

# Ultimate HR Manual

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## CREATING SUSTAINABLE HIGH PERFORMING TEAMS THROUGH TEAM COACHING

— Michelle Chambers, M.Ed., CHRP, CTDP, ORSC-t. © 2012 CCH Canadian Limited.

Team coaching encourages the leadership team to work together as a system so that the competencies of each individual are fully maximized. The leverage for higher performance comes from coaching the team as a “system” over time, typically in monthly coaching sessions. Systemic team coaching works with the interaction of the team as a whole, rather than focusing on individual performance. The process works on strengthening the interrelationships amongst team members.

Research indicates that connectivity between team members is strongly correlated with business performance (Marcial Losada, 2004). Team coaches often employ coaching models such as the Organization and Relationship Systems Coaching (ORSC) model, which is rooted in systems theory; emotional, social, and relationship intelligence; team research; and appreciative inquiry. This creates a foundation for the client team members to be educated about their own internal system dynamic and to become more aware of their patterns of success and obstacles to achievement, ultimately giving them a framework for sustainable change.

### Three Key Goals of Team Coaching

Effective team coaching requires the achievement of three key goals:

- (1) To shift the culture at the leadership level in order to drive desired cultural change.
- (2) To develop a collaborative, high-performing working team where members support one another to achieve client objectives.
- (3) To train members to work together as a system so that the specific skills and competencies of each team member are maximized, which involves working both on team productivity and positivity competencies. This enables better decision making, collaboration, and communication, which in turn improves organizational performance.

### Team Coaching Process

Team coaching starts with the “discovery process,” to better understand the team, its business objectives, the culture, and its strengths and challenges. The intent here is to define the outcomes desired for team development.

A benchmarked baseline is then determined, often with the use of a team diagnostic assessment. A full-day customized session is offered to engage the team to explore effective team models and communication styles, develop team norms, increase positivity

and reduce negativity amongst the members, explore the relationship between productivity and positivity, and ultimately to develop an action plan aligned with business objectives.

Monthly coaching sessions for the team as one system are provided and supported by developmental learning opportunities to focus on skill development. In addition, tools and templates are shared so that the team can immediately apply this learning back in the workplace. All sessions are designed based on the clients' needs, while incorporating current work situations so that they can apply action learning principles as part of the coaching process. After six to nine months, teams are reassessed to create a second benchmark and measure progress of team development.

**Team coaching may be appropriate when:**

- New teams are forming (intact, virtual, or project).
- A change in leadership arises.
- Teams are operating in silos.
- Roles and responsibilities need to be clarified.
- Clear decision-making processes, guidelines, and tools are required.
- Virtual teams exist.
- Poor communication is impeding team progress (poor conflict resolution, negotiation, or feedback skills).
- A change in team membership occurs.
- Previously high-performing teams are experiencing burnout or other challenges.

## Role of the Team Coach

The role of the team coach is to help reveal the system to itself, and to reinforce co-responsibility and accountability for the team's performance. Team coaches start by creating a safe environment in which people see themselves more clearly. Secondly, they ask for more intentional thought, action, and behaviour changes than the clients would have asked of themselves. Coaches also assist in identifying the gaps between the present and future desired state. Finally, they assist their clients by eliciting solutions and strategies from the team itself to develop a strong action plan to close these recognized gaps, while providing support to the team to enhance their skills, resources, and creativity.

**How do team coaches do this?** By working collaboratively with their clients to develop an action plan based against their benchmarked competencies in the areas of team performance. These might include areas such as decision making, alignment, accountability, constructive interaction, trust, respect, goals and strategies, communication, optimism, and camaraderie.

Typical coaching sessions last for 1½ hours, scheduled monthly with the entire team. The format usually includes a welcome and a check-in to see what is happening within the team and to diagnose the current climate. Furthermore, it is a good opportunity to get a "systems" perspective on current business and relationship challenges that have arisen between coaching sessions. There is often a check-in against the team norms to see if any modifications have been made at other meetings in between coaching sessions. As well, the coach checks in with the team on their "homework" assignment, and holds them accountable for achieving their commitments. Homework might be, for example, to reference the team norms during other meetings, or to practise a new technique or process learned, etc.

A theme is usually identified for the coaching session to focus on (in consultation with the senior leaders of the team in a design meeting held prior to the team coaching). Typical themes might be roles and responsibilities, communication, or decision making. The coach would engage the team in conversation around the theme, and share observations with the team on how they are behaving. Furthermore, minor skill development might be offered, or the team might be engaged in a customized exercise so that they are engaged in an action learning exercise focused on the theme within their workplace.

Team coaches make use of many tools including competency wheels; constellation methodology; dialogue and inquiry; process check-ins; teaching the use of feedback and "I" statements; and decision-making grids, etc. The coaching session usually wraps up with an opportunity to perform appreciative feedback or a commitment to increase the

positivity on the team by the team members (e.g., have a staff lunch together).

Finally, the coach usually distributes an evaluation form to the team members for them to provide feedback on the effectiveness of the session, the impact they experienced, and what they would like to address in the next session. Homework is also assigned to the team to increase their accountability, and to commit to performing an action that addresses their workplace issues, and hence, increases productivity and performance.

## Benefits of Team Coaching

- Sustainable improvements to relationships and communication on a system-wide basis.
- Development of a powerful sense of team spirit, which enhances organizational climate, productivity, and retention.
- Improved interdepartmental co-operation through the reduction of “silos.”
- Development of constructive conflict management skills, leading to more rapid resolution of differences of opinion, and productive outcomes.
- Increased positivity within the work environment, which supports sustainable productivity.
- The capacity to increase the creative potential of the organization or team.
- Accelerated productivity, accountability, and team performance.

Thus, team coaching provided at the “systems” level can be measurably used to mark development in a team’s performance over time. It is an exciting process to help a team work together as one system to learn more about themselves and increase their individual and team self-awareness; develop skills; and learn tools and processes to better assist the whole team so that they can achieve higher productivity, while also increasing team positivity.

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## Q & A

### Can an Employer Require an Employee To Work on a Statutory Holiday?

In most cases, employees cannot be required to work, but an employee can agree to work (usually in writing) on the statutory holiday. Where the employee agrees to work or the employer requires the employee to work, the employer must pay the employee the specified wage rate or provide an alternative day off. In Manitoba, Newfoundland and Labrador, New Brunswick, and Ontario, only employees in certain industries may be required to work.

In Manitoba, the industries in which employees may be required to work on statutory holidays include continuous operations (businesses that usually operate day and night without interruption until the completion of the regular operation of the business), seasonal businesses (businesses that suspend operations for one or more periods of not less than three weeks due to change in market demand or crop ripening; does not include the construction industry), climate-controlled agricultural businesses, places of amusement, gasoline service stations, hospitals, hotels, restaurants, or domestic servants.

In New Brunswick, the industries in which employees may be required to work on statutory holidays include hotels, motels, tourist resorts, restaurants, taverns, or continuous operations (operations or parts of operations that do not stop or close more than once a week, such as oil refineries or alarm-monitoring companies).

In Newfoundland and Labrador, the exceptions include public utility services, services essential in the public interest, and continuous operations.

In Ontario, the excepted industries include hotels, motels, and tourist resorts; restaurants and taverns; hospitals and nursing homes; and continuous operations. However, the only time these employees can be required to work on a public holiday without their agreement is when the public holiday falls on a day they would normally work and when they are not on vacation.

## COURT SETS ASIDE GROSSLY UNFAIR TERMINATION RELEASE

—Jaime Latner, LL.B., © 2012 CCH Canadian Limited.

A recent decision by the Ontario Superior Court of Justice, *Rubin v. Home Depot Canada Inc.*, 2012 ONSC 3053, 2012 CLLC ¶210-048, serves as a reminder that employers must treat their employees fairly at the time of termination. A signed termination release may not protect employers from litigation if the employer manipulated the employee into signing an unfair agreement.

### Facts

Eric Rubin had been employed by Home Depot as a competitive shopper since 1991. He was 63 years old at the time of his termination.

On July 28, 2011, Mr. Rubin attended what he assumed was a normal business meeting in which Home Depot informed him that he was terminated due to organizational change. Mr. Rubin was presented with a letter stating that his position no longer existed, effective immediately. The letter also outlined Home Depot's severance offer, which included:

- 28 weeks' pay in lieu of notice of the termination;
- continuation of Mr. Rubin's medical, dental, and life insurance benefits for 28 weeks, or until the date he obtained alternative employment; and
- continuation of Mr. Rubin's short-term and long-term disability benefits for eight weeks.

Home Depot informed Mr. Rubin that this offer "exceeds our obligations under the *Employment Standards Act*." While technically this was true, the offer represented only two days more pay than the minimum statutory requirement.

Mr. Rubin signed the release during the meeting, since he believed that it was his only option. He was unaware of his rights under common law and the *Employment Standards Act, 2000*, and he was not thinking clearly due to the shock of the termination.

Shortly after the meeting, Mr. Rubin realized that signing the release was a mistake and he consulted a lawyer. After Home Depot refused his request to renegotiate a more suitable settlement package, Mr. Rubin brought a motion for summary judgment, seeking that the Court set aside the release and determine the appropriate notice period and damages.

### Decision

In its decision, the Court examined the four elements which are necessary to demonstrate that a release is unconscionable, as set out by the Ontario Court of Appeal in *Titus v. William F. Cooke Enterprises Inc.*, 2007 ONCA 573, 2007 CLLC ¶210-036:

1. A grossly unfair and improvident transaction.
2. The victim's lack of independent legal advice or other suitable advice.
3. An overwhelming imbalance of power caused by victim's ignorance, illiteracy, or disability.
4. The other party knowingly taking advantage of this vulnerability.

Firstly, the Court held that the pay in lieu of notice offered to Mr. Rubin was "grossly inadequate." According to the Court:

The idea that, in the modern day, a twenty-year employee, moving to the end of his expected working life, who is fired without cause, for reasons reflected in an internal re-organization of the company, would receive only six months' notice, is far removed from what the community would accept.

Secondly, despite that the letter stated that it was to be signed within a week of the meeting, there was no evidence to suggest that Home Depot informed Mr. Rubin that he could take a week to consider the offer or obtain advice.

Finally, the Court concluded the power imbalance between the parties was overwhelming, since Mr. Rubin was not a high-level employee with professional training, and that Home Depot took advantage of Mr. Rubin's ignorance of his statutory rights. The letter was ambiguous and misleading, and Home Depot made no attempt to explain the settlement offer to Mr. Rubin. Furthermore, the language of the letter was such that it would suggest, to an uninformed person, that if Mr. Rubin did not sign the letter that he would not receive any termination pay at all.

After examining all four elements in the context of the case, the Court concluded that the release Mr. Rubin had signed was unconscionable. The release was set aside and Mr. Rubin was awarded 12 months' reasonable notice.

## Implications for Employers

This case demonstrates that the courts are willing to intervene where an employer has used its superior position to mislead an employee into signing an agreement that is unconscionable. A signed termination release will not automatically be enforceable simply because it offers the employee more than he or she is entitled to under employment standards legislation.

The following tips can help employers to ensure the enforceability of their termination agreements:

- Ensure that employees are given sufficient time to consider a settlement offer. Don't let the employee sign the agreement at the termination meeting and encourage him or her to obtain independent legal advice.
- A settlement offer should clearly set out any statutory and contractual benefits that the employee is entitled to, and then specify what additional benefits the employee will receive in exchange for signing the agreement. Ensure that the agreement does not suggest that the employee must sign the agreement in order to receive statutorily required termination pay.
- Keep in mind both statutory requirements and common law requirements when determining the period of reasonable notice. Older and long-service employees may be entitled to a significant notice period under common law, particularly if they have specialized skills. Also, in some jurisdictions, benefits must be maintained during the notice period.
- Draft the release in language that is clear and easy to understand so that the employee is fully able to comprehend what rights he or she is giving up by signing it. Explain the release clearly, and don't mislead the employee into thinking that accepting the package is his or her only choice.
- Consider having a legal professional review the settlement offer before presenting it to the employee.

## LEGISLATIVE UPDATE

### **Federal *Helping Families in Need Act* Receives Second Senate Reading**

Bill C-44, *An Act to amend the Canada Labour Code and the Employment Insurance Act and to make consequential amendments to the Income Tax Act and the Income Tax Regulations*, also known as the *Helping Families in Need Act*, received first reading in the Senate on November 21, 2012 and second reading on December 4.

Bill C-44 proposes amendments to the *Canada Labour Code* and *Employment Insurance Act* which would provide leaves of absence and income support for parents of children who are critically ill or who have died or disappeared due to a crime. For a full description of the proposed amendments, see the *Ultimate HR Manual* Newsletter No. 89, dated October 2012.

### **Bill C-45: Federal *Jobs and Growth Act, 2012* Progresses**

On October 18, 2012, the federal government introduced Bill C-45, the *Jobs and Growth Act, 2012*, another large, omnibus Bill containing amendments to implement certain provisions of the 2012 federal Budget. The Bill proposed amendments to many Acts, including the *Canada Labour Code* and the *Employment Insurance Act*. For more details on the Bill, see *Ultimate HR Manual* Newsletter Issue 90, dated November 2012.

Bill C-45 has passed through the House of Commons to the Senate, where it received first reading on December 6 and second reading on December 10.

## Canada Industrial Relations Board Regulations Pre-published

In November, the Canada Industrial Relations Board (the "CIRB") announced a 15-day consultation period with regard to the *Regulations Amending the Canada Industrial Relations Board Regulations, 2001*. The amendments, which are intended to be more user-friendly, were pre-published in Part I of the *Canada Gazette* on November 17, 2012. During the consultation period, the CIRB solicited comments and feedback on the proposed amendments.

The CIRB regulations set out rules applicable to proceedings with the CIRB, which include applications concerning bargaining rights or the declaration of an unlawful strike or lockout, as well as complaints regarding unfair labour practice.

## 2013 Employment Insurance Premiums

The Canada Revenue Agency has released the figures for 2013 Employment Insurance premiums. The 2013 maximum insurable earnings ("MIE") amount is \$47,400 (up from \$45,900 in 2012). The employee premium rate is 1.88% (up from 1.83% in 2012) for a maximum annual premium of \$891.12. The employer rate is 1.4 times the employee rate.

The net effect of the 2013 premium rate and the MIE increases is that insured workers will pay a maximum premium of \$891.12 (up from \$839.37 in 2012), and employers will pay a maximum of \$1,247.57 (up from \$1,175.96 in 2012).

Because Employment Insurance benefits replace 55% of a claimant's average weekly insurable earnings up to the MIE, the maximum weekly amount of benefits payable in 2013 will be \$501 (up from \$485 in 2012).

The 2013 employee premium rate for Quebec is 1.52% (up from 1.47% in 2012), for a maximum annual premium of \$720.48.

## Canada Pension Plan Maximum Pensionable Earnings for 2013

On November 1, 2012, the Canada Revenue Agency announced that for 2013, the maximum pensionable earnings on which Canada Pension Plan contributions are made will be \$51,100, increased from \$50,100 in 2012. The basic exemption remains at \$3,500 for 2013.

The employee and employer contribution rates for 2013 remain at 4.95%, and the self-employed contribution rate remains at 9.9%. In 2013, the maximum employer and employee CPP contributions will be \$2,356.20 (up from \$2,306.70 in 2012), and the maximum self-employed contribution will be \$4,712.40 (up from \$4,613.40 in 2012).

## Sections of the Ontario *Pension Benefits Act* Proclaimed in Force

On November 14, 2012, section 3 of Schedule 44 of the *Strong Action for Ontario Act (Budget Measures), 2012*, and section 18 of the *Securing Pensions Now and in the Future Act, 2010* (Bill 120) were proclaimed into force, effective January 1, 2013. As a result, new section 55.2 of the *Pension Benefits Act* comes into force January 1, 2013. Section 55.2 allows the use of a letter of credit to cover a portion of the pension plan's solvency deficiency where certain prescribed requirements are met.

**Ontario Regulation 364/12 made under the *Pension Benefits Act*:** O. Reg. 364/12 will come into force on January 1, 2013. This regulation relates to the use of the letters of credit which may cover a portion of the pension plan's solvency deficiency under section 55.2 of the *Pension Benefits Act*.

**Ontario Regulation 330/12 made under the *Pension Benefits Act*:** O. Reg. 330/12 came into force on November 1, 2012 and amends Regulation 177/11. Regulation 177/11 affected jointly sponsored pension plans and came into force on May 20, 2011. Regulation 330/12 defers the dates for repealing certain transition provisions in the "solvency concerns" tests. This will provide more time for consultation regarding a new "funding concerns" test for plans that are not required to satisfy solvency funding requirements.

## ON THE CASE

### Employee's Upcoming Medical Leave Was a Factor In His Termination

Human Rights Tribunal of Ontario, July 26, 2012

Pritchard worked with the Commissionaires as a director. He was diagnosed with severe arthritis, and informed his employer that he would be having hip replacement surgery, which would require 8 to 12 weeks off work. Pritchard proposed that his time off be funded by 23 days of accumulated sick time, two weeks of accumulated vacation, and an advance of his annual vacation time. Less than a week before his scheduled surgery, Pritchard was informed that he was being terminated as a result of restructuring. He brought a human rights complaint, alleging that he was discriminated against on the basis of his physical disability.

The complaint was allowed. Pritchard's severe arthritis meant that he was required to have hip replacement surgery, which required time off work of approximately 2.5 months. This constituted a disability. The decision to terminate Pritchard's employment, and the communication of that decision to him, was made very quickly, and his employment was terminated very soon before his scheduled hip replacement surgery. There was sufficient evidence to infer, on a balance of probabilities, that his pending time off work for surgery was a factor in the decision to terminate his employment. Therefore, he was discriminated against. Pritchard was not awarded damages for lost income, since he was given three months' severance at the time of termination, and he fully mitigated any losses with respect to income by starting new employment within three months of his termination. He was awarded \$10,000 for injury to dignity, feelings, and self-respect.

*Pritchard v. Commissionaires Great Lakes*, 2012 CLLC ¶230-029

### Employer Was Required To Explore the Possibility of Accommodating Employee's Elder Care Responsibilities

Human Rights Tribunal of Ontario, August 17, 2012

Devaney worked for ZRV Holdings Limited ("ZRV") as an architect, and was assigned as the main architect on the Trump International Hotel and Tower project. Devaney was also responsible for taking care of his mother, who suffered from both osteoarthritis and osteoporosis. While Devaney was working on the Trump project, his mother's health deteriorated. Devaney's caregiving responsibilities increased, and his mother was eventually placed in a long-term care facility. ZRV was concerned about the amount of time Devaney spent away from the office, and gave him both written and verbal warnings indicating that attendance at the office during working hours was required, except for business-related meetings outside of the office. Eventually, ZRV terminated Devaney for cause, namely his poor attendance record, and provided him with 34 weeks' salary and eight weeks' benefits. Devaney was offered employment on a contractual basis, where he would be paid only for the hours he was in attendance at the office; however, he declined and accepted an offer working directly for the Trump project. Devaney brought a human rights complaint, alleging discrimination on the basis of family status.

The human rights complaint was allowed. Devaney's regular absenteeism from the office was required due to family circumstances that involved caring for his mother. His family care requirements were a significant factor in ZRV's decision to ultimately terminate Devaney's employment. Requiring attendance at the office during normal working hours had an adverse impact on Devaney, given his responsibilities to his mother. Furthermore, Devaney's employment was terminated based on a significant number of absences, the majority of which were required due to his caring for his mother. Therefore, Devaney had made out a *prima facie* case of discrimination on the basis of family status. Despite the fact that ZRV was aware that Devaney had elder care responsibilities affecting his attendance, it continued to insist that he attend work during normal working hours, rather than looking for information relating to his care requirements. ZRV had a duty to consider and explore the possibilities of accommodating Devaney's needs related to his elder care responsibilities. There was not sufficient evidence that accommodating Devaney would have resulted in undue hardship, nor that the absences may have caused some problems for his co-workers or affected morale. Devaney was awarded \$15,000 for injury to dignity, feelings, and self-respect.

*Devaney v. ZRV Holdings Limited*, 2012 CLLC ¶230-031

## Competitive Disadvantage Not a Reason for Suspending Ergonomist's Order

Ontario Labour Relations Board, August 10, 2012

The applicant Steam Whistle Brewing sought the suspension of compliance orders issued by a Ministry of Labour ergonomist. The ergonomist accompanied a Steam Whistle Brewing driver on a delivery route and observed him unloading products, including lowering a 50 kilogram keg down a flight of stairs, walking backwards, and partially supporting the keg with his thighs. Consequently, the ergonomist issued a number of compliance orders to Steam Whistle Brewing. Steam Whistle Brewing argued, among other things, that the compliance orders would put it at a competitive disadvantage compared with other craft breweries that were not subject to similar compliance orders.

The application for a suspension of the orders was dismissed. The Ontario Labour Relations Board (the "OLRB") rejected Steam Whistle Brewing's argument that the ergonomist's order should be suspended because of competitive disadvantage. In reaching that decision, the OLRB stated that the question of competitive disadvantage ought not to be a factor in assessing prejudice for the purpose of a suspension request. In almost every situation in which an inspector makes an order under the *Occupational Health and Safety Act*, the recipient of that order will be in a position to assert that one of its competitors is now more advantaged than it is, and therefore has the benefit of a competitive advantage. Accordingly, if competitive disadvantage were to be a significant factor in a suspension request application, every order made by an inspector would be subject to suspension as a matter of course. In any event, it had not been asserted by Steam Whistle Brewing that the cost of complying with the orders was so significant that it would make a meaningful difference in its ability to compete with its competitors. As such, the OLRB concluded that a refusal to suspend the orders would not have a meaningful negative effect upon Steam Whistle Brewing. However, suspending the orders could have a significant negative effect upon the health and safety of the delivery drivers employed by Steam Whistle Brewing.

*Johnson v. Steam Whistle Brewing*, 2012 CSHG ¶95,862

## Unions and Their Members Were Not Providing Services to Group Home Residents or Assisting With Occupancy of Accommodation When Picketing During Strike

Human Rights Tribunal of Ontario, July 16, 2012

Kacan and Yuill were people with intellectual disabilities who resided in group homes operated by their local Community Living organizations. The unions were bargaining agents for employees of those organizations whose jobs were to support residents with intellectual disabilities. Both OPSEU and CUPE engaged in legal picketing at the group homes where Kacan and Yuill resided during legal strikes. The picketing was distressing for Kacan and Yuill, especially given the nature of their disabilities. Kacan and Yuill brought a human rights complaint alleging that picketing constituted discrimination with respect to services, and with respect to occupancy of accommodation. A summary hearing was held to determine whether the applications should proceed.

The applications were dismissed on the basis that they had no reasonable prospect of success. The claim that the applications fell within the social areas of occupancy of accommodation and services depended on the theory that the unions and their members had special obligations to the claimants while on strike because they supported the claimants when they were not on strike. When picketing and on strike, the unions and their members were not acting as service providers or assisting with the occupancy of accommodation. They had expressly withdrawn their services, and were protesting the employer's failure to reach an agreement with them. They were not offering or providing something of benefit to another. In addition, the claim was against the unions as organizations. The unions had no role as service or accommodation providers at any time. The unions' roles were to represent their members in their workplace interests, not to serve clients of the homes. In addition, the freedom to peacefully picket and protest by a union who was not the service provider was at the core of the right to freedom of expression. The *Human Rights Code* was not intended to regulate the conduct at issue here, since the employees were acting as union members rather than service providers.

*Kacan v. OPSEU*, 2012 CLLC ¶220-051

## Employee's Disability Was Not a Factor in His Termination

Human Rights Tribunal of Ontario, July 31, 2012

Hummel had a slip and fall accident in the parking lot of his workplace on February 3, 2010. He was laid off by Transport Training Centres of Canada Inc. ("Transport Training Centres") approximately two weeks later. The layoff was permanent. Transport Training Centres claimed that the decision to terminate Hummel was made in December 2009, and that the head injury Hummel sustained had no bearing on the decision to terminate him. Hummel received WSIB benefits from February 3, 2010 to September 17, 2011. Hummel's WSIB case worker told him that he was laid off by his employer two weeks after his injury was sustained. Hummel filed a complaint with the Ministry of Labour, and was awarded \$10,000, along with an additional eight weeks of pay in lieu of notice. Hummel also brought a human rights claim, alleging discrimination on the basis of physical disability.

The claim was dismissed. Hummel received WSIB benefits for nearly 18 months after his slip and fall accident and, therefore, he did have a disability at the time of his termination. However, his disability was not a factor in the decision to terminate his employment. Transport Training Centres made the decision to terminate Hummel in December 2009, a full month before the injury occurred, and the decision was based on legitimate business considerations. Transport Training Centres did not hire replacement employees, reassign responsibilities, or engage in general restructuring. Other employees were treated in the same way, and none of them were hired back or replaced by new employees. Therefore, the reason for Hummel's termination was non-discriminatory.

*Hummel v. Transport Training Centres of Canada*, 2012 CLLC ¶230-035

## CCH WORKDAY

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## More Organizations Shifting to Market-Based Pay Structures, WorldatWork Research Shows

*Posted: November 14, 2012*

Every organization's success depends on attracting and retaining the critical talent needed to execute its business strategy. Companies use competitive pay to ensure they have the right talent when it needs it most. Pay structures, the foundation of administering base pay within organizations, have seen a notable shift in recent years. A new study by WorldatWork and Deloitte, "2012 Survey of Salary Structure Policies and Practices," found that market-based salary structures are the most prevalent type of pay structure in use today (64 percent). While traditional and broadband structures have been popular in the past, they are less common today (23 percent and 12 percent respectively).

"Compared to prior survey results we have seen an upward trend of organizations using market-based structures over traditional structures," said Kerry Chou, a Certified Compensation Professional (CCP) and practice leader for WorldatWork. "Market-based structures have struck a chord with organizations because they combine the more well-defined parameters of a traditional structure with the range spread flexibility of broad bands."

In addition, while most organizations keep salary structures, competitive positioning, and frequency of update consistent, variation by job function, job level, critical work force segment, and/or geography is not uncommon. Of note, 37 percent of the organizations surveyed use different types of structures by job level and 30 percent by geographic location.

"Variation in structures based on critical workforce segments, geography and job function is not surprising to us, as we see continuing focus by employers on balancing the need to attract and retain critical talent with a laser focus on cost and judicious spending of organizational funds," said Gregory Stoskopf, director, compensation strategies for Deloitte Consulting LLP.

Other key study findings include:

- Traditional structure range spreads appear to have increased over time and midpoint progressions have loosened.

- For market-based structures, broadbands and step structures, larger organizations tend to have wider ranges whereas smaller organizations have smaller ranges.
- Consulting, professional, scientific, and technical services appear to be the heaviest users of market-based ranges.
- Out of the 80 percent who responded that salary ranges are adjusted regularly in their organization, 70 percent do so annually while 12 percent adjust every two years.
- The most popular tool for salary structure design, administration, record, and communication were spreadsheet applications (e.g., Microsoft Excel). Other common tools for design, administration, and record were point solutions (e.g., tools specifically focused on salary structure management) and Enterprise Systems (e.g., Oracle, PeopleSoft, SAP).

Source: *WorldatWork*; [www.worldatwork.org](http://www.worldatwork.org).

## DID YOU KNOW . . .

### . . . That According to A Survey of American Workers, Lying at Work Is Common?

In a national survey of more than 1,200 American workers, *SUCCESS* magazine has found that lying in the workplace is as common as a cold. A series of questions about lying at the office was posed to an array of professionals, who were asked not just about their own fibs but about those told by people they knew. This method helped to shed light on the bigger picture, since people tend not to recognize their own dishonesty or can't bear to admit that they too may act unethically from time to time.

The survey revealed:

- Overall, men are more likely than women to lie in the workplace.
- A third of Americans have faked being sick when they just wanted a day off (and 62 per cent know "someone" who has done so).
- More respondents of all stripes (60 per cent) admitted to telling white lies to defuse workplace tension than any other sort of fibs.
- A shocking 14 per cent of workers know someone who has switched their urine sample in order to pass a drug test.
- Workers in the highest income brackets are twice as likely to shift blame for a crisis than their subordinates are — as well as to raid the office supply closet for paperclips and pens they then bring home.

Source: *SUCCESS*; [www.success.com](http://www.success.com).

## Morneau Shepell Handbook of Canadian Pension and Benefit Plans, 15th Edition

The *Morneau Shepell Handbook of Canadian Pension and Benefit Plans, 15th Edition* is an indispensable tool for understanding the essential elements of Canadian public and private pension and benefit plans, their legal and regulatory framework and their administrative requirements. Updated and developed by Morneau Shepell professionals, this insightful book takes you through comprehensive coverage as well as detailed explanations of retirement savings and deferred compensation arrangements; employee pensions and benefits; post-retirement options; and emerging issues.

### Chapters include information on:

- Employer Pension Plans
- Government Pension Programs, including Workers' Compensation and Employment Insurance
- Financial Management of Pension Plans
- Pension Fund Investment Management
- Pension Standards Legislation and Case Law
- Taxation of Retirement Savings
- Multi-Employer Pension Plans
- Winding Up a Pension Plan
- Governance of Retirement, Savings and Other Benefit Plans
- Communicating Benefits and Retirement Savings Plans
- Extended Health and Dental Care Plans
- Group Life and Accident Insurance
- Employee Assistance Plans
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- Post-Retirement and Post-Employment Benefits
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