

VIA EMAIL

June 2020

**A People First Recovery**

To: The Select Standing Committee on Finance and Government Services

From: CPHR BC & Yukon

RE: Budget 2021 Consultations

**Executive summary**

CPHR BC & Yukon is pleased to participate in the prebudget consultations conducted by the Standing Select Committee on Finance and Government Services of the British Columbia Legislative Assembly.

Our mission is to 'keep people first in the decisions of leaders'. We believe that 'people first' should also be the mission of this recovery budget.

These are our recommendations:

**Employees Mental Health**

- Awareness and training on the importance of flexible work arrangements to accommodate both remote work and office-based work to match employees' needs.
- Address hyper-connectedness, by establishing formal policies to define expectations for the use of technologies and awareness and training on working time management.
- Managers lead by behaviour (tone at the top).
- Increase financial literacy education in the workplace with the goal of reducing stress caused by personal financial issues. We suggest the government consider partnering with organizations representing SMEs and the financial sector in implementing appropriate programs.
- The Minister of Labour works with provincial and federal colleagues to ensure a harmonized approach to policies and regulations for gig workers and on-demand work that reflect the realities of emerging work forms and provide adequate protections for these workers.

- Should a COVID-19 related paid sick leave program be implemented, the funding should be linked to the Employment Insurance system and evaluated post pandemic.

#### Needs of families

- Accelerate the plan to implement universal childcare by increasing the number of childcare spaces through investment in infrastructure and work towards a direct subsidy for all licensed day care.

#### People first policies

- Assist small and medium-sized enterprises with the recovery by providing human resources management support. CPHR BC & Yukon can provide valuable advice and collaboration in the creation of a tool kit that could address topics such as HR management plan, health guidelines, risk management, compliance and psychological health at work, for example.
- Consult employers and other cultural, ethnic and LGBTQ groups on the constraints and barriers to achieving more ambitious diversity and inclusion targets.
- Strengthen existing resources to enable SMEs to access diversity training. CPHR BC & Yukon could assist the government of BC to identify solutions.
- Consult with Indigenous leaders on what programs may help Indigenous people and others who face systemic barriers.
- Provide self-regulatory authority to CPHR BC & Yukon for the province's human resource professionals.

## Introduction

Founded in 1942, the Chartered Professionals in Human Resource of British Columbia and Yukon (CPHR BC & Yukon) represents over 6,600 human resource (HR) professionals and their service providers and advisors. You will find our members advising and employed by more than 2,650 organizations throughout the province—big or small.

As a not-for-profit organization incorporated in British Columbia, CPHR BC & Yukon is governed by a 12-person volunteer board of directors elected by the association's members. It provides oversight to the certification of the HR profession in both BC and Yukon, and is funded largely through member dues, course fees and sponsorship. It receives no funding from government.

The association grants the Chartered Professional in Human Resources (CPHR™) designation in British Columbia and Yukon. As a member of CPHR Canada, CPHR BC & Yukon contributes to setting and upholding the national standards for HR professionals.

Our members bring a unique vantage point to the development of public policies. Among the many roles they play within organizations, they advise employers and are responsible for the recruitment, training and retention of employees; they manage employer-labour relations and interpret and implement the many laws and rules that govern workplaces in BC to ensure healthy and safe work environments.

As a profession on the front lines of the pandemic and working with employers towards recovery, we are well situated to help inform the next budget of the government of BC based on 'people first' goals, policies and funding.

Over the past few years, we have spoken about how demographic shifts, technological advancements and escalating globalization have been redefining market needs and workplace expectations. The COVID-19 pandemic has resulted in exponential acceleration of these and new challenges.

Some lessons from the pandemic include the differing impacts on individuals and families due to varying capacity for work from home, job security (gig work in particular), childcare, and the need for people first work practices. A people first recovery should take these lessons into account with: support for workplace and home mental and psychological health; improved childcare; and, improved workplace human resources management.

In its Budget 2021 consultation paper, the Ministry of Finance asks what actions should government prioritize to help strengthen BC's economy? Simply put, for CPHR BC & Yukon – the answer is people. Here is our submission.

### **Workers mental health must be a priority**

While the nature of work was rapidly changing prior to the pandemic, the change has accelerated exponentially and workers, as well as businesses must adapt to these new circumstances. This is causing wide-ranging impacts on the mental health of workers.

This is both an economic and a social issue. The World Health Organization (WHO) concluded that negative work conditions can lead to health problems. It also put into perspective the economic burden of depression and anxiety. At an estimated \$1,000 billion (USD), it translates to a direct productivity loss for the global economy. And the costs will only grow. Overall, mental health problems in the workplace are increasing while employers remain under-equipped to handle mental health issues and foster their employees' well-being within the organization itself.

Stress at work imposes not just economic costs but spills over to all aspects of society, most notably within each household as children and spouses are all affected, and relationships can be destroyed. Furthermore, the impact of domestic violence on worker productivity, absenteeism and impaired work performance are well known.

CPHR BC & Yukon believes governments must put in place measures to assist employers to address mental health issues and implement best practices to promote their employees' mental health. We suggest a focus on the following issues:

#### **The impact of remote work**

Research has found that working remotely can boost employee productivity, improve work life balance and foster better mental health.

Almost 40 per cent of Canadian employees had begun working from home amidst the COVID-19 outbreak, according to new data from Statistics Canada. The agency reported that five million workers shifted to home working arrangements in late March 2020. Alongside the 1.8-million employees who already work from home, the combined homebound employee population represents 39.1 per cent of workers. Moreover, many workers will not be returning to traditional workplaces in a foreseeable future.

While the transition to remote working has worked in the short-term context of the pandemic, questions remain about the long-term impacts on employees. Burnouts are becoming increasingly common. They can be caused by the organization of work and by workers' desire to perform, as they use work as an opportunity to improve their skills, grow personally and socialize. According to the International Classification of Diseases (ICD), burnout is not a disease, but a work-related phenomenon not necessarily related to the number of hours worked but which can also stem from a feeling of losing control, isolation and uncertainty.

One of the dangers of working remotely is the risk that workers become 'hyperconnected', that is being connected and available anywhere and anytime.

The right to disconnect from work-related e-communications outside of work hours is a real issue that has significant consequences for the health of all. It is necessary that workers benefit from moments when they are completely disconnected from work to preserve their health and consequently their productivity in the long term even more so in an environment where the separation between work space and private space is becoming increasingly blurred.

Many jurisdictions are addressing the issue of the right to disconnect including the government of Canada as part of its work on the modernization of the Canada Labour Code. Addressing the right to disconnect mitigates the impacts associated with the use of digital devices outside work, including stress and overwork, reduces the cost generated by potential stress related leave, promotes work-life balance and ensures the achievement of equality between women and men in organizations.

It is our opinion that the Government of British Columbia should be a leader related to remote working by providing leadership and by adopting the following practices:

- Awareness and training on the importance of flexible work arrangements to accommodate both remote work and office-based work to match employees' needs.
- To address hyper-connectedness, establish formal policies to define expectations for the use of technologies and awareness and training on working time management.
- Managers lead by behaviour (tone at the top).

### **Financial stress impacts workplaces**

The Bank of Canada has raised concerns that already high household debt levels are likely to rise and become acute for households whose incomes do not fully recover from the pandemic.

When workers worry about their finances, their work performance decreases. According to a 2018 survey by the Canadian Payroll Association (CPA), 46 per cent of Canadian employees said that financial stress had impacted their performance at work. The CPA also observed that working Canadians are making some minor progress in improving their financial health, but they remain particularly vulnerable to debt and any changes to their financial situation.

According to a report by the Financial Planning Standards Council in 2018, money worries were the greatest source of stress for Canadians, more than work, personal health and relationships. More precisely, 48 per cent of Canadians said that their financial worries caused them to have insomnia and 44 per cent said it would be difficult to meet their financial obligations if their pay cheque was late.

The Financial Consumer Agency of Canada also estimated that for a company with 200 employees, employee distraction caused by financial stress could cost approximately \$1,000 dollars per employee, or just over \$214,000 for the employer. The Agency, which published this estimate in 2019, also reported that 46 per cent of employees acknowledge that financial stress has a negative impact on their work performance, with a loss of approximately 3.5 hours per week (or a loss of 172 hours per week, or 7,912 hours per year).

This type of stress plays a special role in the workers' well-being as they may associate this stress with work performance pressures. We believe there is a role for government in this area.

We recommend:

- Increasing financial literacy education in the workplace with the goal of reducing stress caused by personal financial issues. We suggest the government consider partnering with organizations representing SMEs and the financial sector in implementing appropriate programs.

### **Flexible work arrangements**

The very nature of work is being redefined due to increased automation, the emerging gig economy, the disappearance and appearance of new jobs and the rise of non-standard work and now the COVID-19 pandemic. In such a context, public policies that address these changes are required.

As workplaces became increasingly flexible, it became necessary to provide employers with a supporting regulatory environment. As such, the Government of Canada adopted the Budget Implementation Act, 2017, No. 2, amending the Canada Labour Code to allow for increased flexibility regarding leave and overtime hours. Though these relaxed measures remain limited and are set out for federally regulated employers, they open the door to organizations adopting more formal flexible work arrangements.

The British Columbia Minister of Labour has been given the mandate to update employment standards to reflect the changing nature of workplaces and ensure they are applied evenly and

enforced. We support that and encourage further inquiry into the issue of the “gig” workforce. We encourage the Minister to work with his provincial and federal colleagues on this issue to ensure a harmonized approach to policies and regulations for gig workers and on-demand work that reflect the realities of emerging work forms and provide adequate protections for these workers.

We note the recent support expressed by the Prime Minister of Canada to work towards providing paid sick leave for workers. BC labour laws allow for three days sick leave and unlimited COVID-19 related leave; this is unpaid leave. Currently more than half of workers in BC do not have access to paid sick leave. Workers with unpaid sick leave may hesitate before taking time off if they are unwell creating potential contagion risks. Therefore, we applaud the Premier’s leadership in advocating for expanded paid sick leave provisions for all workers. We caution, however, that while such a program is desirable in the short and medium term, it must be evaluated post pandemic before making it permanent.

We recommend:

- The Minister of Labour works with provincial and federal colleagues to ensure a harmonized approach to policies and regulations for gig workers and on-demand work that reflect the realities of emerging work forms and provide adequate protections for these workers.
- Should a COVID-19 related paid sick leave program be implemented, the funding should be linked to the Employment Insurance system and evaluated post pandemic.

**A people focused recovery cannot be envisaged without addressing the needs of families and women in particular.**

In a statement issued April 30, 2020, Marie-Claude Landry, Chief Commissioner of the Canadian Human Rights Commission and Karen Jensen, Federal Pay Equity Commissioner stated that the COVID-19 crisis is having a disproportionate impact on women and that there is a serious risk that the pandemic could erase the gains that have been made towards gender equality in Canada. According to the commissioners, women are among the hardest hit by the pandemic, many of which are frontline workers, whether in health care, food service and care giving. These jobs often provide little or no options for sick leave or working from home. Social distancing and quarantine measures have meant that many women have had to continue working while caring for children with little or no support. As a result, many have left the workforce during the crisis.

Aside from the burdens imposed on women in the workforce by the shortage of affordable childcare, the costs to the economy are significant.

In 2016, the participation rate of women in the labour force was 81 per cent in Quebec as compared to 60 per cent in British Columbia. Many point to Quebec’s low-fee child care program as the reason for Quebec’s success. A study by Pierre Fortin, Luc Godbout and Suzie St-Cerny estimated that in 2008, universal access to low fee child care in Quebec induced 70,000 more mothers to hold jobs than if no such program existed, contributing to an increase in the province’s GDP by 1.7 per cent or \$5 billion.

We commend the government of British Columbia for investments in childcare in Budget 2018. The plan reduced fees for childcare, provided families with a childcare benefit, expanded capital spending and grew opportunities to recruit and retain early childhood educators. The plan laid the groundwork to a coordinated approach. This must be accelerated.

We recommend:

- That the British Columbia government accelerate the plan to implement universal childcare by increasing the number of childcare spaces through investment in infrastructure and work towards a direct subsidy for all licensed day care.

## **Ensure that people first policies extend throughout BC workplaces**

### **The needs of smaller employers**

The pandemic has affected all employers, private and public, not for profit and for profit alike. But larger employers have the advantage of having in-house experts and the ability to hire special advisors as they recover. Smaller employers are juggling just as many balls but with fewer hands to keep them in the air.

Issues such as bringing back or recruiting workers amidst continual fear of contagion, prepare the workplace for a safe return, ensure employers are compliant with the many laws and regulations are high on the agenda. Many small and medium-sized enterprises were facing labour and skills shortages pre-pandemic and unable to fill much-needed positions placing a strain on an organization's ability to recover. These issues will not disappear. Programs that aim to upskill and reskill workers that have been displaced by the pandemic may be needed.

These small and medium-sized employers are the bedrock of the BC economy; they need and merit special support. We, at CPHR BC & Yukon, can help within our field of expertise.

We recommend:

- Assisting small and medium-sized enterprises with the recovery by providing human resources management support. CPHR BC & Yukon can provide valuable advice and collaboration in the creation of a tool kit that could address topics such as HR management plan, health guidelines, risk management, compliance and psychological health at work, for example.

### **Diversity & Inclusion**

The unemployment rate among Aboriginal groups remains distinctly higher than in non-Aboriginal populations (10.1% vs. 5.5%, in 2019), though the two employment rates are converging in Canada (64.1% vs. 65.4% in 2019). This is caused in part by the rapidly rising numbers of the Aboriginal population. The steep increase, both across the country and in urban centres, means that initiatives to include Indigenous peoples in the labour market must be thought out carefully and with consultation with Aboriginal groups to fully benefit from their contributions to the Canadian economy.

Budget 2020 added additional support for vulnerable students including \$93.3 million in targeted funding to continue to support Indigenous learners. That is an important first step. However, studies show that only 11 per cent of Canadian companies in 2014 had a diversity policy within an explicitly inclusive company culture. The low number is often attributed to the scarcity of qualified HR professionals within organizations. Moreover, in times of labour shortages, diversity and inclusion should be widely seen as a well of opportunity.

We recommend:

- Consulting employers and other cultural, ethnic and LGBTQ groups on the constraints to achieving more ambitious diversity and inclusion targets.
- Strengthening existing resources to enable SMEs to access diversity training. CPHR BC & Yukon could assist the government of BC to identify solutions.
- Increasing programs for Indigenous people and others who face systemic barriers. These programs should be designed in consultation with Indigenous people and others who face systemic barriers.

### **The regulation of HR professionals**

Human resources professionals, to be of value to organizations, must be knowledgeable of the ever-changing laws and regulations that govern the workforce. They are responsible for developing corporate programs and working environments that safeguard employees mental and physical health. They are responsible for recruiting, retaining and developing productive employees. And every day, they deal with complex regulations, policies and programs such as protection of personal information, security and data protection, human rights legislation, Labour Relations Code and Employment Standards Act, to name a few. They also uphold the Occupational Health & Safety measures and protocols put forth by WorkSafe BC.

As the labour force grows and becomes more diverse, HR issues have become even more complex. It is human resources professionals that have been dealing with the day-to-day issues stemming from the COVID-19 pandemic, reorganizing work arrangements and preparing for re-entry.

We believe that it is time that BC joined Ontario and Quebec in recognizing the vital role of HR professionals by granting CPHR BC & Yukon with status as a self-regulating profession through legislation. The CPHR designation is a world class standard—a professional who holds the designation is required to uphold the highest standard of practice and ethics. A professional with a CPHR designation has met the requirements of entry into the profession and must demonstrate continued competency. Alberta and Saskatchewan are considering similar action and simply put, BC businesses, organizations, and their employees as well as the public deserve to be protected from unregulated HR practises.

Self-regulation would create obligations on CPHR BC & Yukon to set, monitor and enforce professional and ethical standards already produced. It would recognize and safeguard the vital role of our members and provide employers and employees with a gold standard of professionalism in their workplaces.



We recommend:

- That, the Legislative Assembly enact legislation that will provide self-regulatory authority to CPHR BC & Yukon for the province's human resource professionals.

## Conclusion

We will all be dealing with the devastation of the pandemic in the coming years. But merely putting things back where they were is not an option. We must seize the opportunity to build new and better workplaces for the future of our economy and our families. CPHR BC & Yukon, along with its partners across Canada and around the world is keen to be part of this 'people first' future building.

We thank you for your consideration of our views and look forward to continuing to work with the legislature, ministers and officials in the coming months in putting people first.

Sincerely,



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