress and become a roadblock to it.

If your busy middle managers are responsible for ensuring optimal performance related to the company's core initiatives, they usually have little time, patience or budget to test unproven ideas. However, if a company shifts its reporting system to team innovative employees with innovation-minded supervisors, the dynamic changes. When innovators find a space to fit in where they can dream up, explore, collaborate and present new ideas, everyone wins.

Innovation drives competitive advantage. This is why an organization must be prepared to demonstrate the value of innovation and recognize the inspired contributions of its people.

**Think you're ready? Hire a CPHR.**



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# Leading Through Uncertainty

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In unpredictable geopolitical and economic times, understanding and mitigating your exposure to risk can help you lead with confidence and make more informed decisions. A CPHR can create a culture where people are encouraged to identify risks, call them out and build the systems and policies to address them, together.



# 7 Risks Your Company Faces At This Very Moment

According to the PwC 2017 CEO survey, 100% of Canadian CEOs are confident about the growth prospects of their organizations in the next three years, but the majority say geopolitical uncertainty is the biggest risk to growth.

This is the time to consider your risks and strengthen your buffers. After all, you can better manage anything if you can predict it.

Most external uncertainty is beyond your control, but not beyond your ability to manage, such as global market volatility, compliance and regulation changes, or supply chain issues. Other risks come from within – expanding too fast too soon, increasing in scale, stumbling into a technology disruption and human error can all affect the bottom line.

CPHRs shine a spotlight on potential trouble areas:

## 1 / Critical skills shortage

In order to compete, grow and stay innovative in the future, your business needs to have the right people in the right place at the right time. Now.

## 2 / Supply chain risk

From breaking child labour laws to discovering horse meat substituted for beef, major companies

have made colossal errors in allowing their supply chain to get too big to manage safely. A critical supply chain management strategy must be scrutinized and strictly monitored.

## 3 / Insurance and data

Many employers are uninsured and under-insured, putting them at risk for liability or having to make massive payouts if their insurance claims are rejected. Don't assume your company has the correct amount of coverage. Check.

## 4 / Ethics and behaviour

When trust is part of your brand, a breach of ethics is extremely difficult to recover from and can cause long-lasting damage to a company's reputation. Establishing a code of conduct and encouraging a culture of ethical behaviour is a good start.

## 5 / Loss of intellectual property

Quite simply, customer data is irreplaceable. Employees must be fully responsible for the protection of secure data, because if sensitive material is carelessly handled, lost or stolen, it can cause irreparable damage.

## 6 / Mergers and acquisitions

Due diligence must be done and legalities handled, but after the handshakes are made, mergers greatly focus on managing the human capital – redundancies, recruitment, integrating new employees, training and engaging them.

## 7 / CEO succession planning

What happens to your company if something happens to you? Not having a future leadership plan or investing in the leadership pipeline leaves your company vulnerable to an unknown number of risks, from hostile takeover bids to a sudden drop in stock prices.

In today's uncertain business environment, your team needs an expert who can help you identify your unique risks and build the buffers to mitigate them.

**Ready to start? Hire a CPHR.**

# The Reality Based Approach To Risk Mitigation

Mention the term “risk mitigation” in a room filled with CEOs, and many will either turn into an ostrich or a chicken.

The ostrich buries its head in the sand obliviously, hoping that if it does not see trouble, trouble will not find them. They do not worry enough about the complications of risk, even though they are very likely to occur at some point. On the other hand, Chicken Little runs about flapping and squawking hysterically about the very worst happening when the risk is actually quite small.

As a CPHR will tell you, it is best to be a realist when it comes to risk mitigation because every company has its own physical, intellectual and technical vulnerabilities.

Today’s businesses must recognize that they are working within a volatile global environment that is affected by a number of factors beyond the scope of their day-to-day operations. A sudden market crash, cyber hacking, terrorist attack, political turbulence (Presidential tweet,

anyone?) or any number of occurrences can drastically drop stock prices and alter the business environment overnight.

There are equally dangerous internal risks too. Finance, supply chain and technology are all areas of vulnerability, as well as a breach of ethics, theft, data security and loss of intellectual property. Basically, if you make a product, sell a service or employ human beings – your company is exposed to a degree of risk.

A CPHR can help you to develop a comprehensive and effective risk management solution. The first step is to understand the extent of your company’s exposure by evaluating and examining the risks to your balance sheet.

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## degree of risk

Ask yourself:

- How much of our net income depends on the strength of other markets?
- Who do we import to? Who do we export to? What are the vulnerabilities in the supply and logistics chains?
- How often do we examine the effectiveness of our safety and quality control procedures?
- What is our hiring process? How well do we screen candidates to ensure their values and ethical decisions fit with our expectations?
- Who has access to our most sensitive information? How well is it protected?

Of course, this is only a starting point. In addition to discussing the risks to your enterprise as a whole, part of the conversation must be centred on talent challenges. Strategic workforce planning, including succession planning and potential future skills gaps, need to be addressed. If you expect to weather an unexpected storm surge, you must have the right talent in the right place at the right time.

By working with a CPHR, your company can become more risk-conscious across the board. As a human resources professional, they are

expert in risk management, they understand company culture, and they have access to a large amount of accumulated employee and incident data to support decision-making that will protect and positively impact the sustainability of the company.

This valuable information can be included in developing a comprehensive risk mitigation strategy that includes the following key elements:

**Understanding the risk.** Traditionally, risk mitigation solutions have been developed at the top and disseminated down through the organization. However, an effective risk audit should include input from people across the all levels of the company who most directly face risk. Your people may alert you to risks that you were not aware of previously.

**Keeping the process ongoing.** Unfortunately, risk management assessments are done rarely if at all, making processes grow inflexible and outdated with the changing times. In turn, this makes your company much less able to react in a crisis. Revisit all systems, procedures and business policies so that you are able to stay out of your own way when your company needs to rebound and recover quickly.

Taking a holistic view of risk. Look unabashedly at the nature and the extent of the internal and external risks faced by your company, including global influences.

A McKinsey Global Survey reported that most executives view the following as having the most impact on their profits over the next five years:

- emerging markets
- labour productivity and talent shortfalls
- the global flow of goods and information
- natural resource management
- the increasing role of government

### Do you agree?

Consider and identify which global geopolitical factors, technology advancements and people factors could influence your productivity either directly or indirectly.

**In today's volatile business environment, being able to talk about risk is a healthy part of your strategy. Make a CPHR part of that discussion.**

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# Leading From Strength

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CEOs often see payroll as an expense that they have few controls over. But HR metrics can help identify gaps in productivity and anomalies that can save money and improve productivity. A CPHR can shed light into your human capital investment, and transition it from an expense line into a strategic investment.



# Crunch These 6 HR Metrics To Measure Productivity

Want to know if your company is a well-oiled machine? Your CPHR can tell you.

By keeping track of employee absence rates, overtime hours, benefits costs and other meaningful metrics related to your most important asset – human capital, your CPHR is actually gathering very useful data about how well your company operates. By tapping into that information, they are able to calculate the productivity and profitability of your business.

HR Metrics are analytics designed to help evaluate how effectively your investment in people is being utilized. The better the return, the more value is being generated by employees and the more your organizational goals are being supported across the board.

If the numbers show a troubling trend is emerging, then you must work with your CPHR to investigate the root cause. For example, if you see that there is a higher than normal absentee rate during flu season, you might want to consider offering flu shots to reduce the number of sick days.

Or, if you notice that turnover is especially high in the sales department, you may want to speak to the sales manager to see if additional training, incentives or employee engagement is needed.

Here are a few examples of measurable HR Metrics that can speak volumes about your company-wide performance:

**1 / Profit Formula = (revenue - operating cost) / total full-time employees**

How much revenue is generated by your team? Using this metric, it is possible to calculate the number of pre-tax profit dollars generated by every full-time employee.

**2 / Staff Absentee Rate Formula = # of days in a month / (# of employees x # of days)**

This handy metric can be used across the entire company, per department, per job role, or per month in order to identify which areas or time periods are showing the highest absentee rates.

## HR metrics

are analytics designed to help evaluate how effectively your investment in people is being utilized.

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**3 / Turnover Rate Formula = # of employee separations / # of employees**

Useful in determining issues in certain departments or job roles, if you discover high turnover in a particular area of your business, you may want to investigate the issue further by collecting data from employee surveys or exit interviews.

**4 / Benefits Cost per Employee Formula = total \$ cost of all benefits / # of eligible employees**

Evaluate the cost for your company's total benefits package or for a single benefit. Remember when calculating this expense to deduct the amount of the employee's contribution.

**5 / Overtime Cost Formula = overtime hours / # of people working overtime**

By pinpointing your businesses' peak business periods (by week, month or quarter), you can consider whether it is more cost-effective to pay overtime to employees, to temporarily move some workers to cover peak shifts, or to hire temporary staff to help out.

**6 / Recruiting Source Effectiveness = # of applicants hired / # of applicants from recruiting source**

If you use several job posting and career sites for recruiting and want to measure their effectiveness, this metric can help. By determining which avenues are more effective than others, it will help save expenses and streamline your recruiting process.

**By using HR Metrics, your CPHR can help you identify areas that need attention and develop solutions that will keep your business running smoothly and profitably.**

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# Pinpoint peak periods

in your business to determine accurate internal resources

# Nab The Time Thieves Stealing Your Company's Productivity Mitigation

Your employees are present at least eight hours a day, five days a week. But unless they are droids, they aren't going to be glued to their work for every accountable minute of their shift. Human beings can't be expected to be at 100 per cent of our mental and physical capabilities all the time or we'd burn out.

While an inevitable amount of downtime is acceptable in the workplace, sometimes inefficiencies occur that lead to a troubling amount of preventable lost productivity. A CPHR can help you find your productivity gaps and develop solutions to keep your business financially fit.

Take a look at some of these time stealers and discuss this matter with a CPHR to see where some of your company's productivity may be going:

## Meetings

How much time do your people spend in meetings every year? While some catch-up sessions are necessary for reporting and

communication, we've all been clock-watchers stuck in meaningless, aimless meetings. Even a weekly one-hour meeting can take its toll on how much people get done in a day when you take preparation and follow-up time into account.

Rule of thumb: keep it short and sweet. Meetings should be concise and to the point, inviting attendees on a need-to-know basis.

## Technology

Fixing computer crashes, viruses, printer jams and other daily breakdowns are time consuming. Even downloading applications and updates can throw a wrench into the day.



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While these are mostly unavoidable barriers to productivity, evaluating technology needs on a regular basis ensures that employees are using equipment and software that is up to date. You may also want to research and invest in programs designed for efficiency, such as software applications that show all the information an employee needs on one central dashboard screen.

### **Administrative Tasks**

In today's digital age, we are bombarded by emails, texts and instant messaging on a constant basis. Replying to messages can become a full-time job for some people. One suggestion is for workers to only check messages three times a day so that it doesn't get in the way of completing longer tasks. While replying promptly to emails is important and part of the promise of good customer service, it only hurts the company in the long run if it impedes productivity.

Some productivity experts recommend the two-minute rule of time management. If a task (such as replying to messages) takes less than two minutes to do – do it immediately. If it takes longer than two minutes, add it to your daily to-do list and get to it later in your day.

### **Social Media**

Across all demographics, the majority of your workforce use social media and will regularly check into their online profiles for the latest updates. It's been reported that within the first hour of work, employees can easily spend 20 minutes or more on social media – and that quickly adds up to billions of dollars in lost productivity worldwide every year.

If you believe some employees are abusing their time online, talk to your CPHR about ways to better manage social media at work. But remember, allowing some social media time alleviates worker stress and improves their overall job satisfaction.

### **Health Matters**

Health issues, including chronic illness, are a massive drain on productivity. This is why creating a corporate culture where good health and wellness choices are promoted is good for the bottom line. It is said that employees in poor health take more time away from work or show up sick more often than employees who have healthier lifestyles.

A CPHR can source out ideas for supporting a healthier and more productive workplace, including instituting incentive programs (such as subsidized gym passes), providing more nutritious snack options, participating in group activities such as charity runs, and welcoming employees' ideas for ways to increase mental capacity and improve energy levels throughout the day.

### **The Stress Factor**

Employees cannot help but bring some problems at home into the workplace, yet that only accounts for 40 per cent of why they are feeling stressed. According to Statistics Canada, 60 per cent of workers report that work itself is the main source of their stress.

There are a few things managers can do to keep highly-stressed employees on track, including discussing workloads and being flexible to making adjustments to accommodate a healthier work-life balance.

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Most importantly, open the discussion on how to cope with stress and give employees a safe and non-judgmental environment to discuss what may be blocking them from getting work done.

### **Disengagement/Dissatisfaction**

The largest portion of lost productivity is due to employee dissatisfaction. One U.S. estimate says that workers who do not feel engaged cost companies more than \$550 billion in revenue every year.

When employees do not feel like their contributions matter, that their ideas are not heard or that they are not able to make a difference in the company they work for, they mentally check out of their jobs. Not only are they likely to be absent more often, their declining attitude can negatively impact their coworkers or worse, drive customers away.

Fortunately, this is a preventable scenario. A CPHR can guide you toward having a more engaged workforce by recruiting enthusiastic hires, training managers for active and accountable engagement, creating a culture of collaboration and innovation, and ensuring that employees feel a connection to their workplace through caring and compassionate relationships with co-workers and managers.

**Discover more effective strategies for increasing productivity in your workplace that will maximize profitability and employee engagement. Hire a CPHR.**

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billion**

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We'd like to hear from you!

What practices in your organization  
are most in need of attention?  
Contact us at [info@cphr.ca](mailto:info@cphr.ca).

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