



HUMAN RESOURCES MANAGEMENT PRACTICES IN CANADA



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In the present context of economic turbulence, organizational performance is a priority. This turbulence sounds the death knell for many companies, which until then were well established in their environment. It challenges human resources “HR” practices. HR practices are likely to protect the sustainability of the organization. The objective of this study is to identify the main HR practices in force in Canadian companies and understand their respective importance. The study was completed in 2021.

Human resources “HR” practices must have two fundamental characteristics in the new competitive environment of the firm: on the one hand, they must be complementary or linked to each other and on the other hand, they must contribute to the sustainability of the company, that is influenced by elements such as customer growth or productivity. These two characteristics contribute directly to organizational performance. HR practices must be convergent or complementary and centered on the sustainability of the business project. Otherwise, they cannot prove to be strategic in the medium and long term.

Hypotheses

The configuration of HR practices is an essential element of their shaping. Clearly, they must be complementary to each other. This is a guarantee of their efficiency in the company. Indeed, HR practices built without sufficient link between them, cannot ultimately benefit the company. It is therefore imperative that they be configured on a basis of complementarity.

Hypothesis 1: HR practices configured with a concern for complementarity or convergence between them will produce more positive effects on organizational performance than practices built without this concern.

A priori, the mere fact that HR practices are configured in a complementary way is not enough to attribute to them their full effect on organizational performance. They must also be built in the light of the business project, that is to say, according to the growth of the clientele and the firm's productivity. It is, in this perspective, that they become a source of the development of organizational skills¹.

Hypothesis 2: HR practices built taking into account the requirements of the business project, especially customer growth and productivity, will be more related to organizational performance than HR practices built in another way.

Methodology

Canada had 24,000 businesses with 100 or more employees in 2020 ². 102 respondents participated in the study for a margin of error equal to or less than 10%. A survey by written or verbal questionnaires was conducted with the persons

concerned. The measuring instrument was finalized by inferring in particular previously validated models.

The validity of the questionnaire was assessed in two ways. On the one hand, its construction attempted to ensure maximum overlap between the variables of the conceptual model and the questions selected. On the other hand, the “Pearson” correlation coefficients were calculated between each of the parts and the overall score on the questionnaire. The rule is that the validity is all the higher when the correlation between each of the parts of the questionnaire is low and when the correlation between these parts and the total is high ³. In the case below, the rule in question has been respected. It is correct to conclude that the measuring instrument is valid, particularly with regard to the pre-tests, having been respected in the circumstances.

Review of the writings

The recent evolution of the product market exerts strong internal pressure on the organization⁴. Previous human resource models are now being reassessed. The updating of new HR strategies is essential. Because social achievements are threatened. Habits and anchor points are strongly shaken. Human potential is now ranked among competitive advantages ⁵. Therefore, human resources are at the forefront of business success. Nevertheless, work performance management does not always take into account the company's business project.

An organizational dashboard

It is imperative to find a rational way to measure the state of HR practices in the enterprise ⁶. Achieving complementary HR practices centered on the business project postulates the development of an organizational dashboard ⁷. This is a privileged way to move towards human resources strategies adapted to the current socio-economic context and to effectively seek innovation ⁸. It is an imperative for change in the current competitive perspective.

Consistent practices

The complementarity of HR practices depends on a certain number of fundamental conditions. Practices must first be situated in a learning structure ⁹, which tends to empower human resources ¹⁰. Such a structure, juxtaposed with accountability, then proves to be the prerequisite for self-learning, a source of continuous improvement ¹¹. HR practices must therefore place employees in a situation of continuous learning, hence the strategic importance of their internal consistency or their complementarity.

The work organization then undergoes the beneficial effects, whether in terms of teamwork or decentralized decision-making¹².

The number of HR practices needed in an organization is a false issue. It is their relevance that matters above all, as well as the logical links that unite them¹³. It is better to adopt a limited number of HR practices and pay attention to their complementary nature¹⁴. Therefore, it is in the systemic assembly of HR practices that we must invest¹⁵. And it is the quest for horizontal consistency in HR practices that matters above all¹⁶.

Appropriate compensation

Remuneration is likely to promote the complementarity of HR practices insofar as it implicitly has a cross-cutting nature¹⁷. For example, variable compensation, if managed well, encourages productivity¹⁸. Remuneration is also a powerful tool for developing the customer approach and orienting the employee towards the business project.

Evaluate performance without forgetting potential

Assessing performance and potential is also an essential HR practice insofar as it generates values¹⁹ and allows the implementation of a rewards system. It can then create an internal synergy and show the optimal way to integrate the business project into daily work. Clearly, the success of HR practices in terms of complementarity lies in their ability to generate productive behavior at work which will ultimately be taken into account by an overall context²⁰.

Performance values are increasingly the basis of HR practices²¹. They represent the infrastructure of practices relating to the work patterns, human resources planning and organizational development²². The development of competence is a prerequisite for the success of a restructuring or a major change²³.

HR development, hiring incentives, performance appraisals, and competitive compensation affect customer growth and firm performance²⁴.

Changing practices

In addition, HR practices are expected to reduce traditional HR issues such as attrition, by creating a strong corporate culture²⁵, in the context of growing cultural differences²⁶. Moreover, if the company operates in a rapidly changing technological environment, its HR practices must take this into account. From this stems the need

to adapt HR practices by refocusing them on customer development and productivity²⁷. Thus several categories of HR practices are challenged, especially those related to the empowerment of human resources and organizational development²⁸. It is imperative that HR practices are in a context of continuous renewal because the external context of the company is constantly changing²⁹.

A new HR practice: teleworking

Teleworking is an emerging HR practice. In 2020, *the National Institute of Public Health* (INSPQ) conducted research with 1,000 Quebecers on telework³⁰. The following emerges. As of May 31, 2020, i.e. during the pandemic:

- More than half of the citizens in employment were engaged in teleworking;
- 60% of teleworkers wanted their experience to continue post-pandemic.

There would therefore be a strong demand for access to telework among workers. However, not all jobs lend themselves to telecommuting. Consequently, a precautionary principle is essential in the implementation of a telework policy. Certainly, telework is a component of a technologically developed society. However, it can be a source of loneliness for those who practice it and frustration for those who hold jobs that do not allow it.

Research on adaptation to remote work in the context of a pandemic was conducted in Canada from April 4 to 17, 2020³¹ with a sample of 1,614 respondents. This study notes a renewed interest in working from home in Canada. 47% of respondents expressed the wish to continue working from home after the end of the pandemic. In addition, 37% of them say they are productive by working from home. On the other hand, respondents who feel isolated and far from decision-making centers admitted to being less productive in teleworking mode. A decrease in productivity has also been observed among those whose tasks to be performed are closely linked to teamwork, that is to say to interaction with colleagues.

The US Government passed the *Telework Enhancement Act* in 2010³². Following the aforementioned law, the *United States Office of Personnel Management* (OPM) produced a progress report in 2016 on telework in all US public service agencies, which included a total of 2,175,317 employees³³. According to the criteria established in the implementation of telework in 2010, 896,563 employees, or a proportion of 41%, are eligible for telework. About half of the eligible people (477,084 employees), or 22% of all civil servants, are teleworkers. Clearly, about half of eligible people participate in a telework experience. Consequently, the need for face-to-face socialization within the company remains a value supported by employees since only half of eligible people finally place themselves in telework.

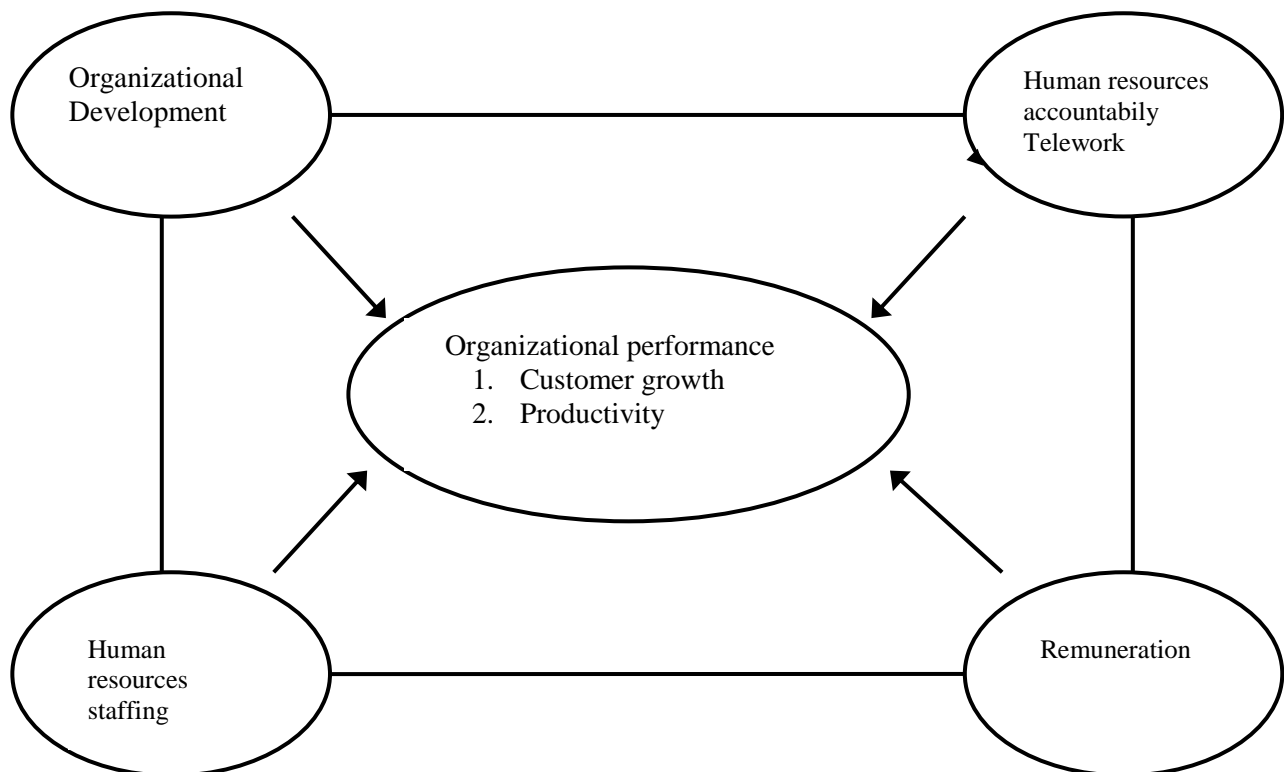
Overall, the aforementioned American experience reveals the following:

- Since 2010, the teleworking participation rate has steadily increased;
- The OPM has intensified its guiding role by seeking a balance between the demands of employees' jobs and taking care of their family needs;
- Employees working from home, compared to those who are not, would reveal a higher sense of responsibility, a level of commitment and a propensity for innovation.

Terms of reference and results

Essentially, the study attempts to explain how HR practices, being the independent variables, influence organizational performance, which is then considered as a dependent variable. Among a set of categories of HR practices, four of them turned out to be particularly significant. The following diagram indicates the positive influence of such practices on firm performance.

Diagram 1: Human resource practices and organizational performance



Organizational performance is evaluated by the combination of two indicators, namely customer growth and productivity. Table 1 presents the ranking of organizational performance indicators following a discriminant analysis.

Table 1: Ranking of organizational performance indicators (dependent variable)

Factor		% of variance explained
1	Customer Growth	48.25
2	Productivity	16.90

The two (2) organizational performance indicators are in descending order: customer growth and productivity. Productivity is defined as the ratio, in volume, between production and the resources used. These indicators were established by the interviewer and the respondents from data available in the company. Customer growth represents a level of customers for the company's main product as identified for a period of three (3) consecutive years. Productivity is the ratio between the value of goods produced divided by the amount of human labor required to obtain it. For example, the value of all the goods produced is divided by the number of working hours needed to generate said value.

Table 2 presents a descending ranking of the relevance of HR practices according to organizational performance. The concept of performance here is formed by the juxtaposition of customer growth and productivity. The ranking is carried out by means of a discriminant analysis.

Table 2: Ranking of independent variables, i.e. HR practices in relation to organizational performance

“Independent Variables” HR Practices		Organizational performance
No	Decreasing ranking of HRM practices following a discriminant analysis	Customer growth and “composite index” productivity
1	Organizational development	.830
2	Human Resources Accountability	.450
3	Remuneration-Compensation	.380
4	Human resource staffing	.281
5	Telework	.185
5	Human resources planning	.092
6	Work organization	.086
7	Quality of life at work	.074
8	Health and security at work	.052

Five (5) categories of HR practices support organizational performance. These are, in descending order: organizational development, human resource accountability, compensation, human resource staffing and telework. As for the other practices, namely those concerning HR planning, work organization, quality of life at work and occupational health and safety, they are less important than the other practices mentioned above.

- Practices related to organizational development are the most important. Among all HR practices, they directly connected to the development of the employee's life skills and know-how. They therefore determine competence, taking into account the internal and external requirements in which the company operates. These practices have the highest correlation coefficient;
- Immediately following are practices related to accountability. Their cross-cutting nature weighs heavily on many dimensions of life at work such as presenteeism, task performance or quality control. These practices contribute to making the employee autonomous with regard to his present and future work;
- Compensation-related practices rank third. Remuneration, fixed or variable, individual or collective, if well managed, induces a culture of performance;
- HR practices related to staffing rank fourth. They concern as much the practices related to the acquisition as to the evaluation of human resources in a present or future perspective;
- Finally, telework has gained momentum in organizations since the start of the covid 19 pandemic i.e. in 2020. Telework supports the productivity of job holders with intellectualized content. But employees whose work requires updating physical site operations are obviously excluded.

Table 3 identifies the effect of HR practices on the retained indicators of organizational performance, namely customer growth and productivity. This effect is identified using multiple regression. The “beta” type coefficients then express the covariance. This involves evaluating the meaning of the aforementioned variables, which makes it possible to obtain the degree of independence or dependence, as the case may be, of the variables in question. As for the variance, it is an arbitrary measurement used to characterize the dispersion of the sample or of a population.

Table 3: Relationship between human resource management practices and organizational performance indicators.

HRM practice		Organizational performance	
		Growth	Productivity
1	Organizational development	.24***	.19***
2	Human Resources Accountability	.25***	.22***
3	Remuneration-Compensation		.21***
4	Human resource staffing	.19**	.18**
5	Telework		.20**

* = < .05 margin of error; ** = < .01 margin of error; *** = < .001 margin of error.

In Canadian companies, HR practices related to organizational development are essentially thought out by seeking an increase in labor productivity. They also target the growth of the clientele, which benefits in a way from the secondary effect of the efforts made to increase labor productivity.

Practices related to the empowerment of human resources essentially consist of making employees aware of the customer approach by highlighting the concept of “customer is a king”. They are linked to both customer growth and the productivity of human resources. Moreover, compensation produces its effects only on productivity. Finally, staffing generates positive effects on two dimensions of performance. This is self-evident because the staffing of human resources stems directly from management's vision of the company's internal and external challenges. Finally, telework influences a single dimension of performance, namely productivity, on the condition, however, that the content of the work authorizes it. Consequently, the positive effect of telework does not apply to all job categories.

Table 4 presents the degree of link between HR practices using multiple regression. Practices related to human resources planning, work organization, quality of work life and occupational health and safety, in the context of the study, did not reveal any significant complementarity. They are therefore omitted from the analysis.

Table 4: Complementarity or links between human resources practices.

	1 = "OD"	2 = "AHR"	3 = "REM"	4 = "HRS"	5 = "TW"
1. Organizational development "OD"		.22***		.16**	
2. Accountability of human resources "AHR"	.21***		.26***	.12*	.18**
3- Remuneration "REM"		.28***			
4. Human Resources Staffing "HRS"		.26***	.20**		
5. Telework "TW"		.21***			

Organizational development is strongly linked to human resource accountability and to a lesser extent, human resource staffing. In organizations, developing the employee sometimes consists in empowering him following a previous situation of "downsizing" or the opposite, a shortage of jobs . We must therefore do better or more than before with equivalent resources.

Human resource accountability requires staffing that is tailored to the business contract. It requires competitive remuneration in order to retain human resources. This in turn influences the recruitment potential of the company. In addition, the ability to determine future workforce requirements involves intervening in workforce selection both externally to acquire new skills and internally to optimize existing skills. during staff changes. Accountability practices optimize the use of telecommuting.

Compensation practices determine the success of the company in its efforts to attract the best talent. They logically contribute to optimal staff accountability. Indeed, remuneration is one of the most powerful tools to induce a corporate culture. The use of compensation strategies is also essential when it comes to recruiting a competent workforce capable of giving the company competitive leadership in the product market.

Staffing human resources makes it possible to acquire competent and empowered personnel. Competence and accountability then become two combined necessities in the company. Finally, the selection of staff is linked to the sustainability of the company, hence its link with remuneration. Indeed, it is notably through its remuneration practices that a company manages to attract the skills necessary for its development.

Finally, telework is especially suitable for jobs with a high intellectual content or where the provision of work does not require the provision of proximal services, such

as the profession of mechanic, for example. Telecommuting helps to empower staff more.

Conclusion

The reflection surrounding organizational performance is a must in the current context of globalization and disruption of supply chains. Linking HR practices to this new performance requirement represents a major challenge because these human management practices can stem from various needs that are not necessarily linked to the performance of the company. This is particularly the case for certain managerial methods such as the reengineering of processes or positive discrimination policies. Clearly, the rationale at the base of an HR practice can be socially necessary without contributing to organizational performance.

Society is undergoing major transformations and companies are subsystems of it. Organizational development “OD” represents the infrastructure of other HR practices. Empowering employees is a preferred way to create an environment that supports OD. But both of the above practices require compensation and staffing programs tied to business challenges.

This research has shown that HR practices influence business performance. However, this influence is not self-evident. It's not the number of HR practices that counts, it's their relevance. On the one hand, HR practices must be complementary or united with each other. On the other hand, they must meet productive requirements. In the future, attention will have to be paid on the one hand to telework and on the other hand to the necessary adjustment of HR practices to the rise of artificial intelligence in organizations.

The notion of convergence or complementarity is therefore essential in the implementation of HR practices. This convergence postulates an inter-practice link. Convergence must also take into account the organization's business project. To a certain extent, this calls into question the need for the “humanitarian” nature of HR practices. Indeed, there is no point in always focusing HR practices on a “humanitarian” dimension if these contribute to a reduction in productivity which will subsequently endanger the sustainability of the company and the stability of human resources.

HR practices must therefore contribute to the sustainability of the company. They must also ensure that the work is as humanized as possible, but not to the detriment

of the firm's performance. This is a paradox specific to a converging human resources management model in a promising, stimulating and demanding industrial world.

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