



HRPA 2017

Annual Report



Human Resources
Professionals
Association



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CHAIR'S MESSAGE

An evolving strategy for an evolving profession.

When any given organism is exposed to a challenging environment for an extended period of time, there are generally two options: it will adapt, or it will fail. The same is certainly true of businesses operating in today's volatile, ever-changing and uncertain market environment.

When complexity is the new normal and change is the only constant, true professionals need to thrive on adaptation. And HR professionals need to lead the way.

At HRP, 2017 was a year of change, of evolution. We built on our legislated mandate to protect the public and regulate the professional practice of our members. And our CEO for the last decade, Bill Greenhalgh, retired. Yet we continued to lead the way. We advanced our platform as a thought leader, consulting on pivotal policy conversations with government, industry leaders, and beyond. And we enhanced our value to member registrants who require ongoing professional development, a deep resource base and strong designations to continue to deliver HR excellence on the front lines.

We are evolving as a regulator, as an association, and as a profession. We are adapting to changing market needs, new legislative requirements, advancing technologies and higher expectations. We are building on the strong foundation that has been established over decades of hard work and deep expertise. And we are so passionate and so driven to do more, to deliver more, and to become more.

Karen Stone, Chair, Board of Directors
CHRE



CEO'S MESSAGE

Building on a foundation of excellence.

Most architects will tell you that a building plan is only as strong as its foundation. Even the best laid plans cannot succeed unless they have that solid footing to build upon. You won't have to convince a stonemason or a carpenter of this order of operations. But in the business world, we have a tendency of perpetually looking forward – to the next quarter, the next fiscal year, the next milestone.

At HRP A, we are always looking forward. But looking back at the 2017 year is also a good opportunity to acknowledge the excellent foundation we have to build on.

In 2017, we laid a lot of groundwork for the ambitious regulatory and leadership agenda we have set for ourselves. We worked tirelessly to firmly entrench foundations like regulatory excellence, financial soundness and association effectiveness.

In these pages, you will see a snapshot of the work we've accomplished this year. And while our work is far from complete, I hope you will share in my optimism for what the future has in store. If our foundation is any indication, HRP A has a lot of great things to look forward to.

Gary Monk, Interim CEO
CPA, CMA



OOTR EDUCATIONAL INITIATIVES

INITIATIVE	NUMBER PRODUCED	TOTAL ENGAGEMENT
Regulation Webinars	23	7,543
LinkedIn Article Series	51	3,649

BUSINESS

C-LEVEL PERSPECTIVE* OF HRPAs Favourable view of HRPAs as a professional regulator		74% (Ontario)
View that HRPAs's designations strategically repositioning HR function		58% (Ontario)

* LegerWeb National Survey of 200 C-Level Executives (CEO, CFO, COO), March 2017

MEMBERSHIP

Total members and student registrants	23,116
% of Members with designations	71.9%
Designated member retention	95%
Total member retention	88%
# of volunteers	1277
# of new iVolunteer online communities launched	129

PUBLIC AFFAIRS

External workgroups participated in	10
Whitepapers published	6
Public policy surveys	5
Media audience reach for Thought Leadership papers	51.8 million

COMMUNICATIONS

Social media engagements (all channels)	15.6 million
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ANNUAL CONFERENCE & TRADE SHOW

75th Annual Conference & Trade Show Attendance	4,656
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CONTINUING PROFESSIONAL DEVELOPMENT

CPD event attendance	10,929
Chapter event attendance	7,018
CPD Skills Self-Assessment users	2,400

STAFF

Total Staff: 53	Member-to-staff/registrant ratio: 483:1	Staff engagement score: 83%
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REGISTRAR'S REPORT

As a professional regulatory body, HRPAs mandate is to promote and protect the public interest by governing and regulating the practice of members of the Association and firms in accordance with this Act and the by-laws.

2017 HIGHLIGHTS

The Regulatory Outcome Scorecard

At its December 2016 meeting, the HRPAs Board of Directors directed staff to develop measures of performance as a professional regulatory body. At its January 2017 meeting, the HRPAs Board of Directors approved a project plan that would see proposed measures of performance developed by September 30, 2017. The "Measuring the performance of HRPAs as a professional regulatory body" project was completed as per plan on September 30, 2017, and a set of outcome measures was proposed. This Scorecard will, in addition to other existing measures, allow HRPAs to get a more accurate picture of its performance as a professional regulatory body.

Special report on compliance

A common issue for professions which are new to regulation is compliance. Indeed, with the exception of compliance with the Continuing Professional Development (CPD) requirement for designated members, compliance rates are low.

A special report on the rates of compliance with obligations set out by HRPAs on the part of members and registered students was completed and tabled at the December Board meeting. This report informed the Regulatory Outcome Scorecard.

The report concluded that there is no easy fix for HRPAs compliance issues, and that raising HRPAs compliance rates will require a concerted effort. To read the special report on the rates of compliance with obligations set out by HRPAs on the part of members and registered students, please visit this [link](#).



Complaint rate

In 2017, the rate of complaints at HRPAs was 0.26 complaints per 1000 registrants. This is, by far, the lowest complaint rate among all professional regulatory bodies governed by public statute in Ontario. This is the third year for which the complaint rate was calculated. In 2016, the complaint rate at HRPAs was 0.39, and in 2015 the complaint rate at HRPAs was 0.23. In each of these previous years, the rate of complaints at HRPAs was the lowest complaint rate among all professional regulatory bodies governed by public statute in Ontario. For an analysis and discussion of the low number of complaints at HRPAs, please visit this [link](#).

The 2017 Complaints Benchmarking Report was completed and presented to Board at its May meeting. The 2017 Complaints Benchmarking Report is available at this [link](#).

Because of its importance, an analysis of the low complaint rates was also completed and included as part of the measurement of HRPAs's performance as a professional regulatory body project mentioned above. The conclusions of this Report were:

- That although there are structural reasons why the rate of complaints may always be on the low side, it should nonetheless be higher than it is currently.
- That the rate of complaints is low does not mean that the rate of misconduct is also low, and it remains HRPAs's duty as a professional regulatory body to promote and protect the public interest. The low rate of complaints should not be used as an excuse for inaction.
- HRPAs should do what it can to remove any systemic barriers which may prevent or impede individuals from filing complaints.





Educational initiatives

A significant threat to the HRPAs is the lack of understanding of professional regulation on the part of HRPAs members and students. Although there is no empirical data as to the level of understanding of professional regulation on the part of HRPAs members and students, anecdotally this level of understanding seems quite low.

The Office of the Registrar delivered two main initiatives to address this issue:

- The OOTR continued with its two webinar series, the “Understanding Professional Regulation” webinar series and the “How-to” webinar series.
- A series of articles was published simultaneously on LinkedIn and on the HRPAs website. There are now over fifty articles in the series.

The webinar series continued to be popular with 6,139 participants in the Understanding Professional Regulation series and 1,354 participants in the How-to series.

The LinkedIn article series has also been very successful with over 3,650 clicks.

Computer-based examinations

Since January 1, 2017, all HRPAs certification exams have been delivered using computer-based testing (i.e., the Comprehensive Knowledge Exam 1, the Comprehensive Knowledge Exam 2, the CHRP Employment Law Exam, and the CHRL Employment Law Exam).

2,026 exams were administered in 2017.

The reliability and validity of the exams remain very high.



2017 OOTR ACTIVITY BY THE NUMBERS

Activity	Count
Participants in OOTR webinars	7543
Revocations for non-payment of dues	2613
Number of exams administered	2026
Certificates issued	1036
Resignations processed	764
Candidates completing Job Ready program	692
Applications referred to Experience Assessment Committee	355
Number of courses reviewed by the Academic Standards Committee	98
Designation revocations due to CPD non-compliance	58
Referrals to CHRE Review Committee	40
Referrals to Appeal Committee	14 ¹
Referrals to Registration Committee	13
Referrals to Complaints Committee	7 ²
Referrals to Review Committee	6
Regulatory Newsletters issued	3
Number of CPD logs to be audited by CPD Committee	1
Referrals to Discipline Committee	0
Referrals to Capacity Committee	0

Footnotes:

¹ - 14 Appeals were filed with HRP A in 2017, one request for appeal that was filed in October of 2016, hearing held in November of 2017.

² - Six complaints were registered with HRP A in 2017, one complaint whose proceedings were stayed in 2016, reopened in 2017, resulting in 7 complaints for 2017.

For more information, please access the full Registrar’s Report for Q4 and 2017 Review at this [link](#).



VALUE PROPOSITION

In 2017, HRPAs partnered with PayScale to conduct research and create a report on the market value of HRPAs certification. Where the sample of 3909 professionals was too small to allow for breakout by company size or years of experience the results were further confirmation of the immense value that HRPAs's tiered designations add to HR career advancement.

The Certified Human Resources Professional (CHRP), Certified Human Resources Leader (CHRL) and Certified Human Resources Executive (CHRE) designations provide measurable and significant return on investment, resulting in higher earnings and faster career progression, according to the analysis. The research found that there is more than a \$10,000 jump in median pay for HRPAs-certified versus non-HRPAs-certified professionals – and that's only the beginning.

Any HRPAs Designation – Median Pay: \$59,200

No HRPAs Designation – Median Pay: \$47,700

CHRP Designation – Median Pay: \$59,000

CHRL Designation – Median Pay: \$142,000

CHRE Designation – Median Pay: \$186,000

86% of HR Professionals at the Vice President level have obtained an HRPAs designation.

% RECEIVING PROMOTIONS IN 5 YEARS			
JOB TITLE	WITH HRPAs DESIGNATION	WITHOUT HRPAs DESIGNATION	DIFFERENCE
HR Assistant	91%	70%	30%
HR Administrator	92%	56%	64%
HR Generalist	71%	46%	54%
HR Manager	36%	17%	112%
HR Director	17%	5%	240%

Business View

In a Leger Web 2017 survey of 250 C-level executives commissioned by HRPAs, 80% of whom held C-level positions outside of HR, researchers found that:

- 58% say HRPAs designations enhance strategic positioning of HR
- 74% say that due to HRPAs designations, they are more confident HR will do its job effectively
- As at November 30 2017, 86% of jobs posted on Hire Authority “prefer or require” an HRPAs designation,
- 78% outside Ontario (74% inside Ontario) have a positive view of HRPAs as a professional regulator



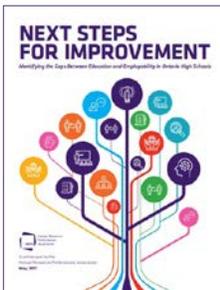
THOUGHT LEADERSHIP & PUBLIC AFFAIRS

HRPA is a trusted partner of government and policy-makers in our areas of expertise. It is the Association's goal to influence policy makers and stakeholders and substantiate HR as a primary Profession, ensuring an enhanced role of HR professionals as the architects of the people-driven business strategies that add value to organizations and, consequently, lead to satisfied members.

To achieve this outcome, the Association has undertaken a thought leadership program to align itself squarely as a trusted partner of government on all issues concerning the workplace. We offer guidance on policies that will enhance the world of work, including issues such as employment standards, human rights, pay equity, wellness and mental health.

This year the Association tackled many significant issues, including how to prepare the workforce for the pending legalization of marijuana, what to expect in the economy of tomorrow, and what impact the further proliferation of AI could have on our profession. By focusing on topical issues, the Association ensured it was involved in some of the most important discussions with government.

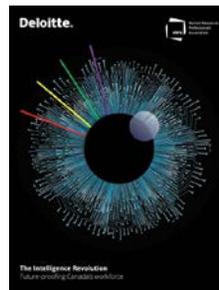
2017 Thought Leadership Highlights



The Curriculum Gap for the Youth of Tomorrow:

This paper examined the concerns that new graduates entering the workforce continue to lack the core skills required to take on entry-level positions, and explores what skills employers feel are missing. It

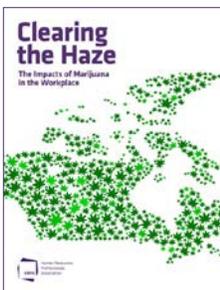
finds that various soft skills are missing, which are the hardest for employers to teach, and makes a series of recommendations on how the government could close the soft skills gap.



Intelligence Revolution: Future-proofing Canada's Workforce:

In this paper jointly written with Deloitte and sponsored in part by the Government of Ontario, the HRPA investigates what automation, artificial intelligence and machine

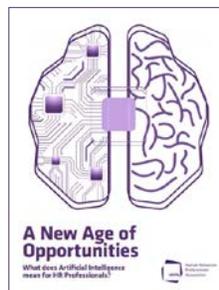
learning may do to the economy by 2030. It makes a series of recommendations for government, business, education and individuals to prepare for the changing economy.



Legalization of Marijuana: Effects in Ontario Workplaces:

With Canada set to legalize recreational marijuana by July 2018, employers and policy makers have struggled to quickly understand the potential impact of this policy on the workforce. This paper

helps employers and the government understand the challenges ahead by focusing on four key areas: safety in the workplace, employers' duty to accommodate, drug plans and drug testing.



New Age of Opportunities:

What Does Artificial Intelligence Mean for HR Professionals: Artificial Intelligence and analytics are quickly becoming commonplace in business. As this trend continues, what effect might it have on the

Human Resources profession? In this white paper, the HRPA investigated how prevalent artificial intelligence is in Ontario and how it can help organizations by reducing administrative burdens, recruiting, reducing biases, and improving retention and internal mobility.



Advocacy at Queen's Park

In addition to our policy publications, the HRPAs responds to emerging issues through direct advocacy, committee appearances and submissions to government decision makers. Below please find an overview of some of those activities:

- **Bill 148, Fair Workplaces, Better Jobs Act, 2017**
 In 2017 the government introduced extensive changes to the Employment Standards Act, the Labour Relations Act, and to the minimum wage. The HRPAs surveyed its members to gauge reactions to the specifics of these changes and made a submission to the members of the Standing Committee on Finance and Economic Affairs.
- **Awareness Day Lobby**
 On October 5th, 2017, the HRPAs held a luncheon event at the Ontario Legislature with the objective of raising awareness of the thought leadership papers that HRPAs published throughout the year. The event was attended by over 70 MPPs from all parties, including Ministers and their staff.
- **Gender Wage Gap Working Group**
 The HRPAs has been extensively involved in discussions around ways to eliminate the gender wage gap in Ontario. As a result of its advocacy, a representative from the HRPAs has been placed on the government's new Gender Wage Gap Working Group. This Group is comprised of 14 organizations and two community members, and provides advice and feedback to the government on how it can best address the issues raised in the Gender Wage Gap Final Report.
- **AODA - Employment Standards Development Committee**
 The HRPAs is an appointed member of the government's Standards Development Committee that reviewed Ontario's Accessible Employment Standards, and re-examined the long-term objectives of the standard. The committee provided recommendations to the public and to the Minister Responsible for Accessibility.



ENGAGED VOLUNTEERS

Individuals volunteering their time and expertise to the Human Resources Professionals Association (HRPA) provide an important service by helping HRPA further its Mission: setting the standards of learning, competence and conduct for members to enhance the standing of the human resources profession while protecting the public. In turn, volunteers obtain valuable work and social experiences, as well as acquire a sense of personal achievement and satisfaction.

Volunteers often bring a unique background, perspective, and energy that benefits everyone involved. HRPA's Board, regulatory framework, learning mandate and local geographic Chapters rely upon the services of hundreds of volunteers each year. At the provincial and Chapter level HRPA carefully plans, structures, and implements detailed volunteer commitments in order to best incorporate this valuable resource.

HRPA owes much of its success in 2017 to the dedication and talent of our many volunteers. Every year, hundreds of volunteers make invaluable contributions to the success of our Regulatory Framework, HRPA's Chapters, our Annual Conference & Trade Show, and much more.

Some of the specific achievements highlighted in 2017 include the following:

- Through the Association's new web platform for volunteers <https://ivolunteer.hrpa.ca/home> HRPA redesigned its application process for the recruitment and selection of volunteers, including volunteers at the Chapter level.
- Over 250 volunteer positions were filled in 2017 through iVolunteer.
- The Association's launched hundreds of private online communities for all of its Chapters and committees.
- As part of its commitment to sustainability, HRPA no longer mails hardcopies of meeting materials. The success of the online communities has resulted in a 5% reduction in paper costs for the Association in 2017.
- The Board struck two Chapter Task Force groups in 2017. The Task forces are primarily focused on Chapter governance and volunteer on-boarding. The groups are expected to complete their work in 2018.
- HRPA Volunteer management guide was published highlighting the elements of the Association's volunteer program including:
 1. Planning;
 2. Recruitment and Selection;
 3. Onboarding and Development;
 4. Effectiveness Assessments; and
 5. Recognition.

Thank you to our volunteers for dedicating their valuable time to HRPA's continued success!





MANAGEMENT DISCUSSION & ANALYSIS

Financial Overview – Fiscal Year 2017

HRPA ended fiscal year 2017 with a surplus of \$479,700 compared to a surplus in fiscal year 2016 of \$971,762. Operating revenue for the year increased by 5.5 per cent over the previous year, or \$853,126, while expenses increased by 11.5 per cent, or \$1,752,326. Net investment income for the year increased by 59.4 per cent over the previous year, or \$407,138. Overall, HRPA increased its net assets position to \$11,722,390.

Starting in fiscal year 2017, full cost allocations have been made to the various functional areas. These costs include salary and benefits, administrative, amortization, office space and utilities, financial services, and insurance expense. Similarly, fiscal year 2016 figures were restated to ensure comparability between the two years. This approach will provide users of the statements with a more complete and accurate picture of the financial activity for the various functional areas. Various note disclosures, as required under accounting standards, have been included with the complete audited financial statements, which are always available upon request through finance@hrpa.ca.

Following are highlights of some key variances year-over-year:

Balance Sheet

Short term investments were lower than the previous year, due to increased cash outflows in 2017.

Accounts receivable were lower than the previous year, due to a decrease in amounts receivable from some annual conference sponsors.

Prepaid expenses relate to the annual conference, insurance, software maintenance, licenses, and other costs having future benefits; overall, the total for these amounts was slightly higher than the previous year due to increased annual conference payments as well as increased Chapter-related event deposits.

Long-term investments were higher than the previous year due to strong market returns during the year.

Security deposit relates to an initial deposit that was required as part of current office lease agreement. The remaining balance of the deposit (\$250,000) is being held by the landlord for the duration of the lease term, and shall be returned to in 2023, with interest as provided for in the lease agreement.

Accounts payable and accrued liabilities were lower than the previous year, due mostly to the timing of payments at year end.

Deferred revenue pertains to amounts collected for the annual conference, membership dues, and other programs and services being held after year-end. Overall, the total for these amounts were slightly higher than the previous year due mainly to higher membership revenue associated with the increase in the number of members, along with increased registrations for online Comprehensive Knowledge Exams (CKE) and the introduction of on-line Employment Law Exams (ELE) in 2017.

Deferred rent pertains to two different amounts associated with the current office lease agreement – one amount relates to the tenant improvement allowance, and another amount pertains to the rent-free period from the beginning of the lease term. Following accounting standards, these two amounts are being amortized evenly over the term of the lease.

Net assets have been restricted for capital budget purposes, including amounts pertaining to various technology related upgrades and improvements, conference centre enhancements, general office improvements, and the development of regulatory-related programs. The Contingency Fund is a reserve for general operating contingencies and is not available for use by the Association without prior approval of the Board of Directors.



In-line with general guidelines for not-for-profit associations, HRPAs target for reserves is set at 50 per cent of annual operating costs. Based on the operating budget for fiscal year 2018, the Association's reserve is at approximately 53 percent of annual operating costs.

Statement of Operations

Membership and Member Services

Higher membership revenue in fiscal 2017 was due mainly to an increase in renewed membership numbers. In addition, revenue associated with Hire Authority was higher than the previous year. Total expenses in membership and member services are in line with previous year.

Annual Conference

Higher revenue was due mainly to an increase in the number of registrants for the conference. Expenses increased over the previous year, largely due to higher speaker fees, as well as higher operating costs associated with the conference.

Regulatory Affairs

Revenue from regulatory-related activities decreased due mainly to lower CKE1 and CKE2 revenue. Expenses increased in this area, largely due to higher costs associated with enhancing our regulatory activities, and development of the CKE and ELE exams.

Professional Development and Support Programs

Revenue from professional development events increased due to higher registrations for certificate programs, and an increased number of executive events. Expenses also increased due to higher costs associated with certificate programs and executive events.

Chapter Activities and Relations

Revenue increased over the previous year in this area due to an increase in the number of events held by the Chapters. Expenses increased due to an increase in costs associated with events, as well as higher operating costs in this area.

Administration and Conference Centre

Revenue increased in this area due to an increase in rentals for the conference centre. Expenses under this area were higher than the previous year, due to an increase in conference centre costs: increased rentals, and higher operating costs.

Board and Board Committees

Expenses under this area increased due to an increase in activities in this area in 2017.

Public Affairs and Research

Revenue in this area related to sponsorship received from the Ontario government towards the Intelligence Revolution report. Expenses are higher under this area due in most part to the costs associated with the Intelligence Revolution report, as well as higher operating costs in this area.

Investment Income

Investment income increased compared to the previous year, due to the extremely strong market returns for the year.



SUMMARY CONSOLIDATED BALANCE SHEET

AS AT NOVEMBER 30, 2017, WITH COMPARATIVE INFORMATION FOR 2016

	2017	2016
Assets		
Current assets:		
Cash	\$ 370,450	\$ 366,092
Short-term investments	2,419,446	3,211,233
Accounts receivable	395,350	609,703
Prepaid expenses	983,698	936,635
	4,168,944	5,123,663
Long-term investments	13,890,129	12,822,962
Capital assets, net	2,564,825	2,671,655
Security deposit	250,000	250,000
	\$ 20,873,898	\$ 20,868,280
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 1,497,408	\$ 1,923,305
Deferred revenue	7,069,663	7,011,588
	8,567,071	8,934,893
Deferred rent	584,437	690,697
Net assets:		
Invested in capital assets	2,564,825	2,671,655
Internally restricted	2,337,093	2,420,084
Contingency fund	6,780,472	5,970,951
Unrestricted	40,000	180,000
	11,722,390	11,242,690
	\$ 20,873,898	\$ 20,868,280



SUMMARY CONSOLIDATED STATEMENT OF OPERATIONS

YEAR ENDED NOVEMBER 30, 2017, WITH COMPARATIVE INFORMATION FOR 2016

	2017	2016
Revenue		
Membership and member services	\$ 9,019,153	\$ 8,598,049
Annual conference	3,755,438	3,579,913
Professional development and support programs	1,472,764	1,166,470
Regulatory affairs	1,339,737	1,568,272
Chapter activities	419,773	356,232
Administration and conference centre	268,905	203,708
Public affairs and research	50,000	0
	16,325,770	15,472,644
Expenses		
Annual conference	3,477,734	3,372,480
Chapter activities and relations	3,070,969	2,980,757
Membership, member services and marketing	3,162,666	3,108,950
Regulatory affairs	2,743,076	2,221,874
Professional development and support programs	2,243,479	1,822,668
Public affairs and research	904,389	549,328
Board and board committees	828,358	669,265
Conference centre	507,494	460,517
	16,938,165	15,185,839
Excess (deficiency) of revenue over expenses before investment income	(612,395)	286,805
Investment income	1,158,933	741,718
Investment management fees	(66,838)	(56,761)
Net investment income	1,092,095	684,957
Excess of revenue over expenses	\$ 479,700	\$ 971,762

Note:

Copies of the complete November 30, 2017 audited financial statements, including the auditors' report, are available at the Human Resources Professionals Association's office or can be requested by emailing finance@hrpa.ca.



BOARD AND SENIOR MANAGEMENT

BOARD OF DIRECTORS

Karen Stone, CHRE (Chair of the Board)

Susan (Sue) Corke *

Leslie (Les) Dakens, CHRE

Girish Ganesan, CHRL

John Hannah, CHRE

Patricia Johns, CHRL

Christine Langevin, CPA, CMA *

Bonnie Seidman, CHRE

Robert (Bob) Thompson,

CHRL Ramona Tobler, CHRE

Annette van't Spyker, CHRE

Rebecca Zaretsky *

Gary Monk, CPA, CMA (Interim Chief Executive Officer)

*Order in Council Appointee

SENIOR MANAGEMENT

Gary Monk, CPA, CMA, Interim CEO; Vice President, Finance and Information Technology

J. Scott Allinson, Vice President, Public Affairs

Claude Balthazard, CHRL, C. Psych., Vice President, Regulatory Affairs and Registrar

Chris Larsen, Vice President, Marketing, Membership and Professional Development

Marta Pawych, Vice President Annual Conference and Sponsorship

Louise Tagliacozzo, Director, Board Relations and Administration

