

CANADIAN EXECUTIVES SAY HR ISSUES MAY THREATEN PROFITABILITY



Ipsos Reid

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Toronto, ON – A new survey released today by Accenture and conducted by Ipsos Reid asked Canadian senior executives across the country about threats to their company's profitability.

When asked which factors, over the next six months, pose a threat to their company's profitability: the "inability to attract and retain the best talent" (54 percent), and other "human resources issues" (54 percent) tie atop the list. Other potential threats include: "poor customer care" (44 percent), "compliance with government and other regulations" (38 percent), "misaligned corporate objectives" (36 percent) and the "inability to focus on core competencies" (34 percent).

Of senior executives that indicated that the inability to attract and retain the best talent threatens their company's profitability, two-thirds (66 percent) say that customer care/customer service is an area of their business that would be affected. Other business areas for which the inability to attract and retain the best talent would pose a threat include information technology (IT) network infrastructure (56 percent), human resources (55 percent) and IT enterprise applications (53 percent).



The findings for the top five business threats for senior executives over the past year are as follows:

Rank	Business Threat	Nov 2006 %	May 2006 %
1	Inability to Retain Talent	54	51
	Human Resources	54	51
2	Poor Customer Care	44	46
3	Compliance with Government and other regulations (Sarbanes Oxley)	38	44
4	Misaligned corporate objectives	36	37
5	Inability to focus on competencies	34	37

Other threats to profitability cited least by senior executives include weakening brand equity (12 percent), terrorism (14 percent), lack of new products/services (16 percent), fluctuating Canadian dollar (26 percent) and inability to compete effectively (29 percent).

These are the findings of a telephone and fax survey of 252 senior executives. With a sample of this size, the results are considered accurate to within ± 6.1 percentage points, 19 times out of 20, of what would have been, had this entire population been polled. The telephone survey was conducted between October 12th and November 2nd, 2006.

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