



Human  
Resources  
Professionals  
Association

# **2020 Member and Student Survey Part Two**

## **Professional Regulation Key Findings Report**

November 2020

# Contents

- 3 Introduction
- 4 Overview and Methodology
- 6 Executive Summary
- 9 The Findings
- 27 Summary and Discussion

# Introduction

The HRPA ensures that our 24,000 members and students have the most up-to-date tools and the advanced skills to lead our workplaces into the future. We regulate HR professionals in the public interest. Our members are held to the province's highest standards, so Ontario workplaces can trust us to help unlock business growth and optimize employee potential. Because the HRPA means better HR.

The experiences of HR Professionals in 2020, have been unlike any other time in our history. HR is at the most senior decision-making tables. The stakes have never been higher, but neither have been the rewards. Our chosen profession is maturing and helping Ontario's businesses and organizations move forward, especially during COVID-19.

# Overview and Methodology

## **SURVEY OVERVIEW**

In May 2019, HRPAs released its three-year strategic plan for 2019 to 2021, which outlined four strategic themes:

### **Regulatory Excellence**

Champion and elevate professionalism for the HR profession

### **Exemplary People Practices**

Design and deploy modern, effective and progressive approaches to human capital management

### **Operational Effectiveness**

Maintain financial and operational wellbeing that enables our member value proposition

### **Service Leadership**

Deliver quality services and resources to our network of members, students and volunteers

The information we gather through the Member and Student Survey helps HRPAs implement its strategic plan. Part 2 of the survey, focusing on professional regulation, will help HRPAs improve on its promotion and protection of the public interest by governing and regulating its members, firms, and students in accordance with the Act and the By-laws of the Association.

## **METHODOLOGY**

HRPA conducted part two of the annual member survey online between September 16 – October 2, 2020 via email distribution to all HRPA members and students. There were 1,313 responses to the survey. This part of the survey focused specifically on professional regulation. The results of part one of the annual survey can be found [here](#).

HRPA is currently shifting towards risk-based regulation, which understands professional regulation as a partnership between the professional regulatory body and regulated professionals. Relating to this, the survey targeted four topics:

### **1. Openness to professional regulation**

Openness to professional regulation is a key metric for any regulatory body and a key component for risk-based regulation. Regulated professionals, for their part, need to be open to regulation and be willing partners in keeping the public safe.

### **2. Perceptions of HRPA as a professional regulatory body**

It is assumed that professionals are more likely to be open to influence by their professional regulatory body when it is seen to be respectful, honest, transparent, accountable, fair, impartial, trustworthy, competent, and respected.

### **3. Understanding of why Human Resources is regulated**

An important aspect of this survey was to understand what HRPA members and students think professional regulation is and how it works.

### **4. Impact on professional practice and compliance issues**

Professional regulatory bodies deliver on their duty to promote and protect the public by influencing the conduct and practices of the professionals under regulation. Questions here sought to understand the degree of influence HRPA has over the conduct and practices of HRPA members and students.

Ultimately, the survey aimed to assess the extent to which members and students are engaged in the professional regulation process.

# Executive Summary

The Annual HRPAs Member and Student Survey is one of the most important activities in the Association calendar. It gives us an opportunity to learn about the impact our members are having on their workplaces while also listening to feedback about the services and advocacy needed from the HRPAs to advance the HR profession. Most importantly, we can collect significant data and ideas directly from members and students about what we can do to continue to elevate the Profession and the careers of HR practitioners.

In this Key Findings report, we've included the results and also the opportunities of where we can build and grow. For instance, we have learned:

**54% of members and students are supportive of professional regulation.**

**21% of members and students are passive rather than supportive, they will do what they need to do but no more.**

**25% of members and students are 'existent,' 'reluctant,' or 'resistant,' which is a relatively high number of disengaged members and students with respect to professional regulation.**

Although HRPAs members and students are generally supportive of professional regulation, many members and students do not seem to appreciate how the conduct and professional practices of registered Human Resources professionals can lead to negative impacts for employers, employees and the public at large. Many members and students seem to have a passive perspective on professional regulation—that it is enough to be accountable to rules of professional conduct but not to actively engage in the application of those rules. A number of members and students have recommended more education, resources and communication from HRPAs on regulation.

**Member compliance with the reporting of insolvency events and the requirement to obtain Professional Liability Insurance for those in independent practices remains low.**

**Member assessment of HRPAs doing a good job of protecting the public (employers and employees) from incompetent and/or unethical HR professionals as well as HRPAs transparency and fairness related to registration, certification and complaints investigations is lukewarm. A key target action will be to significantly enhance these assessments as we shift towards risk-based regulation, recognizing the importance of professionals having high esteem in their professional regulatory body which in turn connects to a better partnership and compliance with professional guidance and standards.**

Based on these findings, there are opportunities of where we can build and grow to:

### **RESOURCES & EDUCATION**

Provide more education, resources and communications to help members and students understand regulation, why it's important and how we can partner together to help protect the public and level up the profession.

### **PUBLIC ENGAGEMENT**

Enhance efforts of protecting the public, employers and employees from incompetent and/or unethical HR professionals.

### **PROACTIVE REGULATION**

Begin implementing risk-based regulation practices, an approach to regulation that aims to proactively mitigate risks the profession could pose to the public before such risks can translate themselves into actual harm experienced by the public. The perceived impact of implementing risk-based regulation is the reduction of harm and trust and confidence in the practice of the profession and the regulation of the profession on behalf of all stakeholders, including the public, employers and employees.

All in all, it would appear that there is work to be done in regard to instilling an understanding of what professional regulation is about, how it works, and what is required of members and students to make it work.

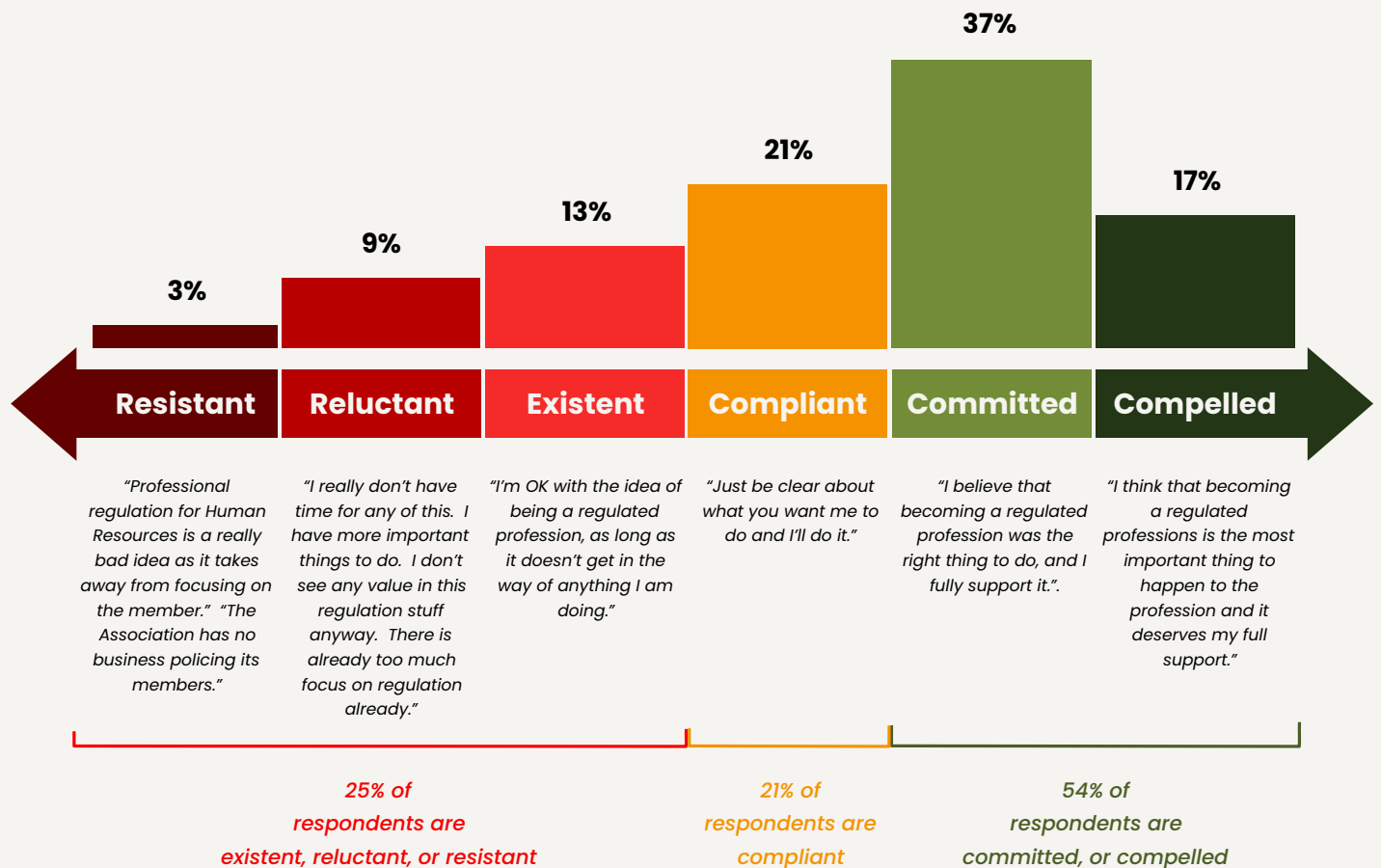


# The Findings

# 1. Openness to professional regulation

Given the following 'attitude towards professional regulation continuum', where would you say you fall on the continuum?

Respondents were asked to select the statement that best described their 'attitude towards professional regulation'. Each of the six options on the continuum was defined by a label and a brief descriptive paragraph.



Source: 2020 HRPAs Professional Regulation Survey

## RESULTS



## INSIGHTS

We can divide the continuum into three segments:

- 54% of members and students are *committed* to or *compelled* by professional regulation, these individuals are supportive of professional regulation.
- 21% are *compliant*, these individuals are passive rather than supportive, they will do what they need to do but no more.
- 25% are *existent, reluctant, or resistant*, these respondents are unlikely to pay much attention to matters of professional regulation.

There are two concerns:

- The 25% of respondents who are *existent, reluctant, or resistant* are unlikely to abide by any professional guidance issued by the Association, some may even be 'ungovernable',<sup>1</sup> and
- This 25% may have an impact on other members. Consider an organization where 25% of employees were *existent, reluctant, or resistant*, this organization would likely struggle to move forward. Also, risk-based regulation, in which members and students must be willing partners in keeping the public safe, would seem to require that all be *committed* or *compelled*.

<sup>1</sup> Ungovernable is a term used by professional regulatory bodies to refer to registrants that are openly defiant of the professional regulatory body's authority.

# 2. Perceptions of HRPAs as a professional regulatory body

To determine the esteem of our members and students for HRPAs, we used ten questions within the survey as a benchmark. The average percent positive rating across all ten questions was 60.5%, which would appear to be an unenthusiastic assessment.

- For questions where objective evidence is available, the perceptions of respondents do not align with the evidence,
- There is strong evidence of a 'halo effect' which runs through all ten questions

## As a Professional Regulatory Body, the HRPAs...



Source: 2020 HRPAs Professional Regulation Survey

**For questions where objective evidence is available, the perceptions of respondents do not align with the evidence.**

*“As a Professional Regulatory Body, the HRP A is transparent and fair in its registration and certification decisions”*

On this question only 62% of respondents answered positively. However, this same question was the subject of an assessment by the Office of the Fairness Commissioner in 2016. HRP A received a positive report and the Office of the Fairness Commissioner identified many *commendable practices*.

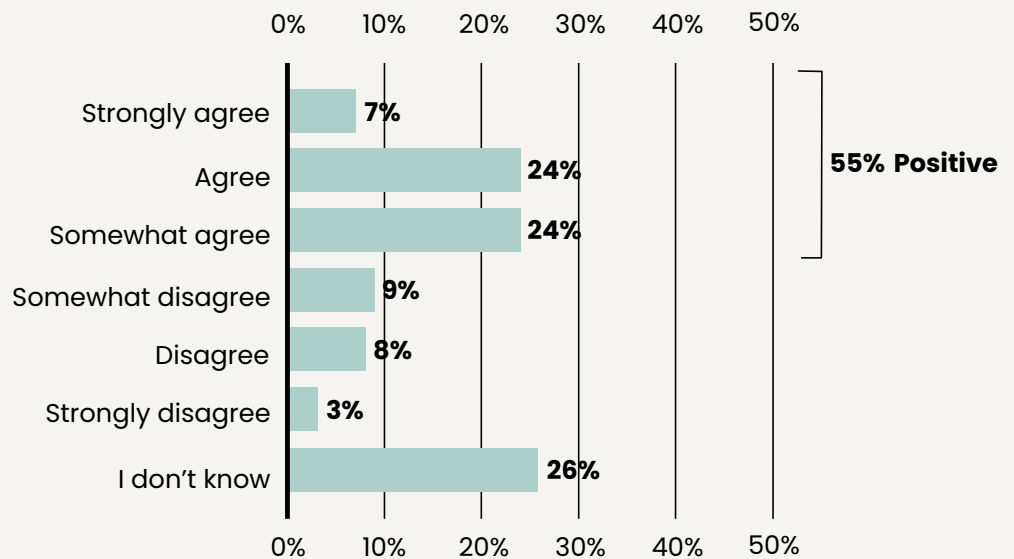
*“As a Professional Regulatory Body, the HRP A is fair and impartial in its investigations of complaints against registrants”*

On this question, only 38% of respondents gave a positive response. It should be noted that few respondents have had any direct experience of HRP A’s complaints process.

**Overall performance as a professional regulatory body**

Respondents were asked to give an overall assessment of HRP A’s performance as a professional regulatory body. This question was included separately in order to preserve the same response format as in previous years.

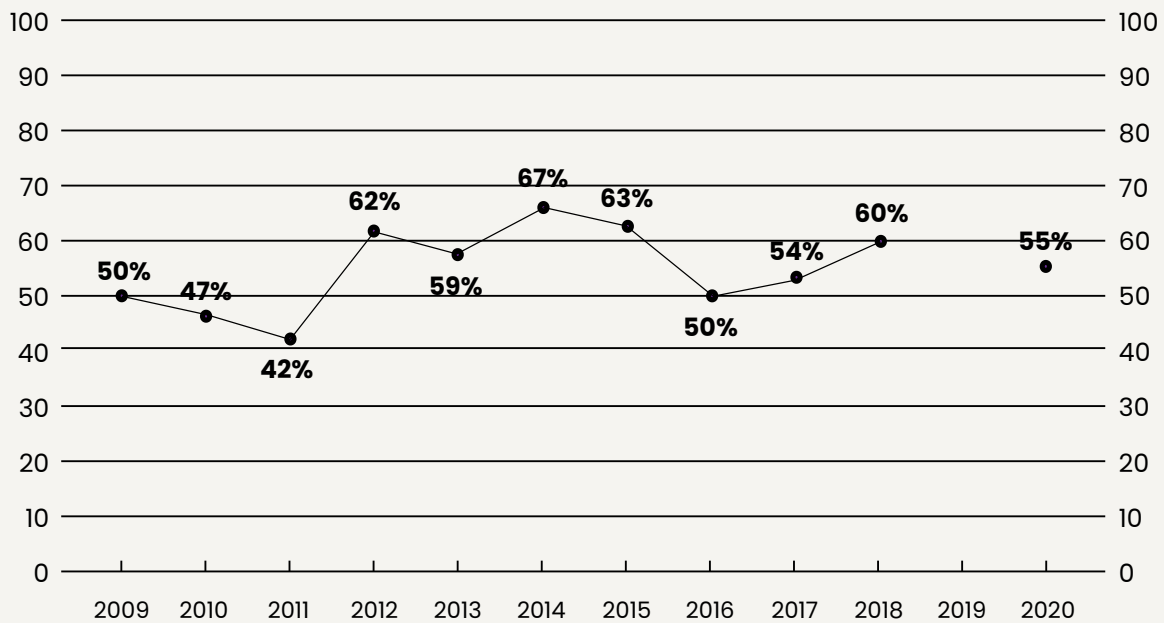
**Do you agree that HRP A is doing a good job of protecting the public from incompetent and/or unethical HR professionals?**



Source: 2020 HRP A Professional Regulation Survey

This question has been included in the HRPAs Member and Student Survey since 2009, with the exception of the 2019 survey.

**The Association is doing a good job of protecting the public from incompetent and/or unethical HR professionals**



Source: 2020 HRPAs Professional Regulation Survey

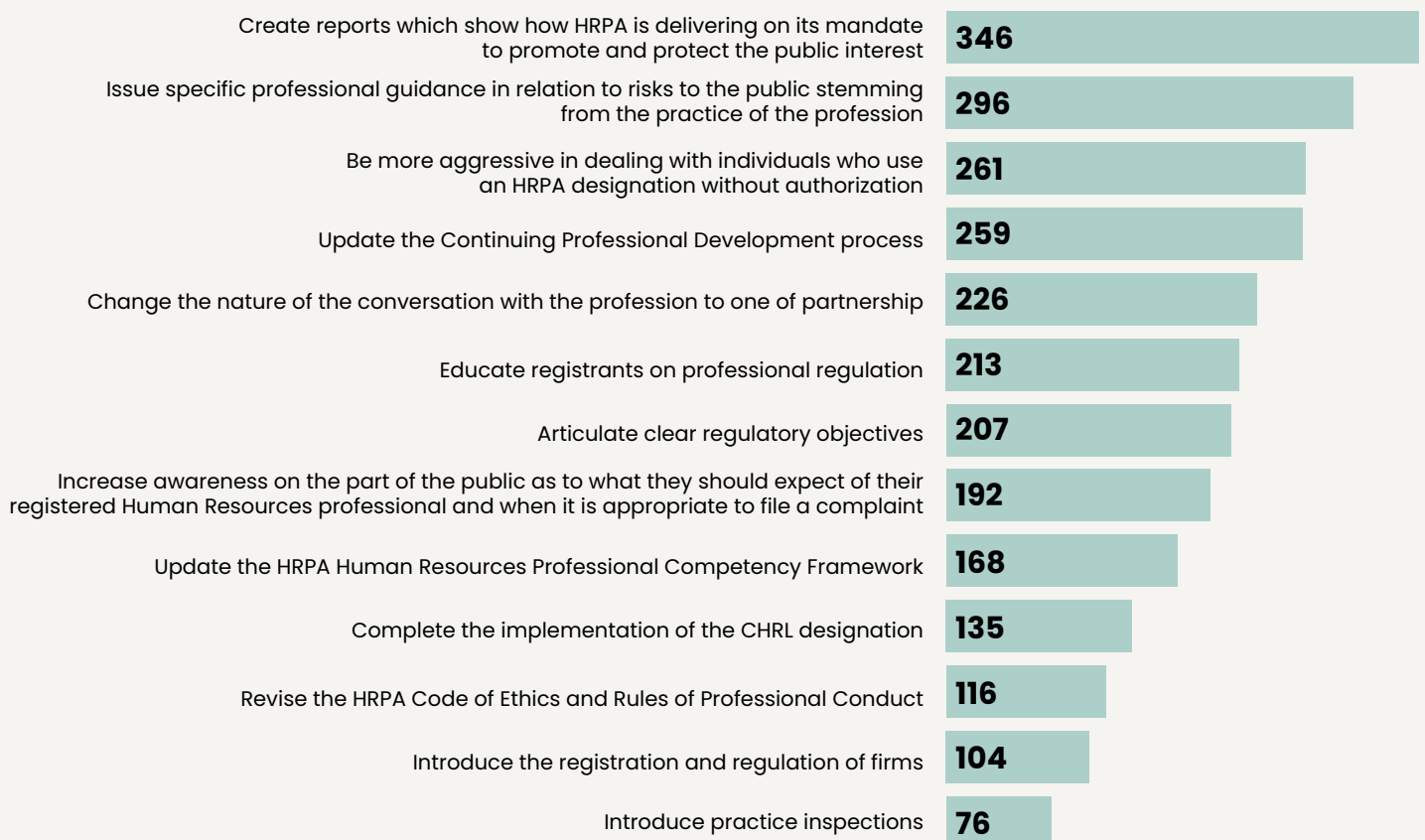
The current value of 55% is consistent with the ten-year average of 55.4%. Given that is an essential aspect of HRPAs primary purpose, 55% would appear to be a neutral rating. Also, there does not appear to have been any notable change since 2013, when the *Registered Human Resources Professionals Act, 2013*, was passed.

In this context, HRPAs is taking bold steps to educate its own members and students as well as the public about the importance and value of the HR profession and the importance of protecting the public by ensuring that Human Resources services are delivered in a competent and ethical manner.

## Impact of activities on the promotion and protection of the public interest

Respondents were asked which activities would have the most impact in regard the promotion and protection of the public interest. Below is an overview of the ranked choices. It is worth noting that the introduction of practice inspections came last—more on that in another section.

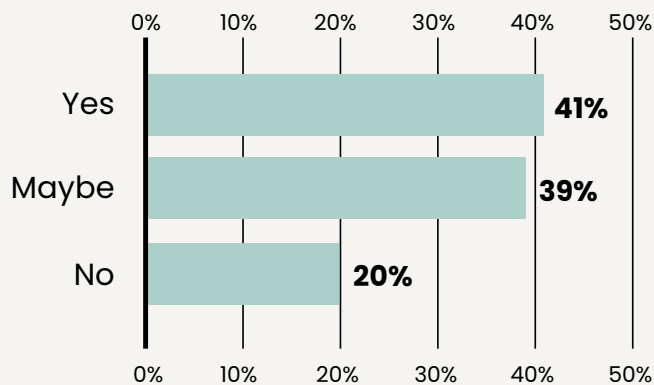
**In your opinion, which of the activities below would have the most impact in terms of the promotion and protection of the public interest?**



Source: 2020 HRPAs Professional Regulation Survey

# 3. Understanding of professional regulation

**If someone were to ask you to explain the benefits for HRPAs members, firms, and students of having become a regulated profession, would you be able to do so?**



Source: 2020 HRPAs Professional Regulation Survey

- 80% of respondents stated that they would or might be able to explain the benefits for HRPAs members, firms, and students of having become a regulated profession.



The following question was asked of those respondents that responded yes or maybe to the previous question:

**What, in your words, are the benefits for HRPAs members, firms, and students of having become a profession governed and regulated pursuant to statute?**

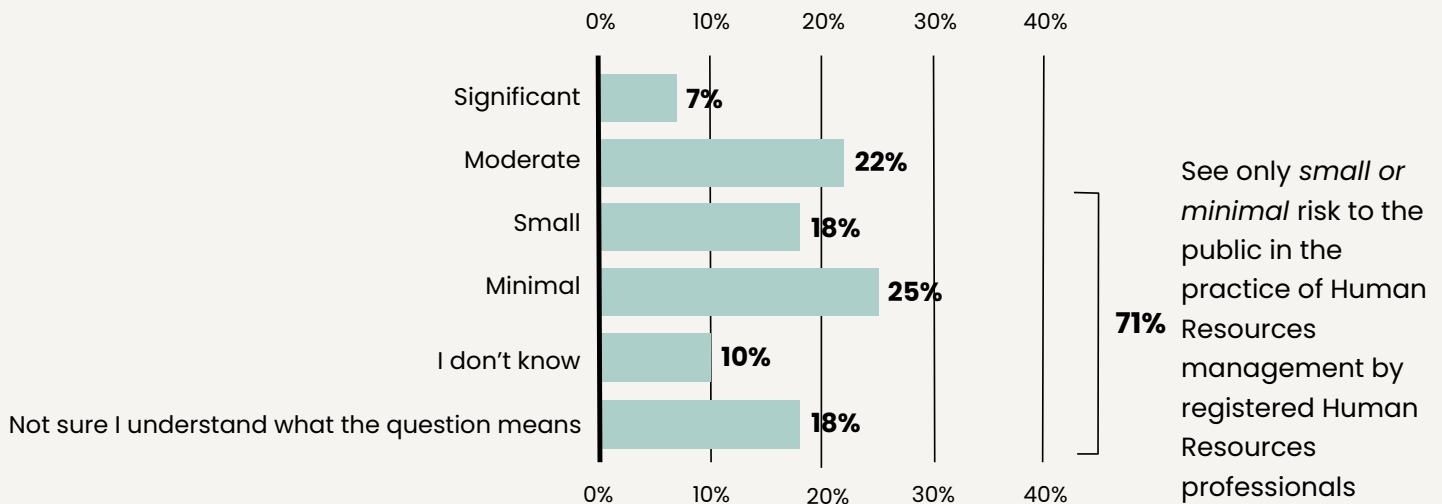
Note that this question is not the same as asking respondent about the benefits of membership or registration with HRPAs.

Of the 780 respondents asked the question, 495 gave a response:

- 51% indicated that they did not know or noted a benefit that is unrelated to being governed or regulated by statute.
- 30% had responses which indicated a positive impact on the profession or a positive impact on the perception of the profession but did not reference the public interest.
- Only 6% of respondents had responses which referenced the public interest.
- 3% took the opportunity to indicate that there are no benefits to being governed and regulated pursuant to statute or that, to the contrary, there are drawbacks or disadvantages to being governed and regulated pursuant to statute.

## Perceived amount of risk stemming from the practice of Human Resources

**In your opinion, what level of risk does the practice of Human Resources management by members and students registered with HRPAs pose to the public?**



Source: 2020 HRPAs Professional Regulation Survey

- Only 29% of respondents were of the opinion that the practice of Human Resources by members and students registered with HRPAs posed a *moderate* or *significant* risk to the public.

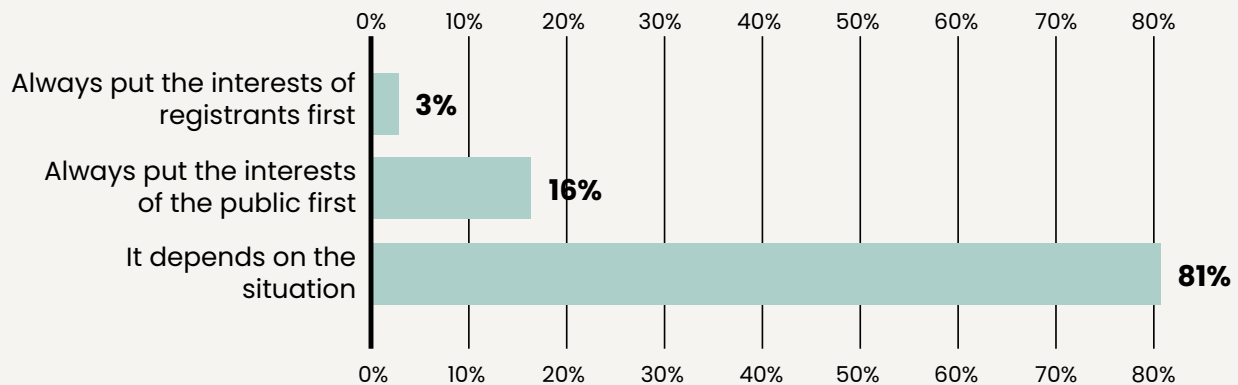
Many members and students are supportive of professional regulation in that it confers legitimacy for the profession but without making the link to the risk of harm to the public. Because the perceived risk to the public is low, many members and students do not see the need for vigorous or serious professional regulation.

With the introduction of risk-based regulation and the identification of risks to employers, employees and the public at large stemming from the practice of the profession will shift this perception. There will be communication and education efforts to this end, including communication aimed at better general understanding about professional regulation itself.

## The public interest

Another interesting question asked respondents what HRPAs should do in situations where the interests of the members might conflict with the interests of the public.

**In such situations where the interests of the members might conflict with the interests of the public, HRPAs should...**



Source: 2020 HRPAs Professional Regulation Survey

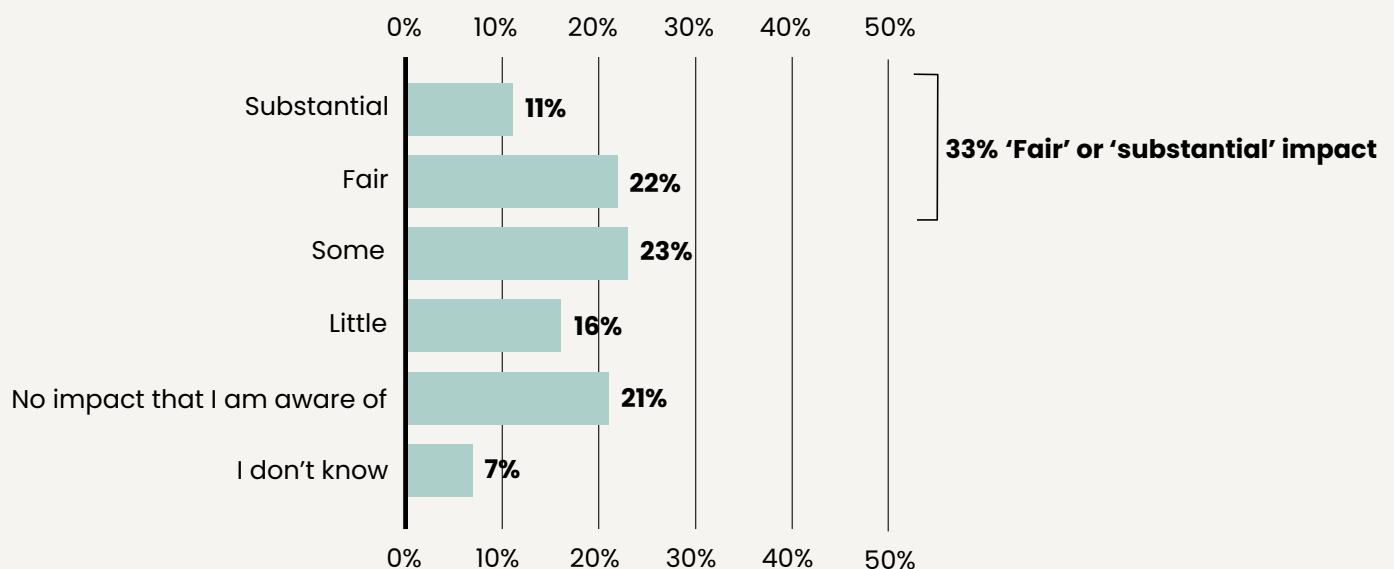
Of course, HRPAs may act in ways that will have positive benefits for the profession and its members; however, professional regulatory bodies must always prioritize the public interest and cannot act in any way that would compromise or diminish the public interest.

# 4. Impact on professional practice and compliance issues

Professional regulatory bodies deliver on their primary purpose to promote and protect the public by influencing the conduct and practices of the professionals under regulation. As a condition of registration and renewal, HRPAs require members and students to agree to abide by *the Act*, HRPAs' By-laws, and HRPAs' Rules of Professional Conduct and any other professional guidance issued by the Association.

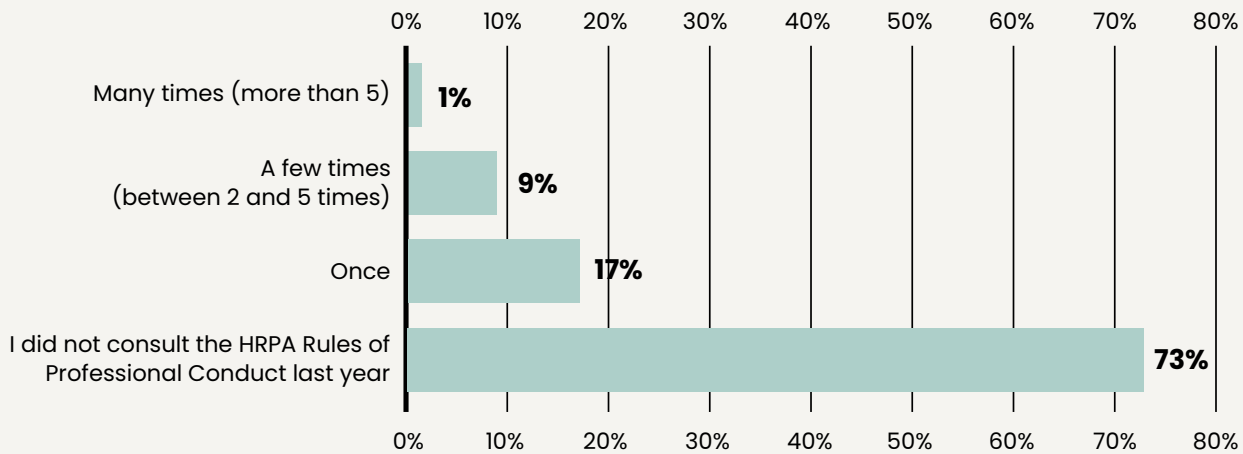
A question was asked as to the impact that professional guidance issued by HRPAs had on their practice as Human Resources professionals.

**How much impact has any professional guidance issued by HRPAs had on your practice as an HR professional?**



Source: 2020 HRPAs Professional Regulation Survey

**In the last twelve months, how many times have you consulted the HRPAs Rules of Professional Conduct for guidance as to what is expected in terms of professional conduct in a given situation?**

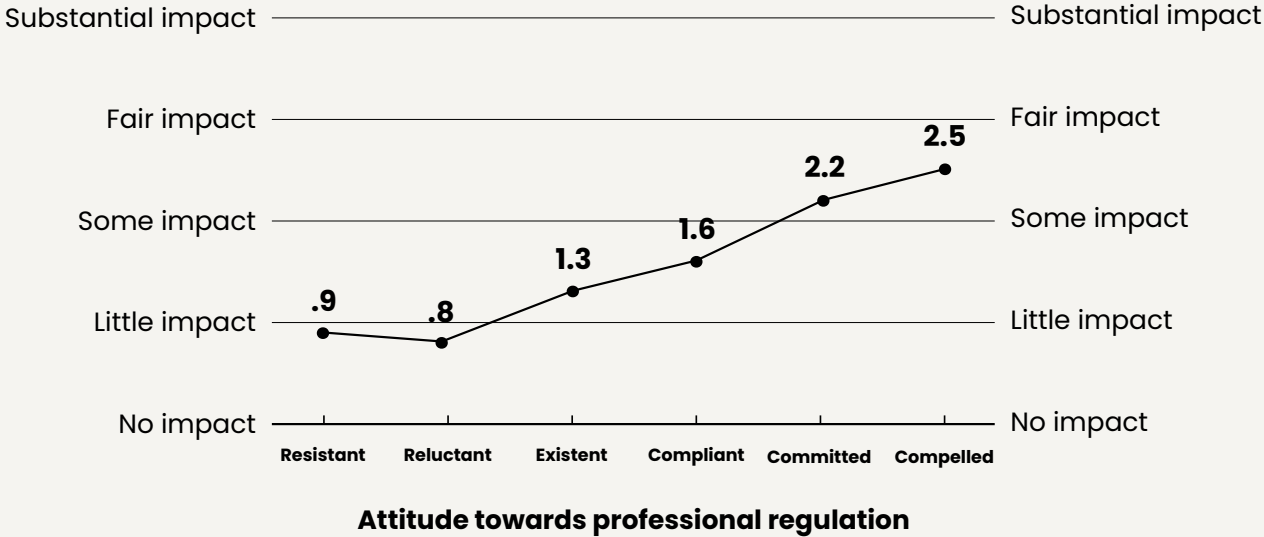


Source: 2020 HRPAs Professional Regulation Survey

- The responses to the second question may suggest that the attestations which all members and students must agree to at initial registration and upon renewal may not be sufficient to ensure that professional guidance issued by HRPAs is having an impact on the conduct and practice of professionals.
- Based on responses to previous questions, many members and students have a 'passive' approach to the Rules of Professional Conduct—meaning that a simple attestation to abide by the Rules of Professional Conduct is by itself sufficient to ensure that standards of conduct and practice are adhered to.

We looked at the impact of attitude towards professional regulation on the professional practice of members and students based on self-reporting. As the attitude towards professional regulation goes from negative to positive, the impact on professional practice increases in a straight line. As such, the impact of attitude towards professional regulation is highly significant.

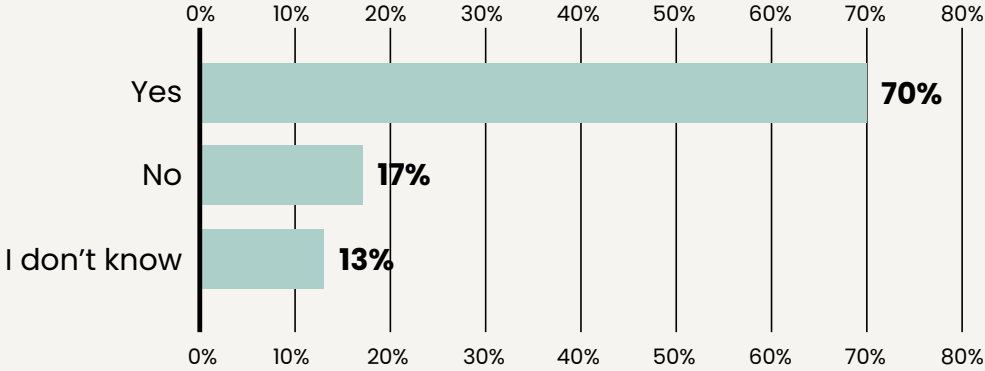
## Attitude and Impact



Source: 2020 HRP A Professional Regulation Survey

Finally, the following question was asked:

**In your opinion, should all applicants for registration with HRP A be required to complete a program to educate them on the duties and obligations that come from being a professional?**



Source: 2020 HRP A Professional Regulation Survey

70% of respondents believe all applicants for registration with HRPAs should be required to complete a program to educate them on the duties and obligations of professionhood. This provides a clear direction to HRPAs to investigate means or approaches to providing broader ethics education.

## **Compliance issues**

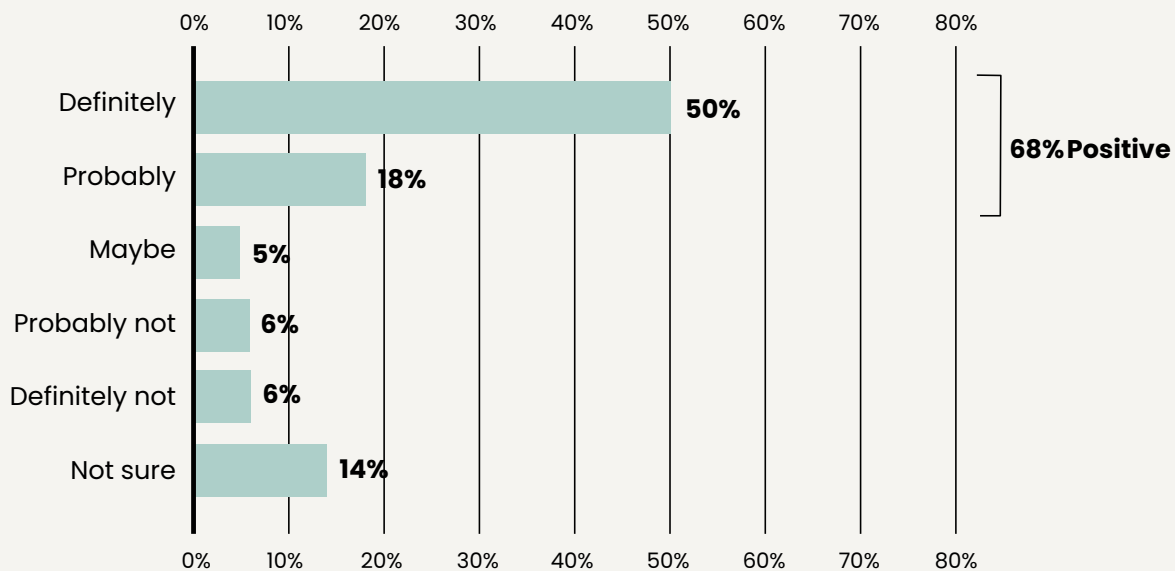
HRPAs have few requirements that they place on members and students that are subject to monitoring and verification. These requirements are:

- The Continuing Professional Development requirement.
- The requirement to notify the Registrar of any insolvency event (i.e., bankruptcy or consumer proposal).
- The requirement to obtain and maintain professional liability insurance for members and students in independent practice.

## Insolvency events

The results indicate that the majority of members would voluntarily notify the Registrar of insolvency events as required by the *Registered Human Resources Professionals Act, 2013*.

**The Registered Human Resources Professionals Act, 2013, requires all members to notify the Registrar of any insolvency event (i.e., bankruptcy or consumer proposal). Were you to experience an insolvency event (i.e., bankruptcy or consumer proposal), would you notify the Registrar of such?**



Source: 2020 HRPA Professional Regulation Survey

If we include the 'probably' responses, we have 68% of respondents that state they would abide by the requirement to notify the Registrar of an insolvency event. The rationale for members to notify the Registrar of insolvency events is that there are additional risks to others stemming from the insolvency event. For instance, HR professionals often have broad access to corporate records, financial accounts, pension & benefit accounts, and payroll related accounts--in which broad access increases possible risk to an employer should an HR professional be under



intense financial pressure. Historical cases of fraud demonstrate the link between financial desperation and misconduct. HR professionals who have experienced an insolvency event may also find it difficult to maintain their independence and be improperly influenced by creditors.

**Have you or your firm experienced a bankruptcy or filed a consumer proposal within the last year?**

The number of survey respondents who answered 'yes' to this question was zero.

Based on the data published by the Office of the Superintendent of Bankruptcies, the consumer insolvency rate in Ontario in 2019 was 3.8 per 1000. The insolvency rate for 2020 is not yet available but quarterly results so far indicate something close to 3.4 per 1000. What is the probability then, that in a sample of 1313 individuals, none would have experienced an insolvency event? The binomial probability is .011. This is smaller than the conventional level of statistical significance of .05. This means that it is very highly improbable that no insolvency events were experienced in our sample of respondents. At a rate of 3.4 insolvency events per 1000, with 23,768 members, one would have expected about 81 insolvency events in the last 12 months. The actual number of notifications at HRPAs in the previous twelve months was two.

$$\text{Insolvency event compliance rate} = \frac{\text{Actual number of notifications}}{\text{Expected number of notifications}} = \frac{2}{81} = 2.5\%$$

## Professional Liability Insurance

The Professional Liability Insurance Requirement requires that:

- That any members and students practicing independently obtain Professional Liability Insurance
- That members and students notify the Registrar that they have obtained Professional Liability Insurance
- That this information is kept up to date

Estimating the actual Professional Liability Insurance compliance rate is relatively straightforward. The numerator is simply the number of those who have complied with the Professional Liability Insurance Requirement. This is indicated in the public register as being “authorized for independent practice.” The denominator is the number of members and students who are in independent practice. Based on survey results, 8.65% of HRPAs respondents indicated that they were in independent practice and thus subject to the Professional Liability Insurance requirement. With 24,230 members and students, one would estimate that 2,096 are in independent practice.

$$\text{PLI compliance rate} = \frac{\text{Actual number of PLI notifications}}{\text{Expected number of PLI notifications}} = \frac{641}{2,096} = 30.6\%$$

Three important observations derive from the survey results:

1. Compliance rates are very low, at least when no means of verification are available,
2. A significant minority of members and students are open about their non-compliance, and
3. The evidence seems to show that self-reports of compliance overestimate actual compliance by a fair margin.

# Summary and Discussion

The only way professional regulation can work is when professionals ‘carry a bit of the professional regulatory body with them’ whenever and wherever they practice the profession. Professional regulatory bodies are influencers above all. Professionals are the implementors of professional guidance and practice standards. Professionals, for their part, need to be open to this influence—professionals need to want to be regulated, and they need to want to be the implementors of professional guidance and practice standards. Also, professional regulation cannot be passive—it is not enough for professionals to agree to be held accountable to rules of conduct and practice standards but then to never give these rules or standards another thought. Professionals need to be active participants in making these rules of professional conduct and other professional guidance come alive.

The emerging picture suggests there is still more work to be done before we could say that HRPAs members and students are engaged in professional regulation.



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