CIM | CHARTERED MANAGERS CANADA

TORONTO MANAGER

SPRING **2023**

Photo by Peter Sansone

Her Excellency the Right Honourable Mary Simon, C.C., C.M.M., C.O.M., O.Q., C.D., Governor General and Commander-in-Chief of Canada

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THE GOVERNOR GENERAL · LA GOUVERNEURE GÉNÉRALE

Message from the Governor General on the occasion of the 80th anniversary of the Toronto Chapter of the Canadian Institute of Management/Chartered Managers Canada

I am pleased to send greetings on the 80th anniversary of the Toronto Chapter of the Canadian Institute of Management/Chartered Managers Canada (CIM).

Founded in 1942, the CIM is the voice and leading professional association supporting Canada's chartered managers. Promoting the highest standards in the industry, this not-for-profit organization has provided management development and certification to more than 80 000 individuals, from coast to coast to coast. Through certification, accreditation and education, its members strive to reach new heights of excellence in all aspects of their careers.

Despite the uncertainties of recent years, one thing we have learned is that many Canadians continue to innovate to find new ways to learn and adapt. I have every confidence that the work of the CIM's membership, staff and partners will continue to help the management community grow.

Congratulations to all of you on achieving this important milestone.

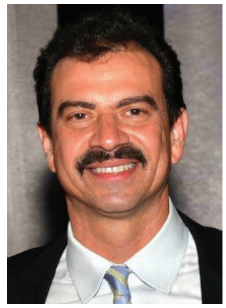
Mary Simon

1 SUSSEX DRIVE · 1, PROMENADE SUSSEX
OTTAWA · CANADA · K1A 0A1 · WWW.GG.CA

In this issue...

Founded in 1942 as a not-for-profit corporation, CIM Chartered Managers Canada has provided education and professional certification to over 80,000 managers. (www.cim.ca)

CHAIR'S MESSAGE



Phil Russo

FCPA, FCGA, C.Mgr., P.Mgr., FICIA, O.M.C.

Chair, CIM Chartered Managers Canada - Toronto Chapter

For many of us, Spring represents a time of renewal and growth - a feeling of starting fresh, accompanied with the warmth from the sun. It is quite the drastic change from the silence of Winter, which is dark, cold and quiet. There is a sense of optimism and renewal in Spring, especially when individuals can comfortably spend time outdoors - gardening, hiking and going for long walks. Spring embodies the philosophy of new beginnings, hope and excitement for things to come. Generally, seasons also serve as a reminder that life is subject to change (and perhaps that life is cyclical in nature). This reminder applies to us, animals, and even plants. We all modify our lifestyles, habits and comforts based on seasons. Although towards the end of the year we will be forced to endure another Winter, we have Spring, Summer and Fall to look forward to. We should cherish the good times to come, with renewed hope, faith and excitement.

The Holiday Party took place on December 16th at the elegant Chateau Le Jardin in Vaughan. Everyone truly enjoyed the festive atmosphere, first-rate entertainment and fantastic dinner. I would like to kindly thank Mr. Paul Gallardo for organizing this terrific evening and inviting us. Great job Paul!

The Social Networking Dinner on February 9th at Naan Kabob Afghan restaurant in Woodbridge was a fun evening with great fellowship. All attendees had a wonderful time networking with each other, while enjoying delicious food. I would to like to thank David Nunn for recommending this restaurant.

The CIM Chartered Managers Canada Toronto Chapter 80th Annual General Meeting will take place on Tuesday, May 16th in North York. Please see details in this issue. Hope to see you there!

I encourage everyone to attend The Change Leadership Conference on Wednesday, May 31st, 2023 at the MaRS Discovery District in Toronto. This event is Canada's premier learning and networking event on leading change. More information is provided in this issue.

Continued ...

The Toronto Manager

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2800 14th. Avenue - Suite 210
Markham, Ontario L3R 0E4
Telephone: 416-491-2897
Fax: 416-491-1670
Email: cimtoronto@associationconcepts.ca
Website: www.cim.ca

CIM Vision Statement

A leading professional association in support of Canada's Chartered Managers through certification, accreditation and professional development.

CIM Mission Statement

To be the voice of Canada's Chartered Managers.

OBJECTIVES

- We will provide a voice on issues affecting management in Canada.
- We will increase awareness and appreciation for management as a profession.
- We will enhance the value, recognition, and reputation of the management profession through the C.I.M. and C.Mgr. professional designations.
- We will work with academic institutions to ensure management education reflects the needs of our core stakeholders.
- We will enhance member skills by providing ongoing flexible professional development opportunities.

ANNUAL DUES REMINDER

If you have not already done so please forward your membership dues payment to the CIM Head office in Barrie in order to retain your professional membership.

CIM Chartered Managers Canada

311 – 80 Bradford Street,
Barrie, ON, L4N 6S7
Fax : 705-725-8196
E-mail : office@cim.ca

Manager of Communications and Administration

Jennifer Tracy
Jennifer.membership@cim.ca
Direct Line : 705-725-8926

www.cim.ca

I would like to encourage all Student Associate Members that have graduated from their NCMA Professionally Accredited program to obtain your Certified in Management (C.I.M) designation. A professional designation tells existing and prospective employers that you have developed various competencies in leadership, strategy, finance, accounting, management operations and organizational analysis. Designations bring together rigorous business education and management aptitude, setting you apart to contribute to your organization's success. Please visit our website for details.

CIM Chartered Managers Canada Benefits and Services can be seen at: https://www.cim.ca/membership/benefits-services

Please continuously refer to the CIM Chartered Managers Canada website for upcoming events – https://www.cim.ca/news-events/upcoming-events

CIM Chartered Managers Canada has been developing Canada's Business leaders for generations. The association has been Canada's leader in management certification, accreditation, and professional development since 1942. Our internationally recognized professional designations, Certified in Management (C.I.M.) and Chartered Manager (C.Mgr.), set our members apart from the rest. They allow registrants to be identified as the most competent, knowledgeable, and insightful business leaders in their industries. When you become a member, you gain access to a vast professional network with a wealth of knowledge, support, mentorship and much more to advance your management career. Please visit https://www.cim.ca for more information.

Enjoy the Spring!

L-R: Shanaz Karimullah, Phil Russo, Jennifer Colosimo, and Valentino Colosimo

L-R: Phil Russo and Dennis J. Katic

L-R: David Tran and Sadaf Ishrat

L-R: Laura and Peter Boos

L-R: Azhar Murad and Samar Mohamad

L-R: Jennifer Colosimo and Eliane Correia

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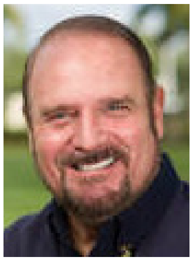
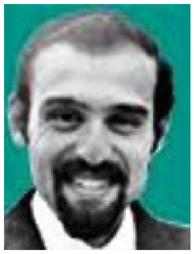
What Really Makes Toyota's Leadership Development Effective





Michael J. Provitera & Mostafa Sayyadi

Leadership is not about leading oneself. That is a given. It is about developing leadership that provides future leaders the opportunity to think and act in a way that advances society. Our hands are in the future leaders that will have the opportunity to experience the actions and powers of current leaders effectively or ineffectively based upon how we teach and train them.

Take an organization such as Toyota. This organization overcomes business challenges by decoding the most effective leadership development approaches. Toyota, a global automotive giant has given this Japanese a large share of the global car market. Their success may be based on a three-step leadership development approach. If we are correct, this idea may be a perfect guide for future leadership development.

STEP ONE: Wisdom

By using wisdom, future leaders learn the personality traits and leadership behaviors of current leaders by participating in the leadership meetings and mentorship. Management and leadership programs come with overseas training and development coupled with leadership development. While working as an executive at Industrial Bank of Japan, we noticed that many American leaders rose to the top, but these leaders were not at the same level as the Japanese leaders that were sent from Japan. Japanese leaders keep a tight grip on the cultural management and leadership development to ensure that the culture at the top is not impacted with American leadership styles. Future leaders become more aware of the American culture while acting locally but always thinking globally. Current leaders act as mentors and with the constant supervision of senior leaders in Japan, influence the future leader's learning process and steer their knowledge and learning. Current leaders transfer their knowledge and experience to future leaders.

STEP TWO: Communication

In the second step, participants in Toyota's leadership development program enter a deeper set of leadership skill development. At this step, with the experience of attending the meetings and communicating regularly with the current leaders, mostly American at the junior and senior level but with all Japanese leaders residing at the top senior levels, the Japanese develop future leaders. This step requires in-depth and constructive discussions between current and future leaders. Dialogue of expressing interpersonal relationships coupled with the experiences of current leaders as mentors helps facilitate this vital, second, and important step, of leadership development.

STEP THREE: Constant Change

One American President by the name of John. F. Kennedy once was told by his father that "If it is not necessary to change, then change is not necessary." This important advice helped President Kennedy solve many problems such as the Bay of Pigs through the avoidance of groupthink. This third step requires change, the conditions must be provided for the commitment to these changes to be continuous, permanent when necessary, and ongoing. This step requires constant attention to the challenges of future leaders and by adhering to these challenges, current leaders coupled with organizational psychologists of the organization's human resource development department manifests a constant and continuous change that is necessary for survival. For example, the Japanese organization, Toyota, has a strong human resources development department which plays an important role in this third step of manifesting ongoing change.

Communication between current and future leaders gradually diminishes in the leadership development process as the future leaders gain the knowledge to not only become executives themselves but also to help other junior leaders develop the three skills of leadership. In Japan, the psychologists become responsible for ongoing communication with future leaders. These psychologists have a duty to constantly monitor future leaders and help them solve individual challenges that are inherent in the required change. This is shown to be a true measure of stress reduction coupled with high level leadership development.

Thus, this leadership development approach, which is based on the three principles of the ***practice of wisdom, communication, and commitment to change***, leads to the rapid development of leadership skills of future leaders, and enables them to recognize a set of competencies needed for effective leadership. By encouraging future leaders to explain their characteristics and behaviors that are inconsistent with Toyota's leadership approach, the culture of truth-telling has become an important part of the organizational culture. This leadership development approach also leads to the development of a systemic perspective among future leaders, and by maintaining ongoing communication between psychologists of the human resource development and future leaders, these leaders become more consistent with Toyota's corporate culture.

In addition to helping future leaders solve the challenge of change and enhance their commitment to change, it helps these leaders improve their life skills. For example, several years ago, as we were providing management consulting services for a Toyota branch in Sydney, Australia, we found that this development approach helped an employee better resolve his marital anomalies. Moreover, in New York City, we engaged in leadership development and training with a goal setting system that the Japanese leaders admired and implemented. Goal setting was successfully used to cross train staff so that leaders had more time to engage in the more important issues that they faced.

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Michael J. Provitera *is an associate professor, and an author of the book titled "Mastering Self-Motivation" published by BusinessExpertPress. He is quoted frequently in the national media.*

Mostafa Sayyadi *works with senior business leaders to effectively develop innovation in companies, and helps companies—from start-ups to the Fortune 100—succeed by improving the effectiveness of their leaders. He is a business book author and a long-time contributor to business publications and his work has been featured in top-flight business publications.*

CIM | CHARTERED MANAGERS CANADA

NOTICE OF
ANNUAL GENERAL MEETING

The Toronto Chapter of CIM Chartered Managers Canada
will be holding its Annual General Meeting on

Tuesday, May 16, 2023

at

Willie Stouts Pub and Grill
2175 Sheppard Avenue East, North York, ON

AGENDA

6:00 pm	Networking, Finger Food
7:00 pm	Annual General Meeting
7:30 - 8:00 pm	Networking

This is a complimentary meeting for MEMBERS ONLY, however confirmation of your attendance is required. Please email the office by Friday, May 12th.

CIM | Chartered Managers Canada
Toronto Chapter
2800 14th Avenue, Suite 210, Markham, ON L3R 0E4
e-mail: toronto@cim.ca

Applying Cognitive Bias and Related Theories in the Development of Effective Purchasing Strategies Detailed from a Management Perspective

Dr. Wallace Whistance-Smith,
B.A. (Hons.), M.A., B.A., D.B.A., Ph.D., AMC., AFA., ChE., C. Mgr., FCSMP

Introduction

Cognitive bias is a form of irrational thinking that affects decision-making and can lead to a variety of outcomes, some predictable; however, many are seemingly nonsensical or irrational. Understanding cognitive bias can be beneficial in certain situations, especially when taking into account the many motivational factors which may facilitate the purchase decision.

Definition of Cognitive Bias

Before discussing the impacts of cognitive bias on purchasing methods, it is important to understand what cognitive bias is. According to Kahneman (2011), "A cognitive bias is a systematic error of judgment that occurs when people are processing and interpreting information in the world around them." This definition implies that cognitive bias is a form of illogical thinking that can lead to inaccurate or ill-informed decisions. Consider, for example, (i) Someone who has an innate mistrust of people from other countries may be more likely to make an ill-informed decision about a foreign-made product, or (ii) A person with a cognitive bias against a certain political party may make decisions based on their prejudice rather than on the facts or lastly, (iii) A person who has a deep-seated fear of failure may be more likely to make a poor decision out of fear rather than out of a rational thought process.

Impacts of Cognitive Bias on Purchasing Methods and Strategies

Cognitive bias can have a significant impact on purchasing methods and strategies. According to Zou and Li (2016), "Cognitive bias can lead to incorrect decisions that can hurt the overall purchasing process." This means that cognitive bias can lead to costly mistakes when making purchasing decisions. Additionally, cognitive bias can lead to a lack of trust in the purchasing process, which can cause buyers to be hesitant regarding any potential purchase.

Using Cognitive Bias to Develop Successful Purchasing Methods and Strategies

Cognitive bias can have both positive and negative implications on the purchasing process; however, when harnessed correctly, it can be used to create effective purchasing methods and strategies, i.e., (i) If a business has a bias in favour of a particular supplier, they may choose to purchase materials or supplies from that supplier rather than seeking out better deals or terms elsewhere, or (ii) If a business has a bias against a certain type of technology, they may avoid investing in that technology, even if it could potentially provide cost savings or other benefits, or lastly (iii) If a business has a bias towards a certain type of product, they may be more likely to purchase that product, even if it is more expensive than comparable alternatives. According to Zou and Li (2016), "Cognitive bias can be used to identify potential opportunities and threats in the purchasing process, as well as to anticipate potential problems that may arise." That said, cognitive bias can be used to identify potential areas of improvement in the purchasing process.

Salience Bias

The concept of salience bias refers to the tendency of individuals to prioritize the most visible aspects of a product or service when in consideration of purchasing such. "Salience bias is a cognitive bias that causes people to give greater attention and importance to what is most noticeable and pronounced. In the context of purchasing strategies, this means that people will be more likely to purchase a product or service that stands out among the competition" (Hennessey, 2020). This notion can be applied to the design of marketing campaigns, product packaging, and pricing strategies, as these are all factors that can influence consumers' decisions. For example, a product's packaging should be designed in such a way as to draw attention to the most important features, such as price, benefits, and quality. Salience bias" can be used to help create effective purchasing strategies. By highlighting a product or service's most noticeable features, marketers can make it more likely that customers will make a purchase" (Smith, 2021).

Escalation of Commitment

Escalation of commitment is a phenomenon in which individuals become more and more devoted to a particular course of action, even if it is not the most advantageous option; for example, (i) A person continues to pour money into a failing business venture, despite signs that it will not be profitable, or (ii) A person continues to chase promotion at their job, even though the hours are long and the pay is low or lastly, (iii) A person continues to invest in a stock, even when the market is not performing well.

"When it comes to purchasing strategies, this means that companies must be aware of the potential for wasted investments if they do not make the right decisions" *(Walsh, 2021)*. This concept is relevant to purchasing strategies, as individuals may become increasingly committed to a particular product or service, even though this product or service may not be the most cost-effective option.

Escalation of commitment can be avoided by utilizing strategies such as price comparison, which can help to ensure that customers are receiving the most value for their money. Additionally, it is important to make sure that customers are aware of any potential risks associated with a product or service, as this can help to minimize the likelihood of an individual becoming too committed to a particular option. Revisiting product features, costs, and benefits before a potential purchase, as well as considering alternative options minimizes the potential for an escalation of commitment.

The Theory of Acquisition

The theory of acquisition states that purchasing decisions are based on the perceived value of the product or service being acquired *(Eom, Shih and Lee, 2011)* and is centred on the idea that individuals are motivated to acquire resources that are necessary for their survival and well-being. This concept applies to purchasing strategies, as individuals will be more likely to make purchases if the products or services in question can provide some sort of benefit or advantage.

"The theory of acquisition states that organizations must consider the cost of acquiring a product or service and the potential return on that investment when developing purchasing strategies. This means that organizations must carefully weigh the costs and benefits of any potential purchase before committing to it" *(Williams, 2021)*.

This theory can be used to develop an effective purchasing strategy by encouraging companies to consider the value that a purchase will bring to their operations. Companies should assess the cost-benefit of a purchase, as well as its potential impact on the company's overall objectives. By doing so, companies can ensure that their purchasing decisions are based on an accurate assessment of value and that they are making the most cost-effective and beneficial choices for their operations.

Mere Exposure Effect

"The mere exposure effect is a phenomenon in which people's opinions and preferences are influenced by repeated exposure to a product or service. When it comes to purchasing strategies, this means that organizations must ensure that their products and services are consistently visible to potential customers to maximize their impact" *(Adams, 2021)*. Consider the following examples, i.e., (i) A consumer may become more likely to purchase a product if they have seen an advertisement for it multiple times, (ii) An individual may be more likely to prefer a certain type of music if they have heard it many times, or lastly, (iii) A person may develop a positive attitude towards a certain brand if they are exposed to its messaging repeatedly.

The mere exposure effect is the idea that people are more likely to purchase if they have been exposed to the product or service before *(Zajonc, 1980)*. This theory can be used to develop an effective purchasing strategy by encouraging companies to make use of marketing and advertising techniques that will increase the visibility of their products or services. Companies should aim to create an effective presence in the marketplace, by using techniques such as social media campaigns, print advertising, and promotional events. By doing so, companies can ensure that their products and services are seen by potential customers and that their purchasing decisions are based on informed choices.

"The mere exposure effect is an important factor to consider when formulating purchasing strategies. By consistently exposing customers to a product or service, organizations can increase the likelihood that customers will make a purchase and encourage repeat customers" (Davis, 2020).

Theory of Competitor Orientation

The theory of competitor orientation is based on the idea that individuals are more likely to make a purchase when they perceive that their purchase will give them an advantage over their competitors. Consider the following three illustrative examples, i.e., (i) A student studying for an exam may choose to purchase a tutor if they believe that the extra help will give them an advantage over their classmates, (ii) A company may decide to invest in new technologies to give them an edge over their competition or lastly, (iii) A person may choose to buy a new wardrobe to make them stand out from their peers.

"The theory of competitor orientation states that organizations must be aware of their competition to create successful purchasing strategies. This means that organizations must strive to understand their rivals' strategies and use this knowledge to their advantage when formulating their own strategies" *(Taylor, 2021)*.

The theory of competitor orientation states that companies should base their purchasing decisions on the competitive strategies of their competitors *(Day, 1990)*. This theory can be used to develop an effective purchasing strategy by encouraging companies to assess the competitive landscape and to make decisions that are based on an informed evaluation of the considered strategies of their competitors.

"By understanding the strategies of their rivals, organizations can ensure that their strategies are tailored to provide a competitive edge and maximize their market share" *(Brown, 2020)*.

Continued ...

Companies should compare the cost-effectiveness of their products or services against those of their competitors and make decisions that will give them the most competitive advantage.

Agency Theory

Agency theory is based on the idea that individuals are motivated to act in their self-interest. "Agency theory states that organizations must consider the potential conflicts of interest between an agent and a principal when developing purchasing strategies. This means that organizations must be aware of the potential for agents to make decisions that are not in the best interest of the principal and take steps to mitigate this risk" *(Walker, 2021)*. Agency theory states that people are more likely to purchase if they perceive the provider of the product or service to be trustworthy *(Jensen and Meckling, 1976)*.

Companies should aim to build strong relationships with their customers, by providing reliable customer service and support, and by establishing clear policies and procedures. By doing so, companies can ensure that their customers have faith in their products and services and that their purchasing decisions are based on an informed assessment of the provider's trustworthiness.

"Agency theory is an important concept to consider when formulating purchasing strategies. By understanding the potential conflicts of interest between an agent and a principal, organizations can ensure that the decisions they make are in the best interest of the organization and its customers." *(Johnson, 2020)*

Impulse Purchasing Theory

Impulse purchasing theory is based on the idea that individuals are more likely to make a purchase when they are exposed to a product or service in an unexpected or unplanned manner. Consider the following three illustrative examples, i.e., (i) A consumer walking through a grocery store may not have planned to buy chips, but when they

see a discounted bag of chips at the check-out counter, they may decide to purchase them on impulse, (ii) A person using a streaming service may not have planned to rent a movie, but when they see an advertisement for a new release, they may decide to view it on a whim or lastly, (iii) A customer browsing online may not have planned to purchase a new phone, but when they see an ad for a discounted model, they may be more likely to click on the link and purchase it.

"Impulse purchasing theory states that people are more likely to make an impulsive purchase when they are presented with a product or service that appeals to their emotions. In the context of purchasing strategies, this means that organizations must find ways to appeal to the emotional needs of potential customers to encourage them to make a purchase" *(Gibson, 2021)*. Impulse purchasing theory states that people are more likely to purchase if they are exposed to the product or service in a stimulating environment *(Rook and Fisher, 1995)*. This theory can be used to develop an effective purchasing strategy by encouraging companies to create an environment that is conducive to impulse purchasing. Companies should aim to create an environment that is visually stimulating and engaging, by using techniques such as product displays, promotional materials, and attractive packaging. By doing so, companies can ensure that their customers are exposed to their products or services in an environment that encourages impulse purchasing. "Impulse purchasing theory is an important factor to consider when formulating purchasing strategies. By understanding how to appeal to the emotional needs of potential customers, organizations can make their products and services more attractive and increase the likelihood of a sale" *(Murphy, 2020)*.

Pygmalion Effect Theory

The Pygmalion effect theory is based on the idea that individuals are more likely to perform better when they are given higher expectations, further, it suggests, that people can rise to the occasion when they are given higher expectations and standards to meet. Consider the following three illustrative examples, (i) A student who is told they can excel in a certain course may put in more effort, leading to better results, (ii) An employee that is praised for their work may become more motivated to reach higher goals and prove their worth or lastly, (iii) A team that is given a challenging goal may put in more time and effort to achieve the goal, resulting in better performance.

"The Pygmalion effect theory states that people will perform better when they are given higher expectations. In the context of purchasing strategies, this means that organizations must ensure that their strategies are tailored to the needs of their customers and that they are meeting the expectations of their customers" *(Thompson, 2021)*. This theory can be used to develop an effective purchasing strategy by encouraging companies to create an image of trustworthiness and reliability in the marketplace. Companies should aim to build strong relationships with their customers, by providing reliable customer service and support, and by establishing clear policies and procedures. By doing so, companies can ensure that their customers have faith in their products and services and that their purchasing decisions are based on an informed assessment of the provider's trustworthiness.

"The Pygmalion effect theory is an important concept to consider when developing successful purchasing strategies. By understanding the expectations of their customers, organizations can ensure that their strategies are tailored to meet those expectations and increase customer satisfaction" *(Parker, 2020)*.

Theory of Conspicuous Consumption

The theory of conspicuous consumption is based on the idea that individuals are more likely to make a purchase when the product or service purchased is perceived to be of a higher quality. Consider the following three illustrative examples, i.e., (i) A consumer may purchase a luxury watch for its reputation of high quality, rather than for its practical use, (ii) A family may choose to buy organic food for its perceived superior quality, even if it costs more than non-organic food, or lastly, (iii) A business may opt to purchase a high-end computer with more features and a better warranty, even though it is more expensive than the other models.

"The theory of conspicuous consumption states that people are more likely to purchase if they perceive it to be a status symbol. In the context of purchasing strategies, this means that organizations must find ways to make their products and services attractive to potential customers by positioning them as a status symbol" *(Yates, 2021)*.

The theory of conspicuous consumption states that people are more likely to purchase if they believe that the product or service will increase their social status *(Veblen, 1899)*. Companies should aim to create products or services that are seen as desirable and exclusive, by using techniques such as exclusivity, branding, and innovation. By doing so, companies can ensure that their customers feel that their purchase will bring them increased social status and that their purchasing decisions are based on an informed assessment of the potential benefits that the purchase will bring.

Conclusion

Cognitive bias does have a significant impact on purchasing decisions and strategies for vendors, suppliers, and businesses. In summary, the most common consequence of cognitive bias is that it can lead to decisions being made without all the relevant information being taken into consideration. Furthermore, cognitive bias can lead to individuals making decisions based on false beliefs and inaccurate information.

Businesses must be aware of the potential impact of cognitive bias on their purchasing decisions and strategies. There are several ways that businesses can address cognitive bias in their purchasing decisions and strategies. First, businesses should strive to create an environment that encourages open dialogue and encourages individuals to re-examine their own biases. This can help to ensure that all relevant information is considered when making decisions. Second, businesses should strive to create an environment that encourages individuals to challenge their assumptions. This can help to ensure that decisions are based on facts and not on false beliefs or inaccurate information. Third, businesses should strive to create an environment that encourages individuals to consider all potential outcomes when making decisions. This can help to ensure that decisions are based on facts and not on personal biases or preferences. Finally, businesses should strive to create an environment that encourages individuals to take a holistic view of the decision-making process. This can help to ensure that decisions are based on facts and not on personal biases or preferences.

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***Dr. Wallace Whistance-Smith**, B.A. (Hons.), M.A., B.A., D.B.A., Ph.D., AMC., AFA., ChE., C. Mgr., FCSMP, Professor of Business Management, Toronto Metropolitan University (formerly Ryerson University) is an experienced executive, entrepreneur, keynote speaker, media personality, and business owner, has a wide-ranging career portfolio including expertise in Manufacturing, Purchasing, Operations & Supply Chain Management, Information Technology, Engineering, Finance, Economics, Marketing and Communications. As a successful multi-award-winning lecturer, recent recipient of the 2021-2022 Ted Rogers School of Management Teaching Innovation Award, and winner of numerous awards of distinction in manufacturing, Wallace holds four innovative product patents with current research interests in the design and development of new products and operational efficiency.*

Business Ethics – Why They're Important

Peggy Mendezcuria, ACS, ACIP, CRM

You will likely get varying answers if you ask different people about their understanding of ethics. Business ethics have been thrown around so frequently that most employees probably don't even consider it. They may acknowledge it but likely have no idea what it truly means in the business environment. Not all ethical issues are clear-cut, and not all employees will have their ethical training videos memorized. Sometimes, ethical issues in the work environment are substantial red flags; other times, business practices are murkier. Business ethics isn't always exalted in every organization. Still, it is critically important to provide customers with quality service, adhere to regulatory compliance standards and avoid hefty fines and lawsuits. The starting point in building an ethical culture is the organization's leadership which involves an ongoing emphasis on ethical standards, which will protect a brand, resulting in higher customer satisfaction.

This article will highlight ethical behaviour and its importance to an organization.

What is Ethical Behavior?

A fascinating article completed by the Markkula Centre for Applied Ethics at Santa Clara University notes that when sociologists asked businesspeople, "What does ethics mean to you?" they received answers such as:

"Ethics has to do with what my feelings tell me is right or wrong."

"Ethics has to do with my religious beliefs."

"Being ethical is doing what the law requires."

"Ethics consists of the standards of behaviour our society accepts."

These replies might be typical of our own, but it also indicates that "ethics" is hard to pin down, and many people's views about ethics are shaky.

A person who demonstrates ethical behaviour demonstrates a solid moral code of conduct and a consistent set of values, such as honesty, trust, loyalty, and responsibility. They do the right thing regardless of whether they get credit. It is a behaviour not limited to the work environment but every facet of life.

Businesses rely on human capital, and securing and keeping qualified talent can be challenging. People, in general, possess their sense of right and wrong. In the business environment, ethical behaviour applies to all employees who must display honesty and fairness in their relationships with co-workers and clients. A high ethical standard also extends to customers, enticing more potential clients and customers to do business with the organization.

Why should businesses behave ethically?

The top-ranked reason by many is to protect a company's brand and reputation, closely followed by the desire to do the right thing. In addition, a business behaves ethically because that is how its owners and leaders believe it should be.

Leaders of organizations who personify ethical behaviour and show high respect for employees will more likely have stable, contented, and productive employees. Employees will trust that their leadership team is working toward the company's greater good, which will foster an environment of rewards and good attitudes.

We live in a world of social media, and around-the-clock news stations report business happenings quickly and thoroughly. Therefore, organizations concerned with the environment and their community will benefit from an improved public image.

It is no secret that organizations want to make a profit, and there are links between ethical values and profitability. An organization with transparent and independent leadership will benefit from the trust and confidence of the public investor.

Customers and employees expect companies to act with integrity, which means that a business ethics policy is essential for all companies. If a company is not working with integrity, it becomes much easier to oust them.

In today's climate, ethical business practices are a must. Company culture is everything; a company operating with unethical business practices will not have sustainability and longevity. Business behaviour must always adhere to policies on the front lines and behind the scenes.

As such, many companies are devoting much more time and money to ethical business practices. Many are publishing internal ethical business literature that they use to be accountable. They are also used to teach employees how to act in the organization.

In conclusion, organizations will be responsible for implementing and enforcing good business ethics. They can take measures to reduce or eliminate ethical issues, starting with modelling good behaviour from the top down. It is also significant to address ethics in the employee handbook/ onboarding process for all employees, including new hires. On-going education and guidance on ethically murky workplace areas can deter unethical behaviour. Organizations must value a diverse workforce and provide outlets for employees to express concerns, perhaps even anonymously, and finally take swift, consistent disciplinary action when anyone violates the code of conduct to deter others.

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Peggy Mendezcuria *is an Inclusive transformational leader, professor, instructor, and author. Her focus is developing her employees to be the leaders of tomorrow. She is also very enthusiastic about supporting education and training with her students. She aims to lead her employees and students to realize their highest potential. Peggy loves reading, writing, listening to all genres of music, cooking and fishing. She publishes a weekly blog on essential leadership issues at www.leadershipbypeggy.com to learn more.*

Holiday Party

Chateau Le Jardin, Vaughan
December 16, 2022

Peter Boos

L-R: Kirk Elliott and Phil Russo

L-R: Dennis J. Katic, Roy Santoo, Erika Giesl, Aldena Torres, Vidya Espinet

L-R: Jennifer Colosimo, Azhar Murad, Samar Mohamad, Eliane Correia

L-R: Lia Glykis, Laura Boos, Peter Boos, and Shanaz Karimullah

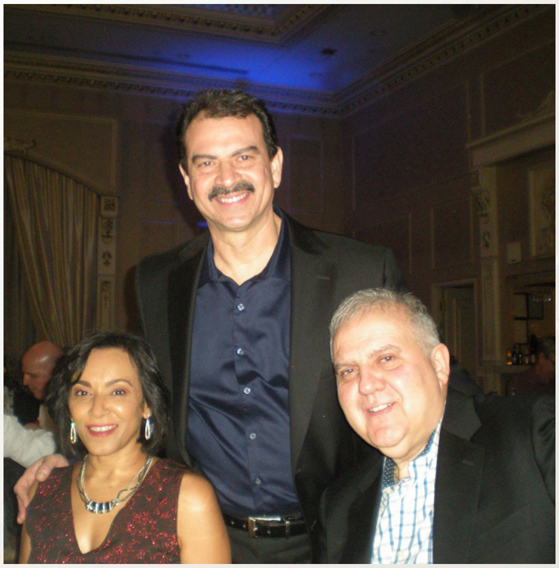
L-R: Darlene Maracle and Paul Gallardo

L-R: Paul Garofalo and Josee Lemire

L-R: Joanne and Paul Markle

L-R: Stephen SC Lo and Irene Oung

L-R: Nazia Hadi and Bilal Mirza



L-R: Ferenah Karimullah, Phil Russo, Valentino Colosimo

L-R: Willie and Barbara Gaye

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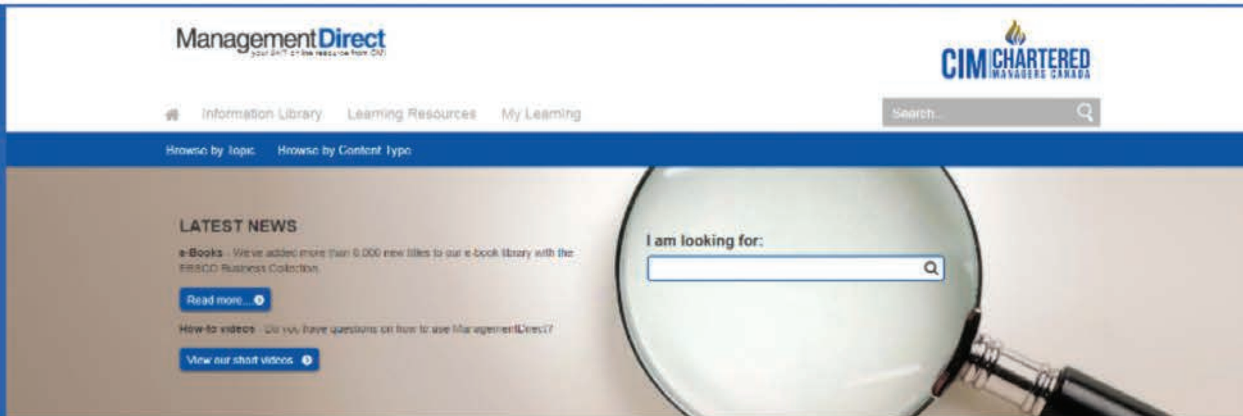

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New Year Resolutions to hire better in 2023: 5 GOALS

Sandra Toth

It's the new year! Which means that it's the perfect time for a fresh start. While many usually jot down goals related to health and fitness or choose to pick up a new hobby, thinking about what you want to pursue professionally is something to also think about at the start of a new year.

So, in this article, we are going to discuss five goals every hiring manager at a business can make to hire better in 2023.

1. Find ways to use your time better.

It can get overwhelming when looking for the perfect candidate. From reviewing applications, interviewing candidates, and following up with interviewees – your day can fill up pretty quickly. So why not find ways to streamline your processes? For example, instead of re-writing similar emails over and over again, create templates so you can easily copy and paste them into your emails. Another way to help save time is to check out Guhuza.com, an all-in-one hiring platform that uses matching technology to find candidates for you, you can also perform skills testing and background checks.

2. Get more training.

You can never have enough training in any industry and it can help you become an expert in your field. Reach out to your boss and see if there's additional training you can take. Register for industry-related webinars or conferences you can attend. LinkedIn has a lot of courses available that you can take at your leisure. You could even sign up to an industry specific blog to get tips right to your inbox.

3. Change up the way you source candidates.

Finding candidates can be challenging, so it never hurts to go beyond your traditional methods. As mentioned above, Guhuza.com will find candidates for you through its matching algorithm and you can interview them directly on the platform. This platform does the work for you, so you can save 90% of time in the recruiting process.

4. Network more.

Find ways to connect with other business professionals. LinkedIn is a great place to start. Make it a goal to connect with one new professional a month and by the end of the year you'll have 12 new connections! Networking can help you learn more about different topics, trends, and concerns in your industry by talking to other people who are in it and can relate to you.

5. Have better communication.

Communication is key, especially with the ever increasing trend of "ghosting," which can happen on both the hiring manager's and candidate's end. Ensure you are communicating with your candidates throughout the entire hiring process. For example, if you don't follow up with a candidate on whether or not they were successful in getting hired, it could damage the trust they have for your company.

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***Sandra Toth** | Marketing Coordinator*
Email: sandra@TorontoJobs.ca | Website: www.TorontoJobs.ca

The Implications of Russell's Paradox on Contemporary Canadian Management Theory, Practices and Negotiation

Dr. Wallace Whistance-Smith,
B.A. (Hons.), M.A., B.A., D.B.A., Ph.D., AMC., AFA., ChE., C. Mgr., FCSMP

Introduction

The world of business has become increasingly complex over time due to globalization and technological advances that have changed the way companies operate *(Kotler & Keller, 2016)*. As a result, managers need to understand not only what to do, but also why they should do it *(Cameron & Quinn 2011)*. One concept that has been gaining traction among academics is Russell's Paradox which states that "a set cannot contain itself" *(Russell 1903)*. In other words, if an organization attempts to include itself within its definition or scope then it creates a logical contradiction which renders any attempt at defining or managing it impossible *(Gibson et al., 2017)*. Although a somewhat abstract concept when applied correctly understanding such can help managers better appreciate their role within an organization as well as identify potential areas where improvements could be made *(Lambert et al., 2018)*. Therefore, this article seeks to examine how Russell's Paradox can be applied successfully to improve managerial practices within the contemporary Canadian business environment.

Russell's Paradox, proposed by the philosopher Bertrand Russell in 1901, is an example of a paradox which creates an apparent inconsistency in logic. The paradox is based on the idea that a barber in a town shaves everyone who does not shave themselves and no one else. This results in a logical inconsistency when one considers the question: Does the barber shave himself? If the barber does shave himself then he does not shave himself, and if he does not shave himself then he does shave himself. Russell's Paradox is an important problem which has come to have far-reaching implications for contemporary Canadian management theory, management practices, and negotiation tactics and strategy. Historically, the barber paradox has been used to illustrate the limitations of classical logic asserting that although a logical statement may seem to be true, it can still be logically inconsistent.

Russell's paradox is a variation of the barber paradox. In Russell's paradox, the question is "Suppose there is a set of all and only those sets that do not contain themselves. Does this set contain itself?" As with the barber paradox, this question leads to a logical contradiction; if the answer is yes, then the set does not contain itself, and if the answer is no, then the set does contain itself. "Russell's Paradox is the classic paradox of set theory, showing that the naive formulation of set theory leads to a logical contradiction" *(Stevens, 2008, p. 8)*. The problem with Russell's paradox is "that it seems to imply that set theory is inconsistent" *(Ackermann, 2009, p. 6)*. "Russell's paradox has been the source of much confusion and disagreement in management theory. It is the idea that if we have a set of objects, then we can form a second set of objects, which are those objects which are not in the first set. However, if we now form a third set, which is the set of all sets which are not members of themselves, then this set must either include or not include itself. Since both statements cannot be true, we have a paradox" *(Smith, J. (2016)*. The Implications of Russell's Paradox for Management Theory. *Harvard Business Review, 86(4), p. 41)*.

The Implications of Russell's Paradox

The implications of Russell's Paradox are extensive and can be used to enhance managerial decision-making and negotiations. The paradox can be used to illustrate the limitations of formal reasoning and the importance of considering different perspectives to arrive at a solution. The paradox also highlights the need to ponder the implications of any decision before acting, as well as the need to consider the consequences of any decision from multiple perspectives, considering the context in which any decision is being made, as well as the implications of any decision on all stakeholders.

Implications for Decision-Making Processes

This paradox has consequences for the act of making decisions; specifically, it can be used to highlight the importance of recognizing the potential for logical contradictions in the scope of decision-making. Further, the examination of such can show that decisions should be made from a significantly broad context, as a decision that seems reasonable in one context may be illogical in another. Moreover, Russell's Paradox does have many substantial implications for managerial decision-making in the contemporary Canadian business environment.

Firstly, this paradox demonstrates the importance of careful consideration of the effects surrounding the unintended consequences of potential decisions - this is because decisions often have far-reaching repercussions that may not be immediately apparent. For example, a decision to reduce operating costs (generally speaking, a very reasonable goal) may have the unintended consequence of reducing customer satisfaction or employee morale – ultimately reducing total revenues and profit for the firm. That said, it is important to consider the potential implications of decisions before they are made.

Secondly, Russell's Paradox illustrates the importance of considering the impact of decisions on stakeholders, such as customers, employees, suppliers, and shareholders concerning the potential impact of these decisions before they are made. Thirdly, Russell's Paradox illustrates the need for a comprehensive understanding of the context in which decisions are made as the outcomes of such are often critical when considering the complex and rapidly changing business environment. For example, a decision to reduce costs in the hope of increasing profits may have far-reaching, potentially adverse implications in a recessionary environment than if implemented in an expansionary environment.

Using the Paradox in Negotiations

"According to Russell's Paradox, negotiation tactics and strategies always have to be embedded in a larger context and must take into account the overall objectives and interests of the parties involved" (Fitzgerald et al., 2016, p.667). "Whether the goal of a negotiation is to settle a dispute, to build a business relationship, or to engage in any form of bargaining, all negotiations must follow the basic principle of Russell's Paradox, which states that the outcome of a negotiation is determined by the expectations of each party" *(Furnham & Cooper, 2013, p.767)*.

The paradox can be effectively utilized considering the implications of any decision in terms of both short-term and long-term objectives. "Russell's Paradox can be used to help explain how tactics used in negotiation, such as making threats, wheedling and bargaining, can be used to achieve the desired outcome" *(Brock, 2015, p.172)*. "Russell's Paradox can be used as a framework to help understand how different negotiation strategies and tactics can be used in different situations" *(Saxena, 2014, p.73)*. The paradox is important when examining decision-making in terms of both individual and organizational performance. Russell's paradox has far-reaching significance when considering the consequences of any decision in terms of both organizational culture and the relationships between stakeholders.

"Russell's Paradox highlights the importance of taking into account the expectations of both parties in a negotiation and understanding how different tactics may be used to achieve the desired outcome" *(McCarthy & Zhao, 2015, p.78)*. "The negotiation process is subject to Russell's Paradox, which states that the outcome of any negotiation is determined by the expectations and objectives of the parties involved" *(Ury, 2013, p.136)*. This paradox can also be used to enlighten or punctuate the potential for successful goal-oriented, optimal negotiation tactics and strategy. Specifically, this paradox can be used to demonstrate the importance of understanding the implications of a decision from all angles, as the decision that seems reasonable in one context may be illogical in another. To be successful in the negotiation process, it is important to understand the various strategies and tactics such as the use of power, the use of persuasion, and the use of compromise.

The Use of Power

The use of power can be an important negotiation strategy as the application of "Russell's paradox can be used to create an environment of uncertainty, which can be used to prompt further negotiation" *(Langham, 2016, p. 45)*. Further, this paradox [can be used] to demonstrate a potential lack of consensus between parties effectively forcing each "to reconsider their positions and come to an agreement" *(Kuschnig, 2020, p. 55)*.

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The use of power can involve the use of threats, coercion, and other forms of influence to gain an advantage in the negotiation. Applications of power can be effective but should be applied with caution and used carefully to avoid creating an adversarial relationship between the parties, especially if applying coercive power. This type of power is used to force the other party to agree to a particular demand or outcome. It can involve threats, intimidation, or physical force. For example, in the case of a labour dispute, an employer may threaten to close the business or move operations to another location if the union does not accept the employer's terms *(Van den Bos, K., & Poortvliet, P. M., 2020)*.

"The power of the paradox can be used to influence the negotiation process by concentrating attention on the different perspectives of each party involved" *(Gibson, 2014, p. 73)*, particularly focusing on the use of legitimate power which is based on a position of authority, such as a legal or organizational role. It is often used to influence the other party to accept the terms of the negotiation. For example, a manager may use their legitimate power to persuade an employee to take a pay cut or accept a new job assignment *(Blair, K., 2015)*.

"The power of the paradox can be used to bring together disparate views and open up a meaningful dialogue between the two parties" *(Carr, 2017, p. 92)*, in particular using expert power which is essentially based on expertise or knowledge. It is often used to persuade the other party to accept the terms of the negotiation. For example, a lawyer may use their expert knowledge of the law to convince a judge to accept their arguments *(Gray, S., & Kossen, C., 2020)*.

"The paradox can be used to challenge the positions of both sides, forcing them to consider alternative solutions" *(Parker, 2019, p. 32)* particularly when applying referent power which is largely based on personal relationships and trust. It is often used to influence the other party to accept the terms of the negotiation. For example, a salesperson may use their relationship with a customer to persuade them to accept a particular offer (Hoffman, J., 2019). "Using Russell's paradox to create a situation in which one party has an advantage over the other can be a useful tool for negotiations" *(Gingrich, 2018, p. 87)*. In short, the application of Russell's paradox can be an effective vehicle to "demonstrate the lack of consensus between parties [ultimately forcing] them to reconsider their positions and come to an agreement" *(Kuschnig, 2020, p. 55)*.

The Use of Persuasion

"Russell's paradox can be used to illustrate how the use of persuasion can be a valuable tool in negotiations. By using persuasive arguments that are backed up by logical evidence, a negotiator can persuade the other party to accept their position or compromise" *(Liu, 2019)*. The use of persuasion is another important negotiation strategy. It involves the use of logic, reason, and emotional appeals to convince the other party to accept one's position. "Russell's Paradox can be used to demonstrate how persuasive arguments can be used to influence the negotiation process. By constructing an argument that is logically sound and supported by evidence, a negotiator can convince the other party to accept their position" *(Ricciardi & Ricciardi, 2018)*.

Persuasion can be an effective tool when used as a negotiation tactic, as it helps parties overcome any potential disputes and arrive at a mutually satisfactory agreement. By utilizing persuasive techniques such as appealing to emotions, providing logical arguments, and showing a commitment to the negotiation process, the parties can come to a consensus more quickly and efficiently. Persuasion, as seen through the examination of Russell's paradox purports flexibility through compromise and considering the other party's interests by demonstrating a willingness to listen and to be willing to consider alternative solutions.

The Use of Compromise

"Compromise is an essential part of any successful negotiation, and Russell's Paradox can help guide the decision-making process" *(Kiesling, 2020)*. "Russell's Paradox can help negotiators identify areas where compromise is most beneficial and identify potential conflicts in the negotiation" *(Snyder and Sclove, 2019)*. "Russell's Paradox can be used to identify areas where both parties can meet halfway, allowing for a successful resolution to the dispute" *(Lerner, 2017)* and is particularly important in the sense that can be used in a variety of contexts to further managerial objectives.

Compromise is an important negotiation strategy as it allows both parties to reach an agreement without one side having to make all the concessions *(Kirwin, 2018)*. This is significant in the sense that it allows both sides to maintain their interests and still reach a resolution that is beneficial for both. "The Paradox allows parties to objectively identify issues they are willing to concede, while still staying within their own interests" *(Gellman, 2018)*.

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"By understanding Russell's Paradox, negotiators can better manage their expectations and find ways to bridge the gaps between their positions" *(Ceder, 2020)*. Compromise is also important for building trust and understanding between parties *(Kirwin, 2018)*. It allows parties to build relationships and understand each other's perspectives, which can be beneficial in future negotiations. Compromise is an essential strategy for managing conflict and can be used in a variety of contexts, such as in business negotiations, labour negotiations, and political negotiations. While compromise is an important negotiation strategy, it is not without its challenges. One of the main challenges of compromise is that it can be difficult to reach an agreement when both parties have different or distinct interests. Another challenge of compromise is that it can be difficult to trust the other party to hold up their end of the agreement potentially leading to breakdowns within the negotiation process as well as a general lack of trust between parties. In summary, "Russell's Paradox can provide negotiators with an understanding of the power of compromise in the negotiation process" *(Kramer, 2021)*.

Transactional and Transformational Leadership

Russell's Paradox can also be used to illustrate the importance of considering the implications of any decision in terms of both transactional and transformational leadership. In terms of transactional leadership, the implications of the paradox can be used to depict the importance of considering the consequences of any decision in terms of both short-term and long-term objectives. "Russell's Paradox suggests that transactional leaders use rewards to motivate followers, while transformational leaders use inspiration to motivate followers" *(Yukl, 2013)*.

"Russell's Paradox states that transactional and transformational leadership are both forms of leadership, with the former relying on tangible rewards and the latter relying on intangible inspiration" *(Bass, 1985)*. In terms of transformational leadership, the implications of Russell's Paradox can be used to illustrate the importance of considering the effects of any decision in terms of both organizational culture and the relationships between stakeholders. The paradox can also be used to illustrate the importance of considering the implications of any decision in terms of both the present and future performance of the organization.

Organizational Culture

Russell's paradox can be used to explain "the complexity of organizational culture and the power dynamics at play in the negotiation process. By highlighting the limits of our knowledge and highlighting the complicated relationships between individuals, the paradox can help negotiators to better understand the perspectives of their counterparts and to come to mutually beneficial agreements" *(Alpay, 2012)*. Russell's paradox, "can be used to explore how organizational culture can shape the negotiation process. By understanding the different cultural norms and values that shape the negotiation process, negotiators can better understand their counterparts and craft more effective negotiation strategies" *(Frost, 2003)*.

Conclusion

This article has explored the implications of Russell's Paradox on contemporary Canadian management theory, management practices, negotiation tactics, and strategy. The article has examined the barber paradox as an illustration of Russell's paradox and has discussed the implications for current management theory and practice. This has been done through an analysis of the structure and implications of the paradox, and how it can be used to enhance managerial decision-making and negotiations. The implications of Russell's Paradox have been explored in terms of current management theories, including transactional and transformational leadership, organizational culture, and negotiation theory.

Overall, Russell's Paradox has the potential to be a valuable tool for managers in terms of decision-making and negotiations. The implications of the paradox are significant and can be used to demonstrate the value of considering the consequences of any decision from multiple and often diverse perspectives. Lastly, the ramifications of the paradox are important in terms of decision-making from both the present and future performance of organizations operating within the contemporary Canadian business climate.

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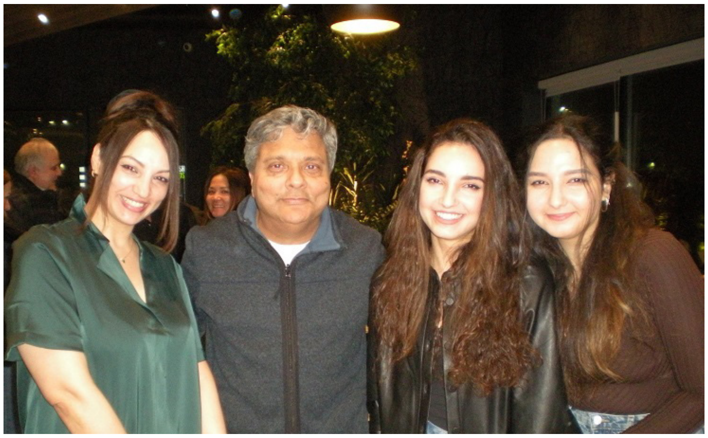
Dr. Wallace Whistance-Smith*, B.A. (Hons.), M.A., B.A., D.B.A., Ph.D., AMC., AFA., ChE., C. Mgr., FCSMP, Professor of Business Management, Toronto Metropolitan University (formerly Ryerson University) is an experienced executive, entrepreneur, keynote speaker, media personality, and business owner, has a wide-ranging career portfolio including expertise in Manufacturing, Purchasing, Operations & Supply Chain Management, Information Technology, Engineering, Finance, Economics, Marketing and Communications. As a successful multi-award-winning lecturer, recent recipient of the 2021-2022 Ted Rogers School of Management Teaching Innovation Award, and winner of numerous awards of distinction in manufacturing, Wallace holds four innovative product patents with current research interests in the design and development of new products and operational efficiency.*



L-R: Rasha Hammash, Peter Boos, Bayan Alkhandak and Rania Alkhandak

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Benefits of Hiring Recent College Graduates for Sales Positions

Susan A. Enns

Finding good salespeople has never been easy. In fact, the ManpowerGroup Annual Talent Shortage Survey consistently reports sales and marketing positions as one of the top three hardest to fill. And in today's tight labour market, it's tougher than ever before. More and more companies are competing to hire good salespeople from a labour pool that is getting smaller and smaller. As such, sales recruiters need to look at other sources to fill their vacant sales positions. That's why more hiring managers need to look at hiring recent college graduates for sales.

According to the research in the book 'How to Hire & Develop Your Next Top Performer – The Five Qualities That Make Salespeople Great' by Herb Greenberg, Harold Weinstein and Patrick Sweeney, 1 in 4 people have an aptitude for sales. So, if you think you might be wasting your time hiring a college graduate because they don't have any sales experience, you need to think again.

I recently chatted with Tyler Parker, the Founder of Hire Sales Talent, a recent college grad himself, about how it was like for him to start his sales career, and why companies should consider hiring recent college graduates for sales positions. Here's what he had to say.

Are College Graduates Finding It Easy to Land Their First Sales Job?

As a recent college graduate, I understand the challenges and doubts that come with entering the job market. When I graduated, I had an impressive and eclectic background, including many different extracurricular activities, but no real sales experience to fall back on.

I served as a Sergeant in the Marine Corps, played D2 college baseball, worked as a personal trainer, and graduated with Cum Laude honors with a degree in Cellular, Molecular, and Developmental Biology with a minor in Chemistry. And started a non-profit organization to benefit veterans in the midst of all that.

However, companies want experience, and I didn't have it. Now, I am a Founder at hiresalestalent.com, a platform that makes it easier for graduates to break into their dream sales careers. It may be a contrarian view, but I believe that hiring recent college grads for sales positions is one of the best things a company can do to boost culture and productivity.

Companies should take a chance on hiring recent college graduates for sales positions. While they may not have as much experience as more established candidates, recent grads can bring a unique set of skills and perspectives to the role. In addition, hiring recent graduates can be a cost-effective way for a company to build its sales team and foster a positive company culture.

5 Benefits of Hiring Recent College Graduates for Sales Positions

1. Energy

College graduates are typically energetic, enthusiastic, and eager to learn. This can be a valuable asset in a sales position, where the ability to connect with and motivate others is key.
Recent graduates may also bring fresh perspectives and new ideas to the table, which can help a company stay competitive in a rapidly changing market.

2. Coachable

Recent grads are inexperienced. They likely won't be world-class at their job right out of the gate, but that's ok. However, they will boost the office morale, and help foster positive relationships throughout the organization.

With proper training and some time on the job, it may be surprising how fast young professionals can level up and learn.

3. Excellent Customer Service

Many recent college grads may be lacking sales experience. However, odds are, some have experience in transferrable jobs.

While college grads may not have experience selling, they likely have other skills that will help them thrive in sales jobs. With proper training, focus, and helpful sales managers, young professionals can thrive in a sales career.

4. Cost-effective

Hiring recent college grads for sales jobs can be a cost-effective way for an organization to build its sales team. Recent grads may be willing to accept lower salaries in exchange for the opportunity to gain experience and build their careers. This can help a company save money on labor costs while still bringing new talent into the organization.

This is a low-risk, high-upside investment. Some may not work out, but some recent grads may eventually turn out to be top performers.

You never know until you take a chance on someone.

5. Diversity

Hiring recent college grads for sales positions can help a company to foster a positive and inclusive company culture.

Recent graduates are likely to be more diverse in terms of age, gender, race, and background than more experienced candidates. This can help a company to create a more diverse and representative workforce, which can be beneficial in terms of attracting and retaining customers. Outside of physical diversity, young professionals also bring diversity of thought and a fresh perspective to the workplace.

How to Get Started Hiring College Graduates for Sales

As you can see, there are several convincing arguments on why you should consider hiring recent college graduates for sales. So how do you get started?

My first job when I graduated from university was in sales. Several companies came to campus and held recruiting fairs for their open sales positions. They concentrated on why graduates should consider a career in sales and why their companies would be a good fit for what I was looking for.

In other words, the best recruiters essentially concentrated on the two basic things you need to know to get started hiring recent college graduates for sales positions:

1. Define what skills and personality traits you need for your sales team.
2. Outline how your open position would appeal to what college graduates are looking for.

You also need to know what to look for in the college graduates you meet. We have many sales interview questions on our website you can ask, however here is a quick summary of what I look for in a sales candidate who does not have sales experience:

- Have they coached a team or planned meetings or events?
- Do they train people on the products or services they currently use?
- Do they play competitive sports, dance, or a musical instrument?
- Do they volunteer or fundraise for your favourite charity?

Any of these types of experience shows me, a sales recruiter with more than 35 years experience, they have already demonstrated the work ethic required and the personality traits needed to be successful in sales. They may be that 1 in 4 people who is suited for a sales career. They just might be that diamond in the rough.

After all, as Sibel Terhaar once said, “Don’t be afraid of hiring people with ZERO experience. They can surprise you with their determination and great work ethic.”

Aim Higher!

****

***Susan A. Enns**, Sales Coach and Author*
B2B Sales Connections
Susan A. Enns is a professional sales coach, consultant and author with B2BSalesConnections.com. She has a proven track record of sales excellence over her 35 plus year career, including consecutively being the top sales rep in Canada, managing the top sales branch, and achieving outstanding sales growth in a national channel sales organization. A sales and management training expert, her work has been published in several locations numerous times and her books have sold on five separate continents. A passionate community volunteer and cancer survivor, Susan lives and works in Ottawa, Canada.

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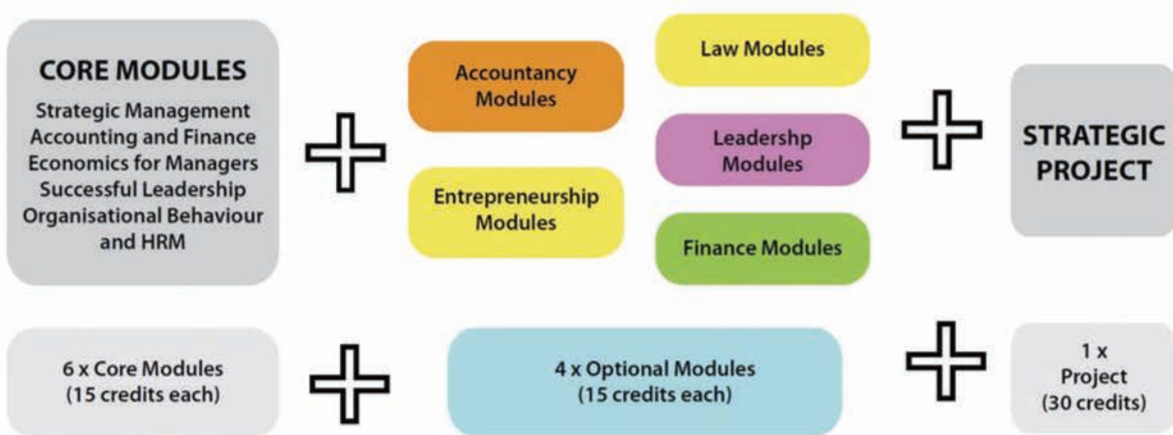

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Improving Your Industry Bottom Line by Using KPI

Joseph Mohanthas, CIM, P. Mgr, C. Mgr., FCMI, FICIA, CM (USA), RPA

What is a key performance indicator (KPI)?

A key performance indicator is a statistic used to assess performance. KPIs are used to analyze the success of a business or a specific activity against specified predetermined levels, and achieve Key operational goals and strategic business objectives.

Choosing suitable key performance indicators to track

1. **Choose one or two metrics that are linked to each of your goals.**

   While your company has numerous statistics that are critical to its operations and profitability, keeping track of everything that is going on within is impossible and inefficient. Not all metrics are worth keep-ing track of; furthermore, measuring too many metrics produces extra effort that is ultimately ineffective.

   Instead, for each of your objectives, identify one or two metrics that will be most helpful in accomplish-ing them. Multiple measures may be applicable, but only a few will have a significant influence to increase performance.

2. **Check to see if your metrics match the requirements for a good KPI.**

   Consider the following questions for each KPI you're considering:

   - Is it possible to quantify it?
   - Is this KPI something we can use to influence/drive change, or is it something we can't control?
   - Is there a link between this KPI and our overarching strategy and goal?
   - Is it easy to define and comprehend?
   - Is it possible to measure it in a timely and precise manner?
   - Is it useful from a variety of angles, such as customer, financial, internal processes, learning, and growth?

   - Is it likely to remain important in the future?

If you answered "no" to many of these questions, it's possible that the KPI needs to be changed or replaced entirely.

3. **Assign particular people to be in charge of each KPI.**

   KPIs are a crucial tool for tracking success, but they are more likely to be implemented if someone is accountable for tracking and reporting on them. An added benefit is that the responsible party is more likely to want the measure to succeed rather than accept poor results.

4. **KPIs should be monitored and reported on.**

   On a monthly, quarterly, or another predetermined reporting schedule, you must regularly analyze your KPIs and their performance. Regular monitoring makes it simple to see when something has un-der-performed or over performed and what may have occurred during that time to trigger the differ-ence.

It's critical to share these findings with all relevant parties to ensure that the entire team is on the same page—and because many indicators and goals are interconnected.

Using customizable dash-boards to report to various audiences is an excellent (and simple) way to do it. You can create one dashboard for departments working on KPIs and another for leadership teams to get a high-level picture.

Please note that the list below is not in-depth, but creates a general image of areas to consider tracking. Examples and Definitions of Key Performance Indicators by functional area.

Financial Key Performance Indicators

Financial KPIs are among the most widely utilized measures. They are measures that companies use to monitor, evaluate, and assess their financial health. This is great for benchmarking, and it can show you how well your company is doing compared to its goals, past performance, and competition.

Profitability:

- Profitability refers to a company's ability to generate a profit on investment based on its resources vs. an alternative investment.
- Examples of profitability KPIs are:
    - o **Net Profit margin:** The Net Profit Margin KPI determines how profitable your company is for every dollar of revenue it generates. The margin can also be evaluated at the gross profit and operating profit level, depending on your firms leverage and operations. It is calculated by dividing Net Profit by Total Revenue
    - o **Return on Assets:** Examines how well the business has utilized its assets to gener-ate profits.
    - o It is calculated by dividing Net Profit by Total Asset value,
    - o **Return on Equity:** Examines your ability to create revenue for each unit of share-holder stock to determine profitability.
      It is calculated by dividing Net Profit by Value of Shareholder Equity.

Liquidity:

- The ease with which an asset, or security, can be changed into immediate cash without impacting its market price is liquidity.
- Examples of liquidity KPIs are:
    - o **Networking capital:** What is left after current liabilities are subtracted from current assets; thus, it is the cash available to govern the businesses daily operations.
      It is calculated by subtracting total liabilities due within twelve months from total assets expected to be utilized within twelve months at a point in time.
    - o **Current Ratio:** The current ratio provides an investor with a better understanding of a company's ability to pay its current liabilities.
      It is calculated by dividing current assets by current liabilities.

Solvency

- Solvency refers to a company's capacity to pay its long-term debts and financial responsibili-ties. Because it is one means of demonstrating a company's ability to run its activities into the fore-seeable future, solvency can be an essential metric of financial health.
- Examples of solvency KPIs are
    - o **Debt-To-Assets Ratio:** It calculates a firms leverage and shows how much of the company is funded by debt vs. assets and the company's ability to repay debt with available assets.
      It is calculated by dividing total debt by total assets.
    - o **Debt-to-Equity Ratio:** The debt-to-equity ratio is similar to the debt-to-assets ratio in that it shows how debt is used to fund a company. The higher the ratio, the more debt a business has on its books and the greater the risk of default.
      It is calculated by dividing total debt by total assets.
    - o **Interest Coverage Ratio:** The interest coverage ratio determines how many times a company's available earnings can cover its existing interest payments.
      It is calculated by dividing earnings before interest and tax by interest expenses.

Efficiency:

- The fundamental reduction in the number of wasted resources utilized to generate a given number of goods or services is referred to as efficiency. Economic efficiency is the result of optimizing resource use to serve an economy best.
- Examples of efficiency key performance indicators are:
    - o **Accounts Receivables Turnover:** This operational statistic is used to measure a company's ability to recover receivables. Financial and operational managers frequently use this met-ric as a leading indicator of market conditions.
      It is calculated by dividing the total revenue generated by average trade receivables.
    - o **Accounts Payable Turnover:** An operational performance indicator that measures how many times a company's accounts payable is paid off in a certain

period. A higher score sug-gests that a corporation is more likely to pay its debts on schedule.
It is calculated by dividing the total purchases by the average accounts payable

- o **Cash Conversion Cycle:** It takes a corporation a certain amount of time to turn its inventory investment into cash by selling it, the time taken is what the conversion cycle measures.
- o It is made up of 3 other KPIs, namely, accounts receivable days, accounts paya-ble days, and day's inventory outstanding.
- o It is calculated by subtracted the accounts payable days from the sum of day's inventory outstanding and accounts receivable days.

Customer-oriented Key Performance Indicators

These key performance indicators focus on tracking the company's relationship with customers and its effects.

- **Customer Satisfaction:** Customer satisfaction refers to a customer's overall enjoyment when interacting with a company's products and services.
  The information can be gathered in a survey then moderated for analysis.
- **Customer Service:** A company's support and guidance to customers who buy or use its products or services. Examples of customer service key performance indica-tors are:
  - o A number of complaints: The number of com-plaints received from customers in a specified period.
  - o This can be compared to past periods and indus-try benchmarks to determine the level of perfor-mance.
  - o Average query resolution time: The average pe-riod of time it takes for a customer to be assisted with a query.
  - o This can be compared to past periods and indus-try benchmarks to determine the level of perfor-mance.
- **Brand Image:** a customers or potential customers overall perception of a product.
  The information can be gathered in a survey then moderated for analysis.
- **Customer Retention:** Customer retention refers to a set of operations that a company under-takes in order to improve the number of repeat customers and the profitability of each existing cus-tomer.
- o **Retention rate:** the number of clients who return to your business to make additional purchases.
- o **Attrition rate:** The number of customers who have stopped buying from your compa-ny.

Employee related Key Performance Indicators

The main focus of these key performance indicators is to determine whether or not the culture in the workplace is positive and conducive to production as well as note areas for improvement with regards to workforce man-agement.

- **Employee Engagement:** Employee engagement refers to how enthusiastic people are about their jobs, how devoted they are to the organization, and how

much discretionary effort they put into their work. The information can be gathered in a survey then moderated for analysis.

- **Training hours per employee:** The number of hour's employees have been trained for their relevant skills.
- **Internal Promotions vs. External Hires:** This represents the company's ability to train and nurture skilled employees for better roles.
  It is calculated by dividing the number of internal promotions for new positions that arose by the number of external hires.
- **Range Penetration:** Range penetration is a pay metric that compares an employee's salary to the overall pay range for their job or similar jobs at other organizations. This pay comparison shows how much the employee's compensation has progressed within the pay range.
  It is calculated by subtracting the range minimum from the employee's salary and dividing that by the difference between the range maximum and range minimum.
  The range limits are to do with market comparisons for similar positions.

Conclusion:

Tracking key performance indicators assists organizations in measuring their progress and identifying ways to improve their operations. A company that commits to tracking some of the KPIs explored above will be well on the way to doing this. Though the list is not exhaustive, it creates a good start-ing point for a company hoping to kick-start growth.

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Joseph Mohanthas, *CIM, P. Mgr, C. Mgr., FCMI, FICIA, CM (USA), RPA*
Professional Development Chair, CIM Chartered Managers Canada – Toronto Chapter
Second Vice President- Guild of Industrial, Commercial and Institutional Accountants.
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L-R: Wesley Spence and Phil Russo

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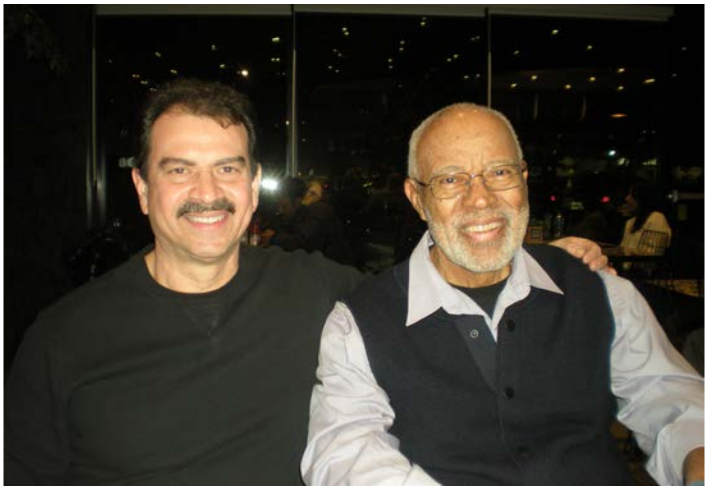

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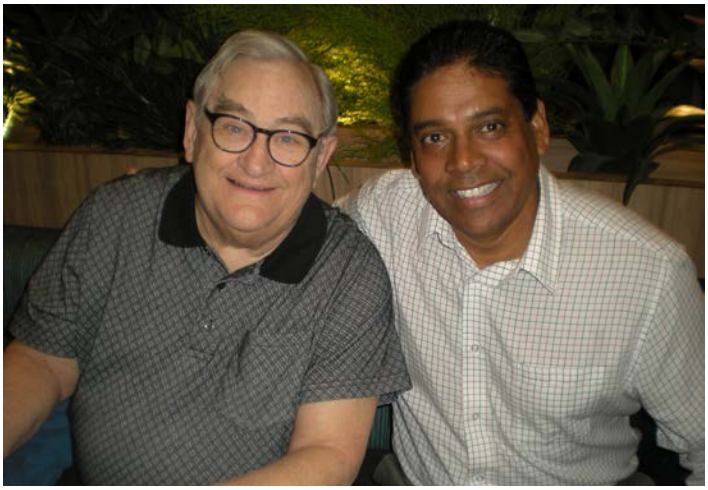

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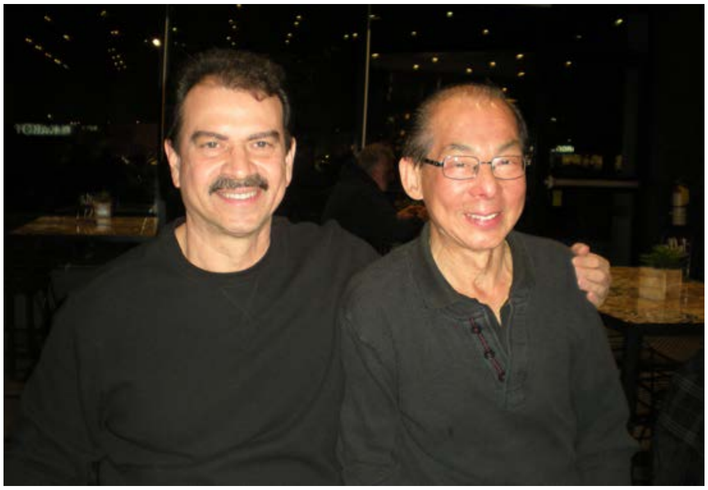

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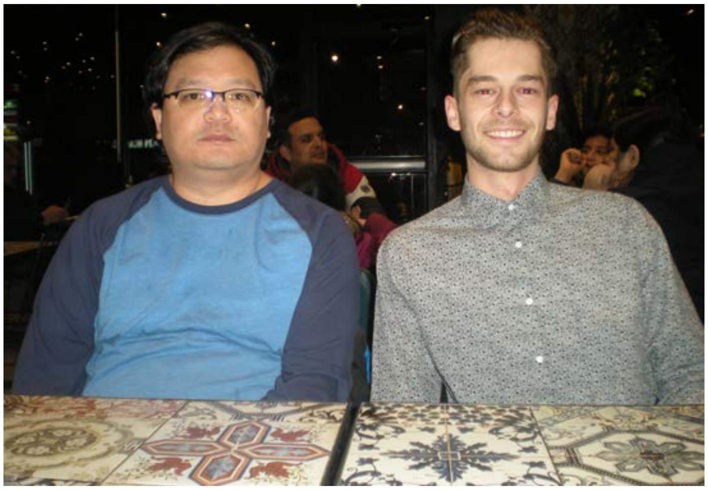

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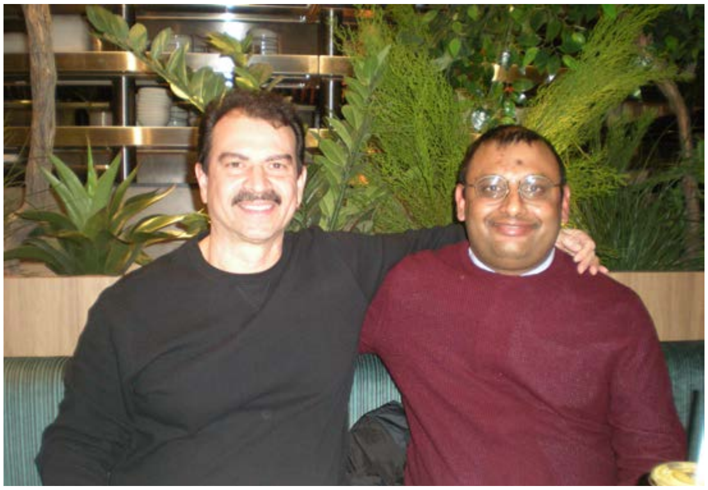


L-R: Phil Russo and Prashen Govender

Too Many Meetings

J. Paul Walsh, B. Comm, MBA, C.Mgr., FICIA

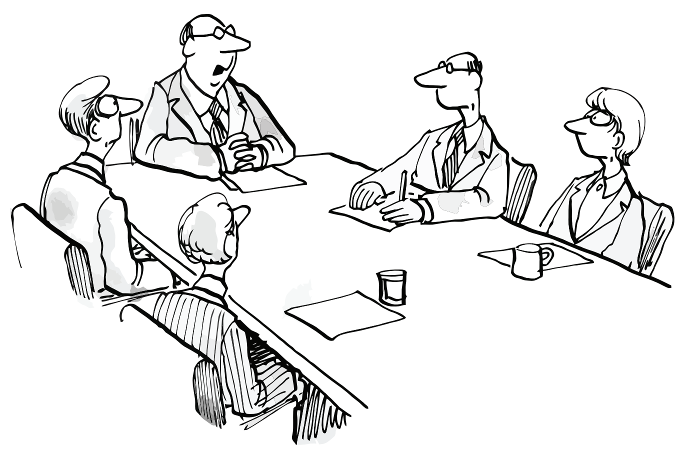
So, do you enjoy meetings? Not many people do, and it seems that since the pandemic there are meetings everywhere – both virtual and in-person. Do we really need all these meetings? The short answer is a simple no. We are wasting too much time meeting about things that don't require us to meet.

Many people think this crisis of too many meetings is a product of the Covid pandemic which kept us all isolated from our peers while working from home. Our only socialization happened when we received (or sent out) that magical Zoom link. Suddenly our colleagues were gathered, albeit in little frames that looked like a cross between Hollywood Squares and the opening to the Brady Bunch….I guess that gives away my age, eh?

Guess what? This didn't happen just because of the pandemic. We've been over meeting-ed for a long time. Many years ago when I was teaching an undergraduate course in business communications I used to show two videos that featured John Cleese of Monty Python fame. The videos were titled *Meetings Bloody Meetings and More Bloody Meetings*. Seems the concern about too many meetings has been going on for a while. That said, the Harvard Business Review reports there was a 20% decrease in the average length of meetings during the pandemic, but the average number of meetings attended rose 13.5%!

What's different today is that businesses are not just talking about reducing the time spent in meetings, they're doing something about it. Canadian e-commerce company Shopify has made a rule about when meetings can happen, banning them at certain times. It's estimated the ban frees up 76,500 hours previously set aside for meetings. That's a lot of productive time! Recurring meetings with three or more people and all meetings on Wednesdays were cancelled. Meetings involving 50 or more people can only be held on Thursdays between 11 am and 5 pm. Shopify also went into their employees' on-line calendars and deleted any meetings that involved only two people. A company executive was quoted as saying "no one joined Shopify to sit in meetings."

To be blunt, many meetings are simply not productive. Two person meetings can be handled by an e-mail or, if you want old school, a phone call! If a meeting is required, it's important limit the number of people who attend to only those who are required to address the topic. Jeff Bezos of Amazon has the "two pizza rule" -- never have a meeting where two pizzas couldn't feed the entire group. Bezos believed that larger groups underestimated how long it takes to complete tasks. His stated preference would be to not have meetings at all.



"We have a big agenda so forget about anthing else you were planning to do today."

Sometimes we have to gather and collaborate. When that happens it's important to stay focused. Only people who need to be at the meeting and bring value should be asked to attend. And we need to keep the group no larger than 5 – 7 people. Any larger than that becomes a big time waster.

Another important measure is to have an agenda, and stick to it. Meetings that stray from their agendas are trouble. And that agenda needs to be lean and mean, not a wandering wish list. I'd suggest a single topic agenda. One of the greatest ways to waste time is to call a meeting that tries to address too many topics. If your meeting covers many issues it will drag on and less will be accomplished. Keep it to a single topic! This is an

especially important message for new managers. There's a desire when you're new to fill your days with meetings to meet people and develop a rapport. What you're actually doing is taking people away from what they do best.

Back to our friends at the Harvard Business Review. There recent research shows that 70% of all meetings keep employees from working and completing all their tasks. That means 70% of meetings take employees away from the reason they were hired! This means wasted productivity, wasted effort and of course wasted money!

Work should be focused on tasks, productivity and outcomes. That's what the people we hire want to do. The last thing you want to hear your valued and gifted colleagues exclaim in frustration is, in the words of John Cleese, MORE BLOODY MEETINGS!!!!!

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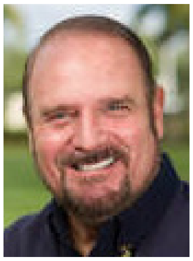
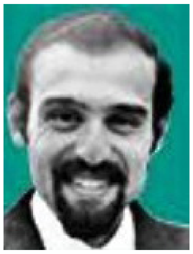
__J. Paul Walsh__, B.Comm, MBA, C. Mgr., FICIA is CEO of the Autism Society of NL. In addition to a 35-year career in private industry, Paul is also a sessional lecturer in business at Memorial University and served for 12 years as Academic Dean of CIM. Paul can be reached at jpwalsh1209@yahoo.com.

Risk Management for Tomorrow: What Must be Rebuilt into Something Better

Michael J. Provitera & Mostafa Sayyadi

Executives are spending more time today concerned about operational risk management than ever before. Executives that manage operational risk and use it as an important driving force for business success find their clients to be more competitive and on the cutting edge. Operational risk management has been developed to offset problems before they occur and to adjust or ship resources accordingly in the event of a threat. Operational risk management is an operational approach to represent knowledge management, and seeks to apply organizational knowledge in order to effectively manage the risks associated with running a company. Similar to customer relationship management, knowledge management is an enabler for identifying and satisfying customer's needs and manifests itself as a significant driver that motivates the development of relationships with customers. Scholars have proven that executives can use knowledge management to improve customer satisfaction through acquiring additional knowledge from customers, developing better relationships with them, and providing a higher quality of services and products for them.

The key function of knowledge management is to help executives use it for employee development. In this context, training is becoming the forefront of business success worldwide. Why is this, you may ask? Because learning is a process that leads to acquiring new insights and knowledge, and potentially to correct sub-optimal or ineffective actions and behaviors that cause corporations to spiral out of control. Executives have found that organizational learning as modifying behaviors resulting in newer insight and knowledge. Thus changing of the existing behaviors of followers generating new knowledge, and is, therefore, a key factor in improving competitive advantage.

This is my experience of working with a team of top-level management consultants in the consulting industry. My experience says that executives can add more manageable control and of private knowledge and reduce operational risk. Unique strategies, processes, and practices are examples of this type of knowledge. This type of knowledge must be guarded and not shared with the competition. Any leak of such information may increase the operational risk. Contrary to private knowledge, public knowledge differs in that it is not unique for any company. Public knowledge may be an asset and provide potential benefits when posted in social media and other means of communication. Public knowledge is reflected in various concepts such as total quality management, six-sigma, and just-in-time inventory. It is important for executives to consider the ownership of knowledge as a factor which is a significant contributor to knowledge management. Moreover, knowledge emerges in two additional forms, including the knowledge that is only accessible by a company and the knowledge that is accessible to all companies. The best approach to knowledge is for executives to know which knowledge is to remain private and which to go public with. A mistake in this area may be vital to companies and executives must choose wisely.

Furthermore, internal resources manifest themselves in tangible (such as physical properties and machinery) and intangible (such as intellectual capital) forms. Intangible resources, in form of intellectual capital, exist primarily as knowledge in human resources and cannot be easily imitated. This, by far, is why some companies are successful and some are not. Operational risk is at risk if they can be easily imitated by the competition. Therefore, decreasing the imitability of services can also decrease the operational risk. Thus, harder to copy or imitate. To remain competitive, executives realize that they have to quickly create and share new ideas and knowledge to be more responsive to market changes. Importantly, knowledge held by members is the most strategic resource for competitive advantage, and also through the way it is managed by executives.

This effort improves operational risk management, and potentially limits operational risk. In particular, knowledge-based risk management develops cohesive infrastructures to store and retrieve knowledge to enable clients in effectively using organizational resources, decreasing costs, and creating more innovative solutions. Thus, when executives ensure the effectiveness of knowledge management they increase control and lessen operational risk. As a result, it is safe to say that private knowledge is essential for companies while knowledge management, if not embraced can lead to operational risk.

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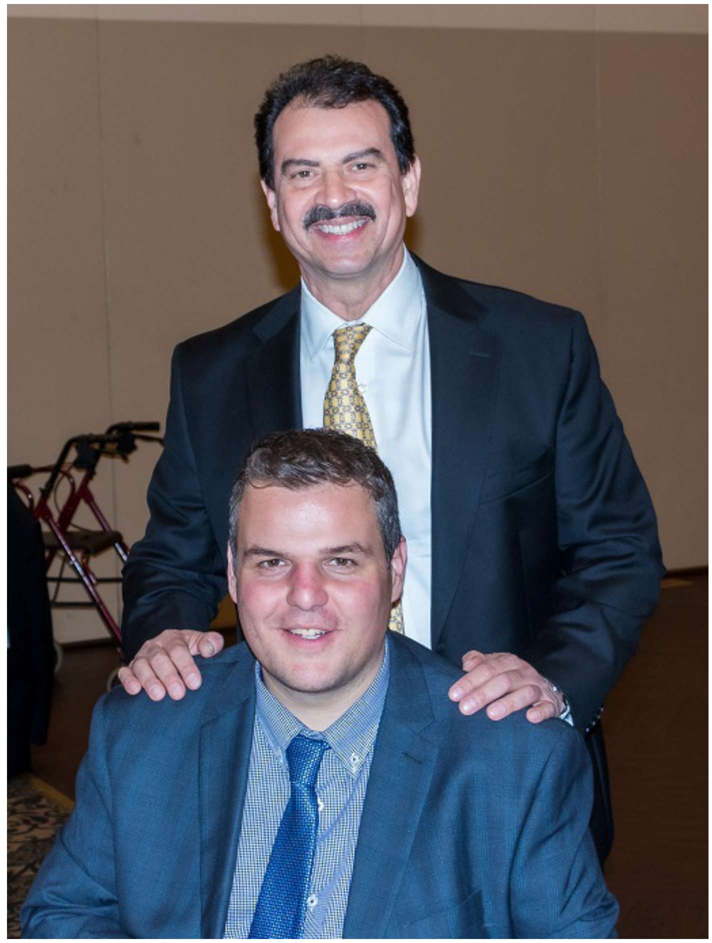
__Michael J. Provitera__ is an associate professor, and an author of the book titled "Mastering Self-Motivation" published by BusinessExpertPress. He is quoted frequently in the national media.

__Mostafa Sayyadi__ works with senior business leaders to effectively develop innovation in companies, and helps companies—from start-ups to the Fortune 100—succeed by improving the effectiveness of their leaders. He is a business book author and a long-time contributor to business publications and his work has been featured in top-flight business publications.

Peter Boos (top left) poses with the original Eagles tribute band Hotel California

L-R: Roy Santoo and Peter Boos

L-R: Phil Russo and Margaret Liu



Phil Russo (standing) with City of Vaughan Ward 2 Councillor Adriano Volpentesta (seated)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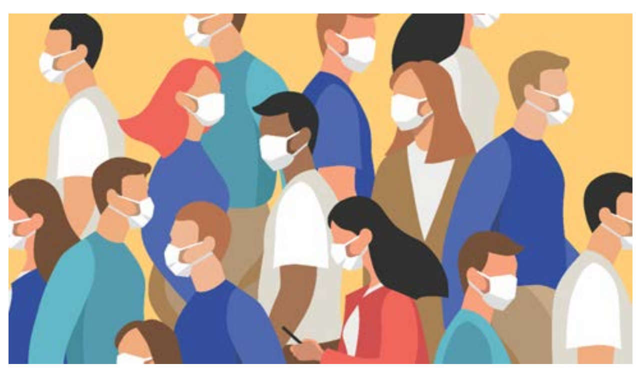

Chartered Manager partnership with the UK Chartered Management Institute

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The CIM | Chartered Managers Canada announces international reciprocity with the UK Chartered Management Institute (CMI)

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