

# Budget planning priorities for your 2016 HR Budget



In many of today's organizational budgets there is little room for extras. However, while your budget may remain tight it is important to recognize the need to keep pace with both rising costs and changes field of Human Resources. As part of your budget planning you should consider ways to keep costs down and remain innovative. What may cost a little more in the short term may end up saving you time, resources and money in the longer term. This is why taking the time to research, plan and prepare a budget is important.

When it is time for you to create your HR budget step back and look at a full picture of your budgeting. Consider the past, present and future.

- Review past budgets to see if there are any items which may be upcoming or unexpected
- Review the current budget to see what items may need to be moved forward, what cost more and what cost less than expected
- Compare the past and the current to look for trends that may help you build your future budget
- Look forward and consider both what you need to get the job done and what you need to get the job done better in the future.

## Key Elements of the HR budget

To build your budget to drive future growth and efficiency sit down consider your needs, would like to have and could be a game changer in the future.

Review each of these key elements and identify your needs and priorities:

- **Talent acquisition** – costs and trends in advertising fees, job fairs, candidate background screening, applicant testing/assessments and more
- **Training** – learning and development your own department and supporting the organizational

- **Technology and Equipment** – including software and hardware
- **Fees** – agency fees for temporary workers, recruiting fees, consultants, and contractors and assess where your dollars are being well spent.
- **Total Compensation** – consider rising salaries and benefits costs
- **Workforce transitions** – the need and cost for employee dismissal, outplacement and other associated costs
- **Health and Safety and Compliance issues** – costs associated with physical accommodation, training, awareness, policies and fines for non-compliance
- **Unexpected occurrences** – setting aside up to 10% of your budget for contingencies

These items are all relevant to setting your budget for 2016 but some of these items might deserve a higher with an eye to the future.

## 6 Budget priorities for 2016

- **Rising Cost: Salaries, Benefits, Fees and more**

Of course this one is a no brainer, as one of the biggest elements to prioritize for is the expected increase in salaries and other costs.

Salaries are expected on average to rise 2.7% and other costs may jump more than they have in past years.

- **Technology acquisitions: Machine Learning**

Prioritizing several items focussed on technology is a familiar refrain over the past 5+ years and will remain so in 2016. On trend for 2016 includes finding technology that can gather, assess and react based on the data being captured. The idea behind 'Machine Learning' software is that it can let you track all sorts of data and mine that data for information. If you are not using predictive software for talent acquisition, workforce forecasting, performance measures and management this may be a purchase for 2016.

- **Technology training: HR software, productivity applications and hardware**

With more and more apps, smart software, smart phones, tablets and more training is a vital part of maintaining productivity. On trend for 2016 is the use of multiple productivity tools being used throughout the organization and ensuring the safe and secure use of these tools to protect your organizations information.

- **Performance and Productivity; Mental Health First Aid training and more**

We have seen an increase in stress impacting the mental health of employees within our workplaces. We have also read there are significant workplace costs associated with employee stress. The Conference Board of Canada reports that most managers within organizations do not feel equipped to manage employees with mental health concerns. Mental Health First Aid training courses are popping up throughout the country and on trend for 2016.

- **Regulatory Changes: Accommodation, Health and Safety, Privacy and more**

There seems to be arising more legislation and regulations that organizations must address or face fines. In several Provinces workplace health and safety and accommodations for persons with disability are top of the agenda right now. Budgeting the resources to develop policies and implement changes and deliver training can be an overlooked component of doing business but it is an important one.

- **Diversity: culture, age, disability and more**

Diversity hiring, support, engagement and retention will be smart HR trends for 2016. In some areas the workforce is aging and not necessarily being replaced as needed. Investing in diversity hiring, including hiring from outside Canada, hiring younger interns and being open to a wider pool of candidates is going to be an important component of staying competitive in 2016.

Each of these priorities has to be assessed among the increasing costs of compensation, benefits and all the other elements of doing business. When setting your 2016 budget remember to look beyond 2016 and build in items that will help you manage your workforce into the future.