

## Manitoba HR Trends Report August 2016

### PURPOSE OF THIS REPORT

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

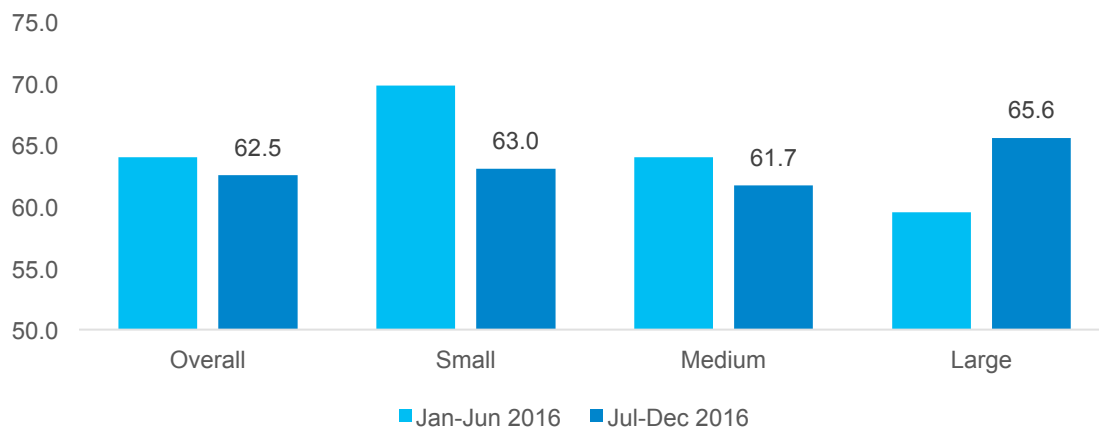
The Human Resource Management Association of Manitoba has commissioned this report to help fill the labour information void for its members and to discover industry benchmarks that can help human resources professionals make better talent management decisions.

### HIRING CONFIDENCE INDEX

Manitoba's Hiring Confidence Index was created to measure how Manitoba 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; it also incorporates views on growth in the number of positions.

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

Hiring Confidence Index

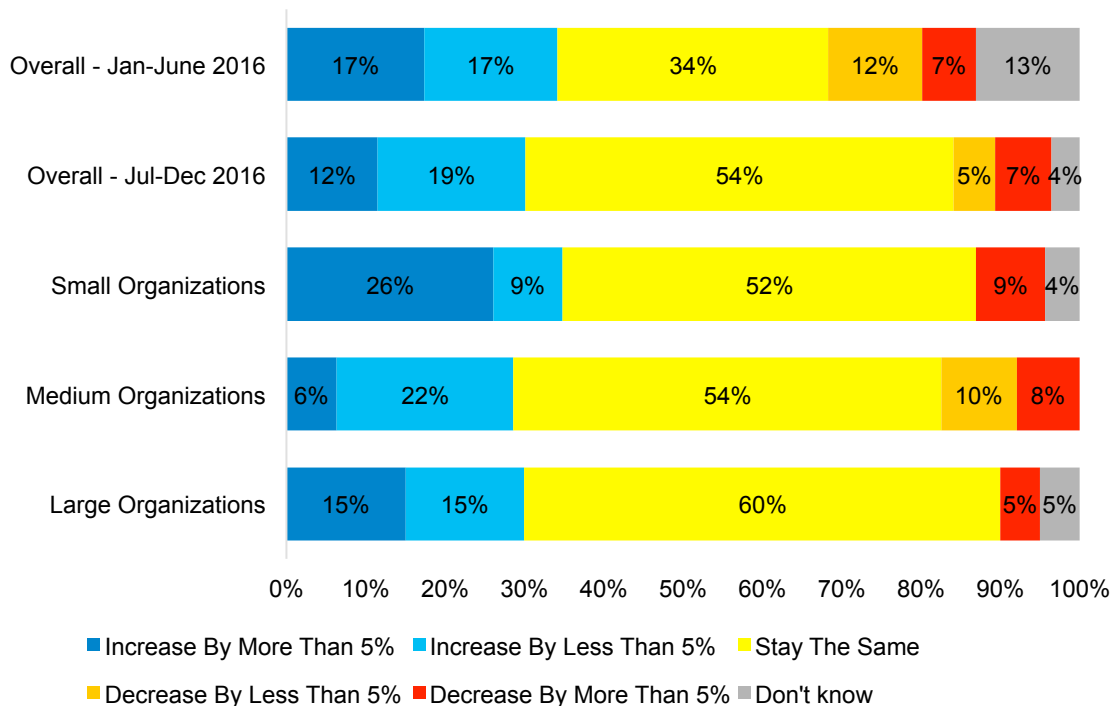


Overall, Manitoba’s hiring confidence for the next six months (62.5) is down slightly from the last report (64.0). That drop has been driven by a shift in confidence among small organizations, which has dropped from 69.8 to 63.0. This was offset by an increase in confidence among large organizations (which grew 59.5 to 65.6).

### THE 6 MONTH OUTLOOK

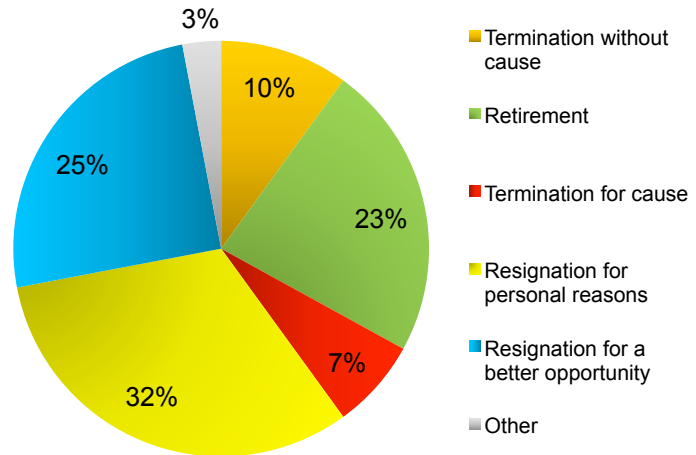
Overall, 31% of organizations expect to see positive employment changes over the next six months, as opposed to the 12% that expect any sort of decrease. There are fewer organizations who expect their number of employees to increase or decrease - more than half (54%) expect no change at all in the next six months. Among small organizations there has been an interesting trend – the number who expect to grow by more than 5% is up and the number who expect to grow by less than 5% is down significantly. Small organizations seem to either expect significant growth or not very much at all. Large organizations are less likely to expect to lose staff than they were six months ago.

### Expected Change in Employment



Manitoba’s job market is looking healthy with 57% of respondents expecting the biggest reasons to lose staff over the next six months to be resignation for personal reasons or resignation for a better opportunity (up from 35%). A big part of this growth is that “resignation for personal reasons” more than doubled, while retirement dropped from being the most common reason to the third most common. Significantly only 10% expect the biggest reason to be terminated without cause, down from 17% six months ago.

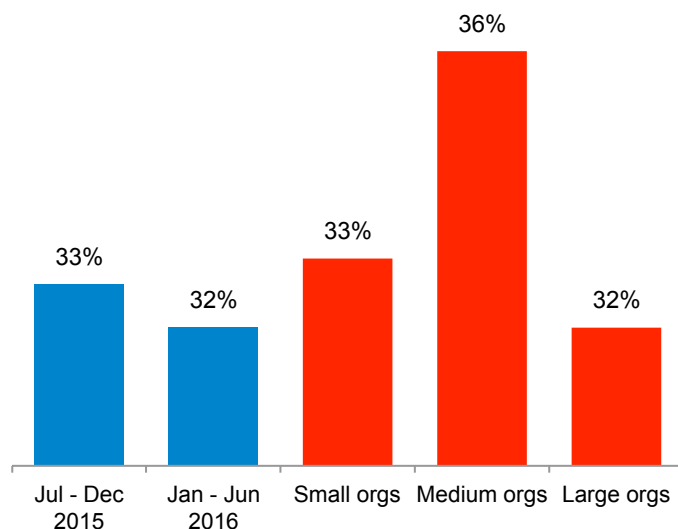
**Expectation for the biggest reason to lose staff in the next six months**



**CURRENT TRENDS**

The first six months of the year saw a third of organizations grow their number of employees. This is at the same level as the last report (32%), but there has been a drop in the number of organizations reporting a decrease in employment from 24% to 17%. The proportion of organizations growing has stayed constant for small organizations, has dropped for medium ones, but increased significantly for larger ones.

**Percentage reporting net increase in employment**



The pattern of exact numbers for employees and contractors joining and leaving organizations shows weak growth among employees, but strong growth among contractors.

While small organizations saw both fewer employees and contractors, both medium-sized and large organizations saw much larger growth among contractors. In fact, among large organizations the increase in contractors more than made up for the decrease in employees.

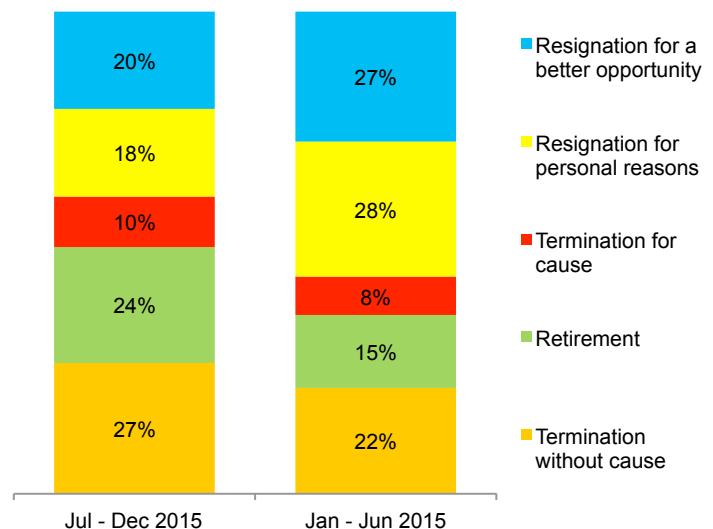
Employees	Small organizations	Medium organizations	Large organizations
Joined in last six months	3.0	19.6	116.8
Left in last six months	5.0	19.4	121.6
Net Employees	-2.0	+0.2	-4.8
Contractors			
Joined in last six months	2.1	8.5	26.7
Left in last six months	4.1	3.7	8.7
Net Contractors	-2.0	+4.8	+14.0

## TERMINATION CAUSES

Over the last six months, the most common reason for leaving was resignation for personal reasons, followed closely by resignation for a better opportunity. The most common reason to leave for all job types were one of these two reasons. This is a sign of a healthy labour market, especially compared to the last report when termination without cause was the most common reasons for leaving.

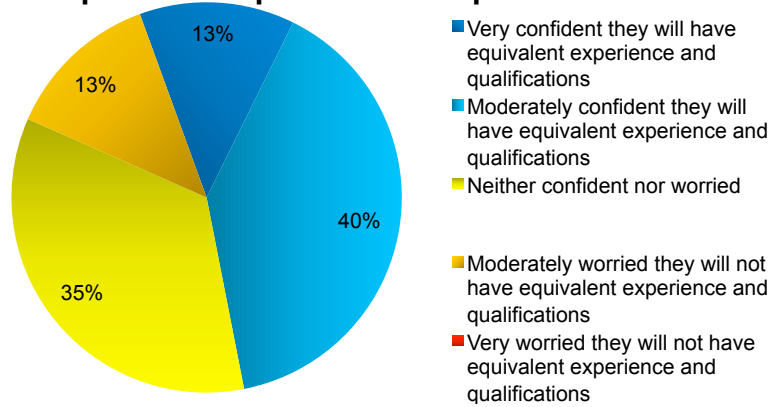
Category of Employee	Most Common Reason to Leave
Executives	Resignation for Personal Reasons
Managers	Resignation for a better opportunity
Professionals (i.e. engineers, accountants, HR)	Resignation for a better opportunity
Technical Staff (i.e. designers, technicians)	Resignation for a better opportunity
Tradesperson or Journeypersons	Resignation for Personal Reasons
Administrative or support staff	Resignation for Personal Reasons

### Most Common Reasons for Leaving



Just over half (53%) of HR managers are confident they can fill vacancies with workers that have equivalent experience and qualifications. None are very worried about finding qualified replacements. This is a significant change from the last report where there was considerably more confidence (61%). The expanding job market is making it harder for HR managers to find the best-qualified people.

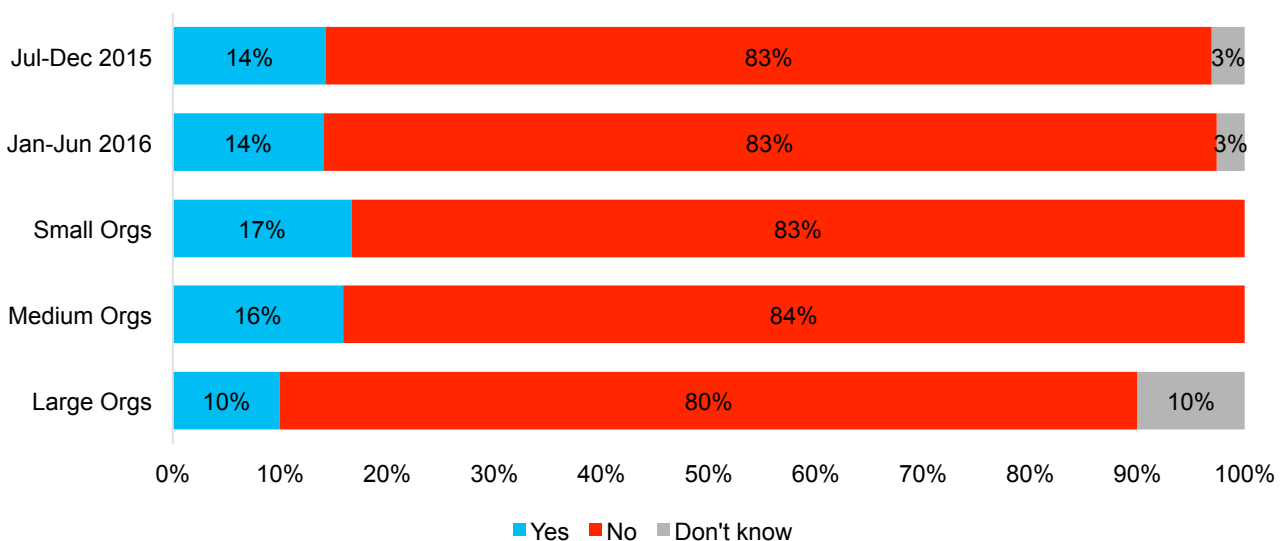
### Confidence in replacing workers with equivalent experience and qualifications



### TEMPORARY LAYOFFS

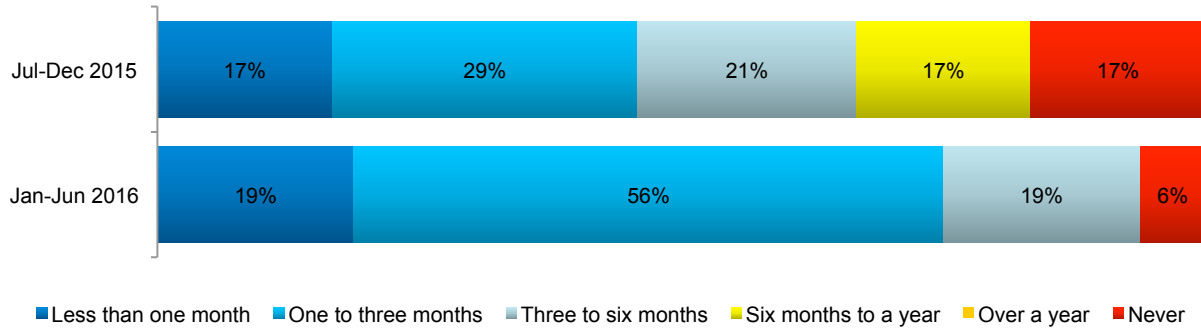
The goal of temporary layoffs is for the staff to return to work before long, and in most cases that happens. Temporary layoffs are being used by 14% of organizations in Manitoba (exactly the same level as the previous report). Compared to late 2015, temporary layoffs are more common among small organizations and less so among large ones.

### Have engaged in Temporary Layoffs



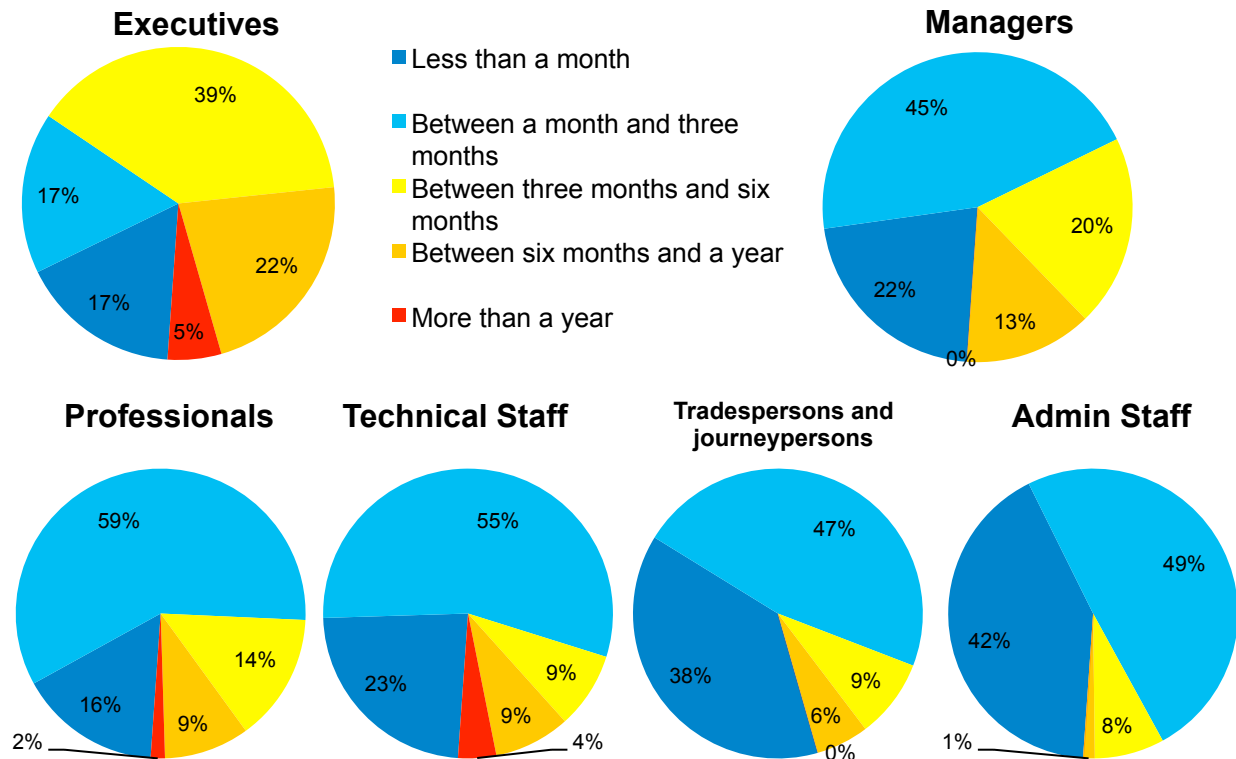
Overall, call-back times are very short for temporary workers in Manitoba, with 94% of organizations reporting that they call back temporary employees within six months. This is a marked improvement from the last report.

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



## FILLING VACANCIES

Executives were much harder to replace than administrative staff, which is to be expected in a normal labour market. Only 34% of vacancies for executives were filled within three months, this number jumps to 67% among managers, and over 75% for all other positions. Since the last report, most roles have not seen a meaningful change in how long it takes to hire, the exceptions are executives and technical staff who take longer to replace than they did six months ago.



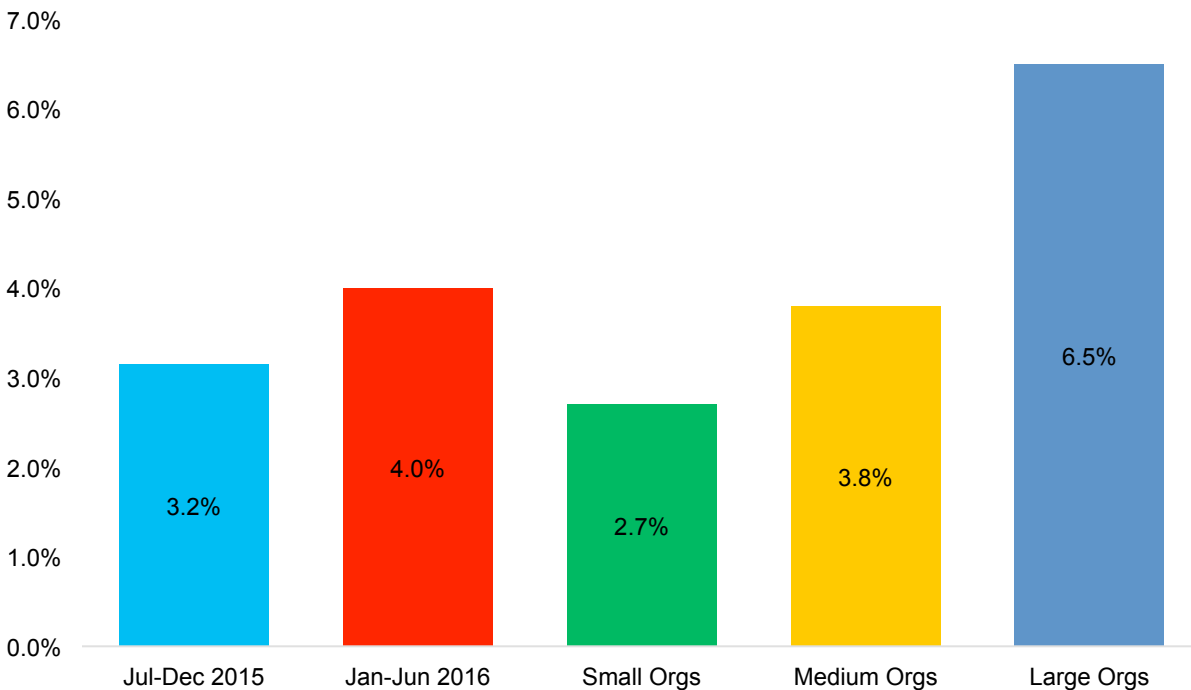
## HR TEAM RATIO

Respondents were asked to provide an approximate ratio of HR employees to overall employees in their organizations. The ratio is very dependent on the size of the organization, with small organizations having one HR person per 31 employees and large ones with a ratio of 250 to 1. Medium-sized organizations had an average ratio of 108 to 1.

## LEARNING AND DEVELOPMENT

On average, organizations are investing 4% of their total budget towards learning and development. Large organizations devote significantly more (6.5%) than the provincial average. They are obviously making learning and development a priority. There has been a noticeable increased investment in learning and development over the last six months, and most of this growth has come in large (up from 4.1% to 6.5%) and medium-sized ones (up slightly from 3.4% to 3.8%). In contrast, small organizations saw their percentage of budget devoted to learning and development drop from the last report (from 3.2% to 2.7%).

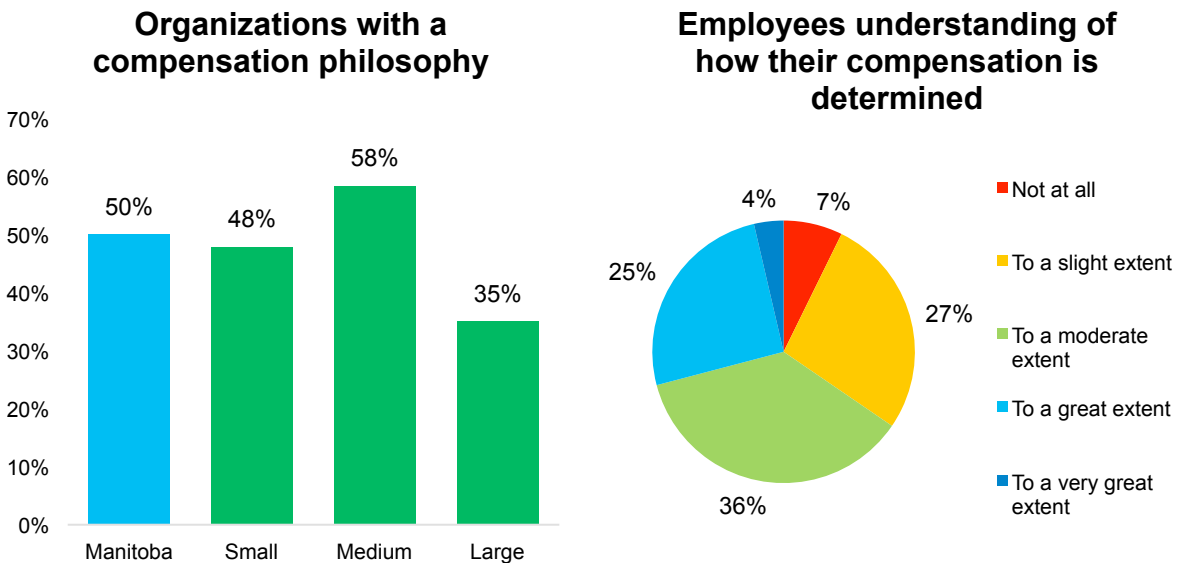
### % of Budget Allocated to Learning and Development



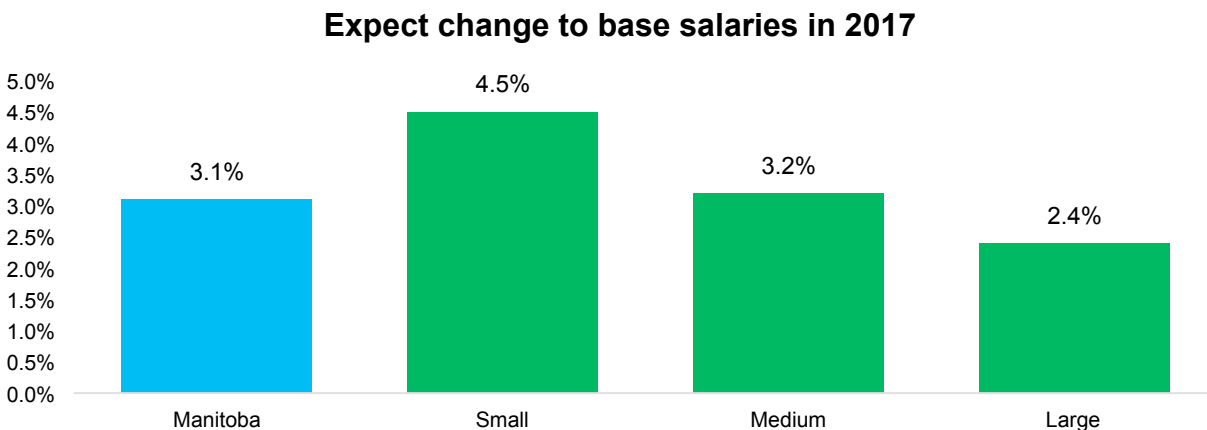


## COMPENSATION

Half of organizations have a compensation philosophy (50%). It is most common in medium-sized organizations. In Manitoba, 29% of organizations believe their employees have a great or very great understanding of how their compensation is determined. About a third (36%) think their employees have only a “moderate” understanding, which speaks to a need for more clarity on this subject. There are no significant differences in opinion between organizations of different sizes.



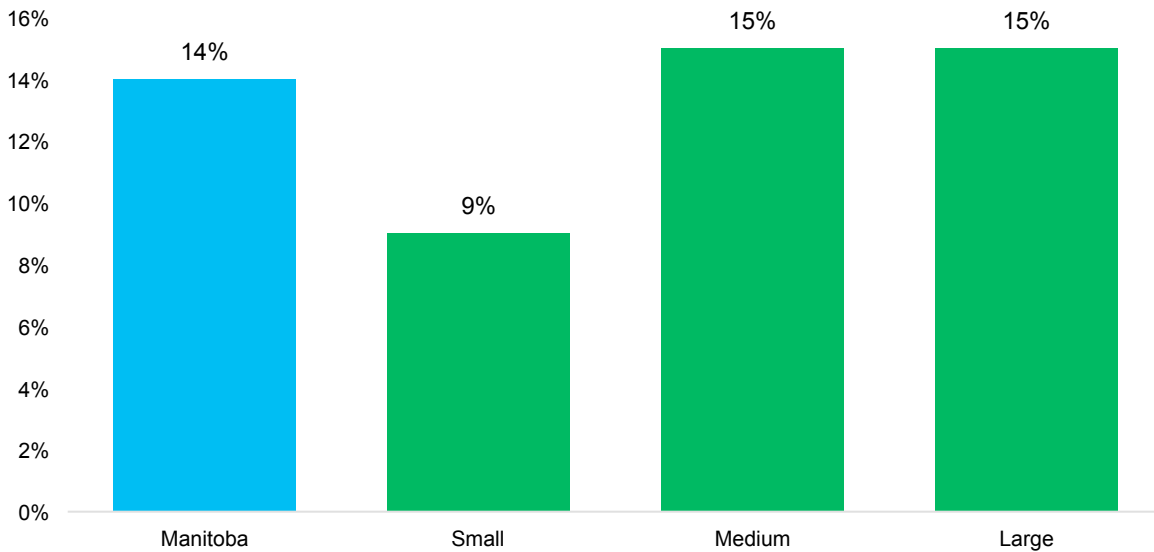
Overall, base salaries in Manitoba are expected to rise 3.1% in 2017. This is being driven by big expectations among small organizations who expect their base salaries to increase by 4.5% in 2017. Large organizations in contrast only expect to see an increase of 2.4%.



## BENEFITS

Overall organizations spend 14% of what they pay in salaries on benefits. This increases with organization size, as medium-sized and large organizations spend 15%.

**Average percentage of salary paid in benefits**



There is a great deal of variation in what is offered in terms of which benefits to what types of employees. Contractors are rarely offered any benefits. Almost all benefits are more commonly provided to management and senior management employees. Some benefits are perhaps more rare than expected, especially those related to retirement, such as matching RRSP contributions and stock options. On the other hand, employee pension plans are very common with half of organizations offering them to part time employees and 70% to full-time salaried employees.

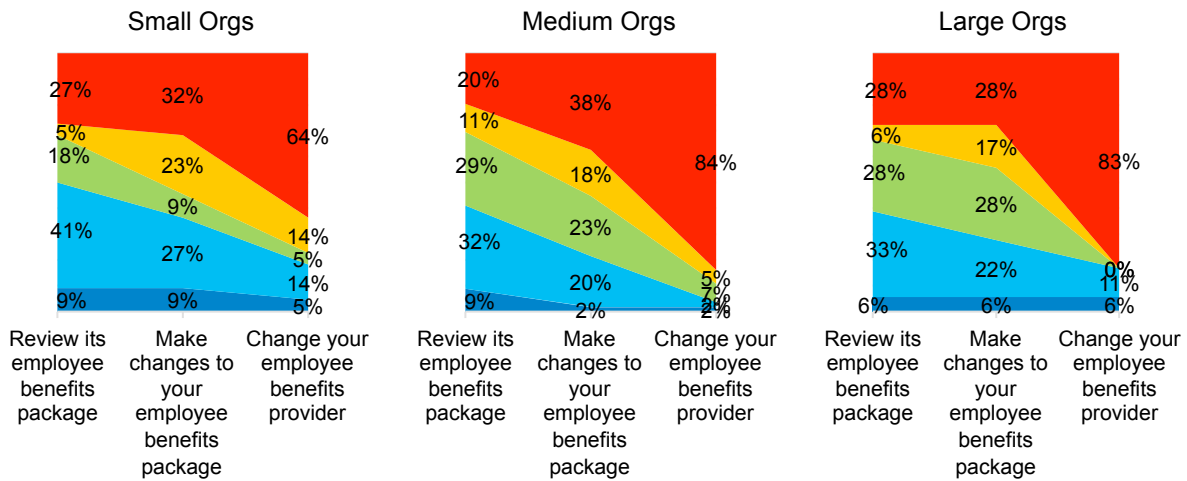
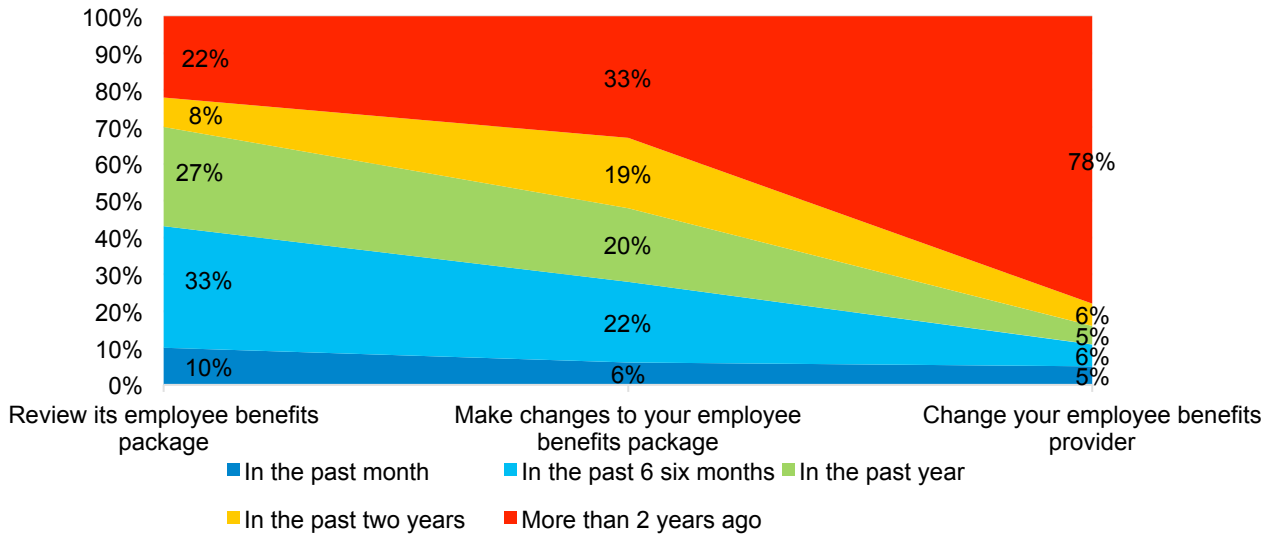
Part-time employees are offered health benefits including prescription, extended health, paramedical health and life insurance by about half of organizations. This category of benefits is even more common among full-time salaried employees and management. About 60% of organizations offer paid professional development and tuition reimbursement to all full-time employees. Vehicle-related benefits like paid parking are somewhat common to all full-time employees and more so among management.

Benefits Offered	Contractors	Part-time employees that work a minimum number of hours	Full-time hourly employees	Full-time salaried employees	Management employees	Senior Management employees	Not provided to anyone
Employee Pension Plan	2%	50%	61%	70%	69%	69%	27%
Group RRSP with employer matching contributions	1%	18%	33%	41%	38%	39%	53%
Core Health benefits	5%	56%	73%	82%	78%	77%	16%
Prescription drugs coverage (full or cost-shared)	3%	57%	75%	85%	81%	80%	12%
Extended Health (Dentist, Optometrist, etc.) benefits	3%	61%	78%	89%	85%	84%	9%
Paramedical Health (physiotherapy, chiropractor, etc.) benefits	3%	56%	72%	83%	81%	80%	13%
Health Spending Account	3%	29%	30%	37%	36%	37%	59%
Employee Assistance Program (EAP)	3%	60%	67%	78%	75%	75%	20%
Employee life insurance policy	3%	56%	78%	88%	84%	83%	9%
Stock Options	0%	3%	4%	7%	8%	13%	86%
Paid flex days	3%	14%	19%	29%	29%	28%	62%
Paid vacation time over and above Employment Standards minimum	3%	45%	60%	78%	75%	76%	13%
Paid Parking	8%	20%	25%	30%	33%	44%	48%
Vehicle Allowance	0%	1%	4%	6%	11%	41%	53%
Paid Professional Development Opportunities (Courses, Conferences, Workshops, etc.)	3%	38%	62%	80%	82%	80%	9%
Tuition Reimbursement	1%	37%	54%	74%	71%	70%	23%

\*Colours are visual aids to emphasize how common or uncommon these benefits are. White cells have values between 0 and 24%, yellow between 25% and 49%, green between 50% and 74% and blue 75% and more.

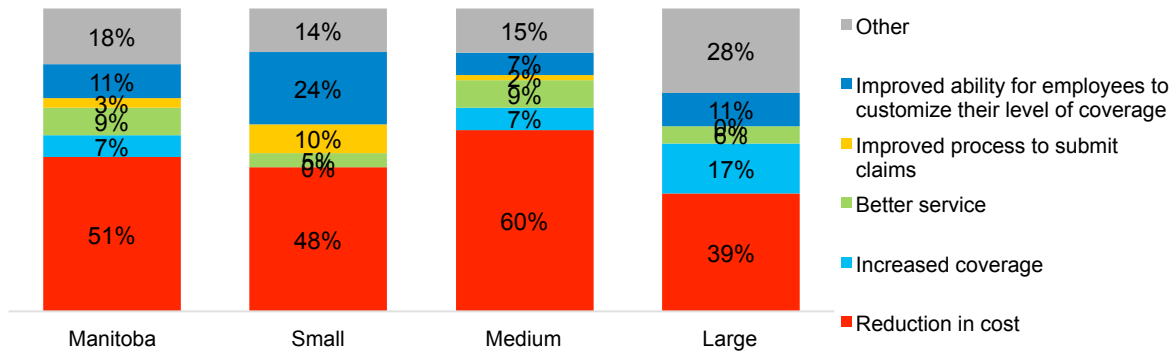
Organizations review their employee benefits packages relatively frequently with 70% doing so in the past year. They change the packages less frequently with 48% altering them in the last year. However, only 16% have actually changed their employee benefits provider in the same time period. Small organizations are more likely to have changed their employee benefits providers in the last year (24%).

### When did your organization last do the following?



In all 16% of organizations changed their benefits provider in the past year. The biggest reason to do so is to reduce costs (51%) followed by improving the ability for employees to customize their level of coverage. Costs are relatively larger drivers of switching providers among medium-sized organizations.

### Biggest motivator to change employee benefits provider

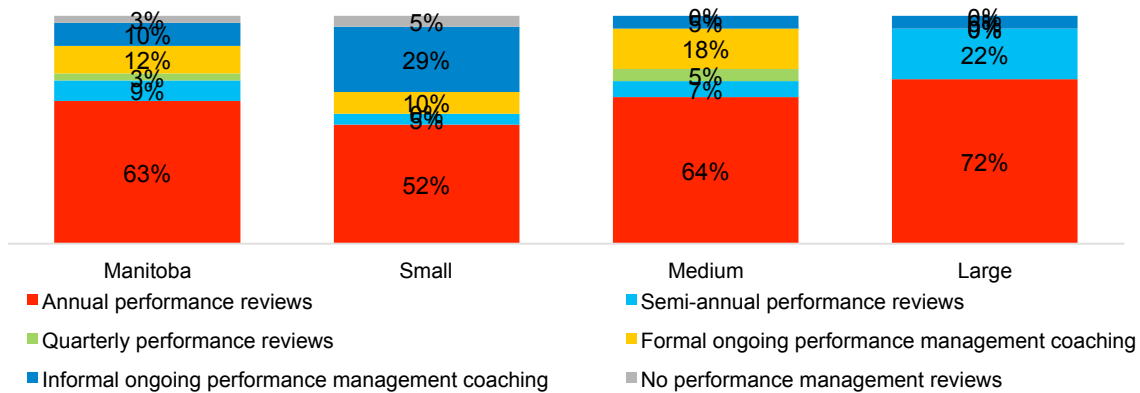


### PERFORMANCE REVIEW PROCESS

Performance reviews are crucial to the success of team members as employees need to know how they are performing and what areas need improvement.

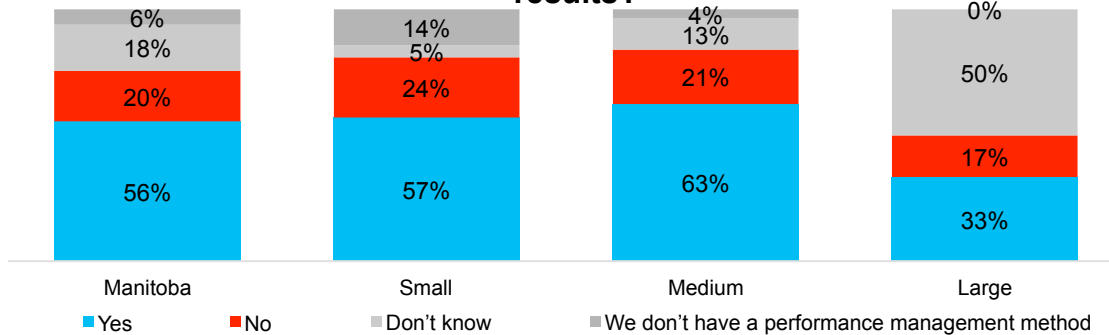
More than three in five organizations (63%) perform annual performance reviews, another 12% perform them more frequently, while 3% don't perform any. The remaining 22% of organizations provide either formal or informal ongoing performance management coaching. Smaller organizations are less likely to have regular performance reviews and significantly more likely to engage in ongoing coaching. Semi-annual reviews are most common in larger organizations.

### Method used for performance review process



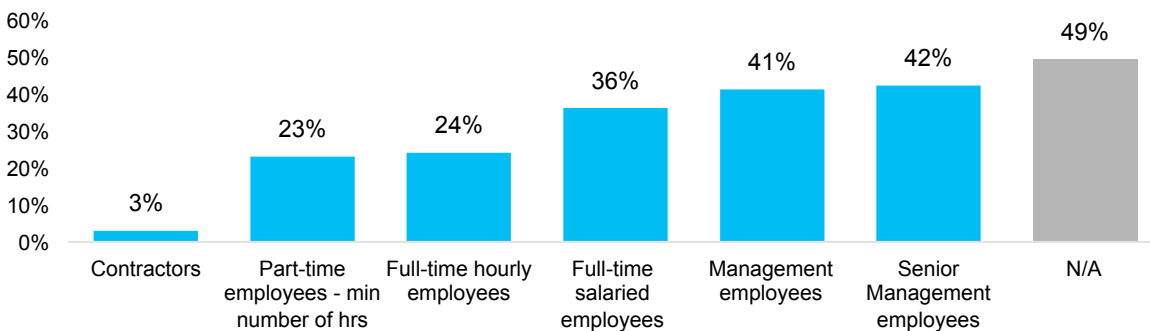
Despite the near unanimity of organizations that engage in some sort of performance review or coaching, just over half (56%) of organizations report that the reviews are producing the expected results. Medium-sized organizations are more likely to believe they are doing it right with more than three in five reporting they are getting what they expect, by contrast, only 33% of large organizations feel the same way.

### Is current performance review process producing expected results?



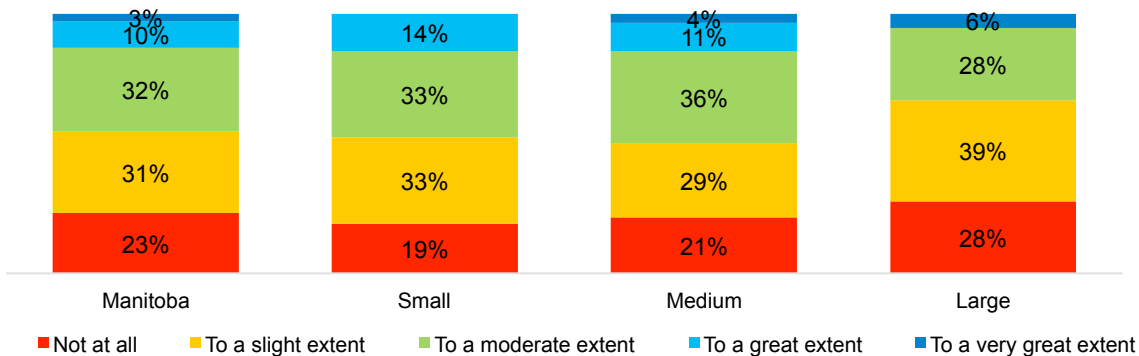
The chances that an organization ties the amount of pay to the performance of the employee varies considerably based on the role of that employee. The more senior the employee the more likely they are to be at least partially paid for their performance. It is uncommon with contractors, part-time and hourly employees. But between 36% and 42% of full-time salaried employees and management are rewarded in this manner.

### Proportion of organizations who pay for performance with annual variable pay



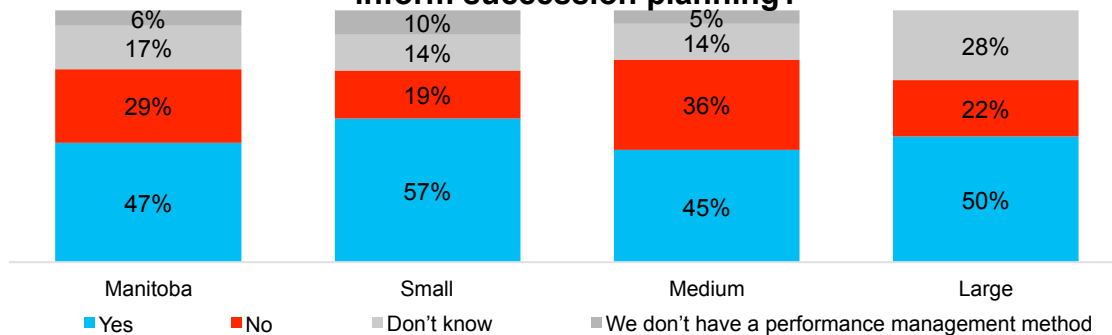
Perhaps the reason that so few organizations reported their current review process was producing the expected results was that comparatively few change their system to adapt to current challenges. Only 45% of organizations said they proactively adapt their compensation policies even to a "moderate" extent. Only 3% adapt to a very great extent. Large organizations are the least likely to adapt proactively.

### Extent organization proactively adapts compensation policies to address talent retention and acquisition challenges



In Manitoba, 47% of organizations report using their performance management programs to inform their succession planning. This is most common in small organizations, but less so in medium-sized and large organizations.

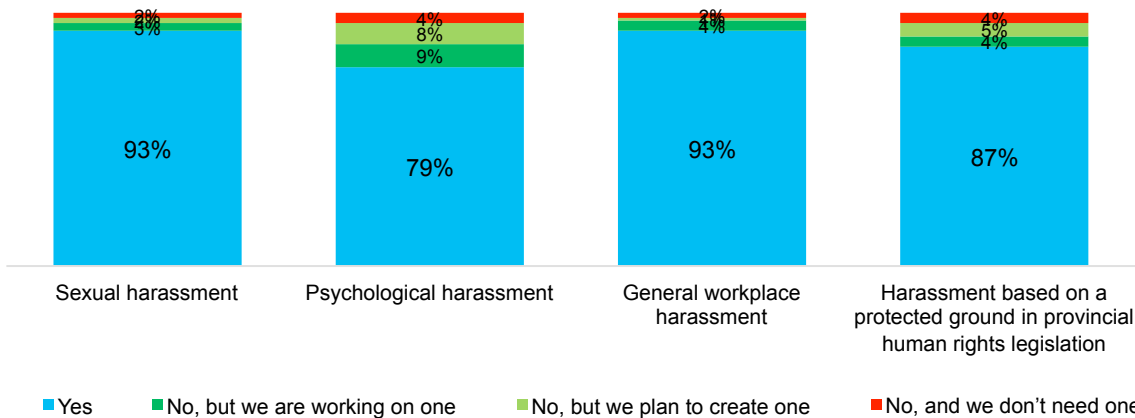
### Does organization use performance management program to inform succession planning?



## HARASSMENT POLICY

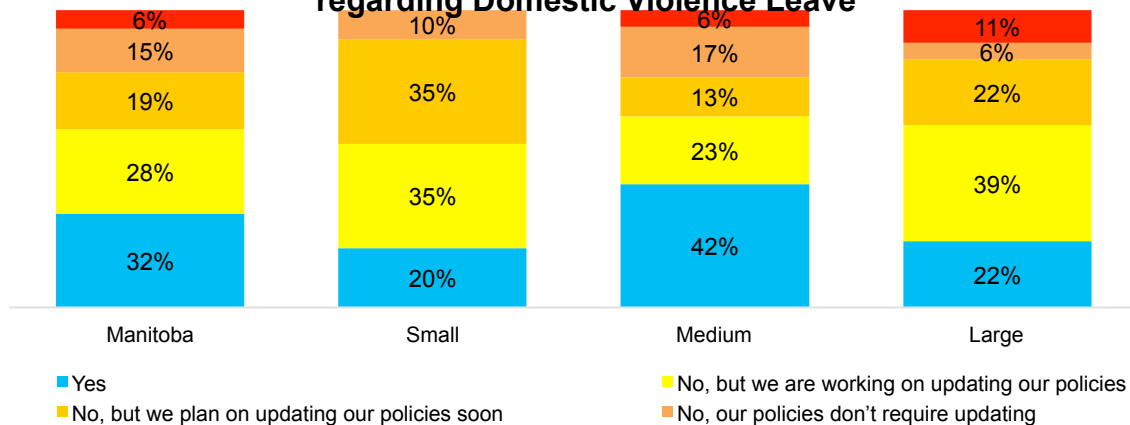
Around 90% of organizations have policies for sexual harassment, general workplace harassment and harassment based on a protected grounds in provincial human rights legislation. Policies against psychological harassment are less common, but still, over three-quarters (79%) of organizations have them in place.

### Status of types of harassment policies



About a third (32%) of organizations have updated their HR policies in response to amendments to the Employment Standards Code of Manitoba regarding domestic violence leave. 28% are in the process of updating their policies and another fifth are planning to do soon. Only 6% were not aware of the amendment. It is medium-sized organizations that are leading the charge on updating their policies with 42% having already done so. The most common response from large organizations is that they are working on implementation.

### Has organization updated HR policies in response to the amendments to the Employment Standards Code of Manitoba regarding Domestic Violence Leave

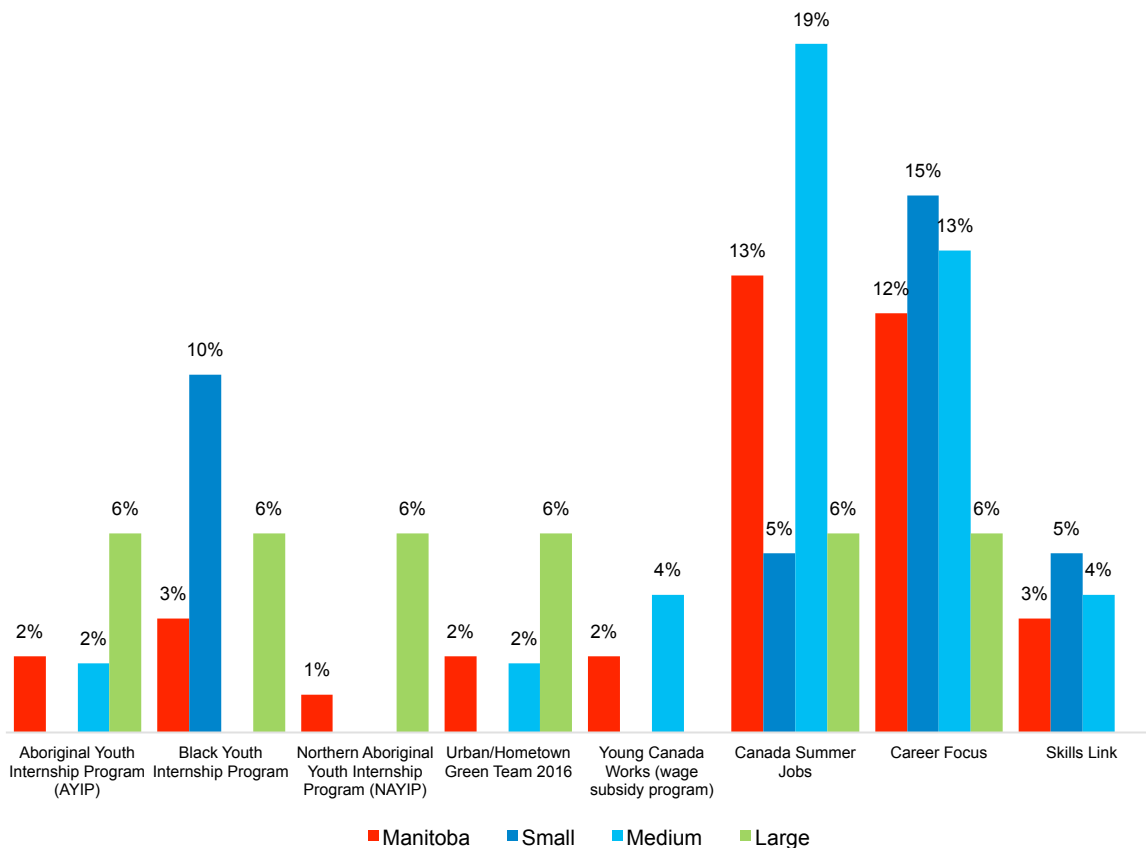




## STUDENT OR YOUTH EMPLOYMENT PROGRAMS

There are many summer job programs organizations can apply to for help hiring students. The most commonly applied to is the "Canada Summer Jobs" program with 14% applying. In most cases, larger organizations, who can more easily deal with application processes, were more likely to apply. The exception was the Canada Summer Jobs program where small organizations were the most likely to apply and largest ones the least likely.

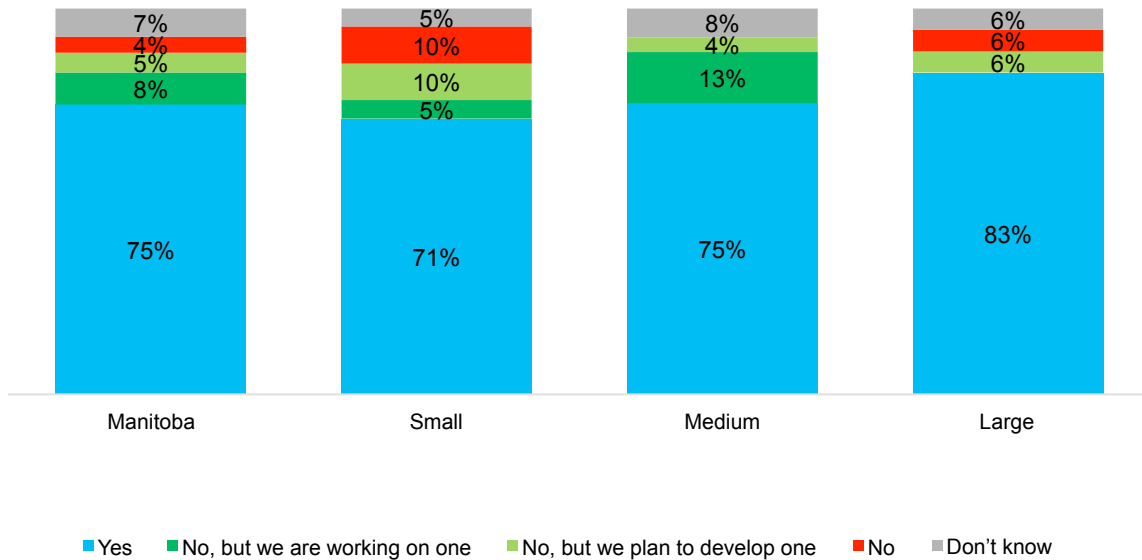
### Which student or youth employment programs applied to



## EMERGENCY RESPONSE PLAN

Three-quarters of organizations (75%) have an up to date emergency preparedness and response plan. It is ever higher with large organizations where 83% have a plan.

### Organization has an up-to-date Emergency Preparedness and Response Plan



## TRENDS IN HR

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

- Alberta's economy hurting Manitoba
- Immigration and the impact on labour markets
- Minimum wage hike
- Provincial government hiring freeze

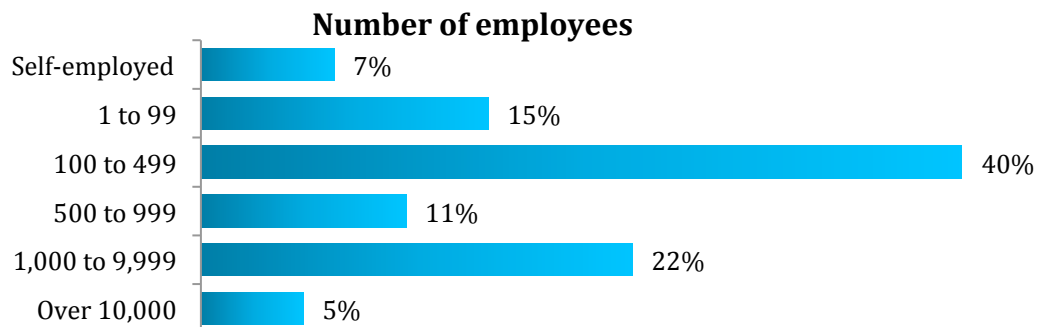
## METHODOLOGY

This survey was conducted online between June 1 and 23, 2016. 1,364 members of the HRMAM were invited to participate via an email. Of these, 204 completed enough of the survey for their responses to be used in the results; a response rate of 15.0%. 114 respondents completed every question, a completion rate of 8.4%. The margin of error of this survey varies depending on the number of completions each question received. The margin of error varies between +/-6.3% nineteen times out of twenty and +/- 8.8% nineteen times out of twenty. The data for the previous report was collected in November and December 2015.

## RESPONDENT PROFILE

The respondents come from organizations of all sizes from sole-proprietors to multi-national corporations. The median number of employees in Manitoba per organization is 395 and the average number of employees is 2,163.

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

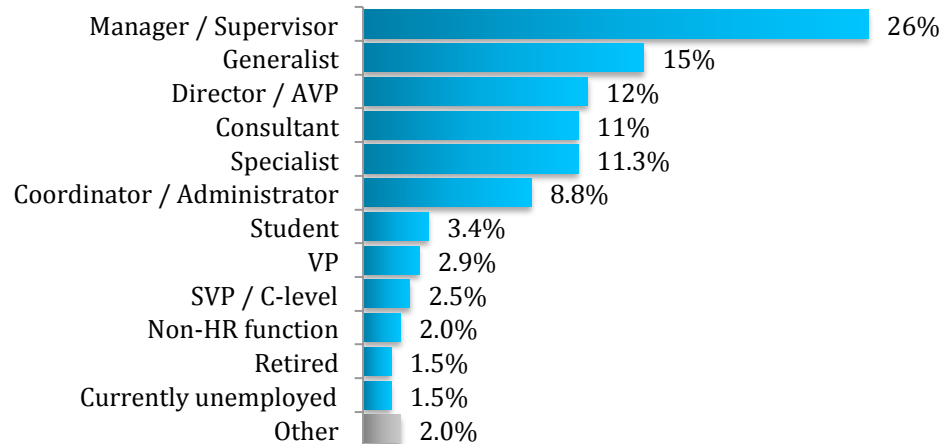


Due to the sample size individual sectors could not be broken out with separate results.

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



### Distribution by Role



### FURTHER INFORMATION

Committed to the Human Resource profession, the Human Resource Management Association of Manitoba (HRMAM) is a vibrant association full of passion and vitality. With over 1,400 members, our membership is overflowing with a wealth of knowledge and resources.

Established in 1942, HRMAM is a network that links members, businesses, and the general public to important HR issues and trends that are occurring provincially, nationally, and globally.

For more information contact:

Phone: 204-943-2836

Email: [hrmam@hrmam.org](mailto:hrmam@hrmam.org)

[www.hrmam.org](http://www.hrmam.org)

For inquiries regarding the survey and analysis, contact:

Ron Gauthier

Chief Executive Officer & CHRP Registrar

Phone: 204-943-0884

Email: [rgauthier@hrmam.org](mailto:rgauthier@hrmam.org)

For inquiries regarding the methodology and survey tool, contact:

Hamish I. Marshall

Torch

Phone: 778-835-3715

Email: [hmarshall@torch.agency](mailto:hmarshall@torch.agency)

