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VIA EMAIL: financecommittee@leg.bc.ca

To: The Select Standing Committee on Finance and Government Services

From: CPHR B.C. & Yukon

RE: Budget 2022 Consultations

A People First Budget

Executive summary

CPHR B.C. & 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 the next budget of the province of British Columbia.

These are our recommendations:

- Encourage senior workers to stay employed by providing taxation relief to those who employ them as well as enabling these workers to upgrade their skills.
- Grow and reskill the workforce through diversity, equity, inclusion and belonging strategies.
- Develop new competencies and expertise to support the emerging green economy.
- Support the development of new job skills to meet the demands of the digital shift.
- Extend the Employer Reimbursement Program for an additional year.
- Strive to provide all families with access to quality, affordable child care.

- Work with provincial, territorial and federal ministers to ensure a harmonized approach to policies and regulations that support a flexible work environment.
- Consult employers and equity requiring groups on the constraints to achieving more ambitious diversity and inclusion targets.
- Provide a direct subsidy to assist organizations to implement wellness programs.
- Address the human resource needs of employers to implement recruitment and retention strategies and diversity, equity, inclusion and belonging (DEIB) initiatives.

Introduction

Founded in 1942, the Chartered Professionals in Human Resource of British Columbia and Yukon (CPHR B.C. & Yukon) represents over 7000 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 B.C. & 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 B.C. 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 B.C. & Yukon contributes to setting and upholding national standards for HR professionals. We have an approach to advocacy that is unique as we promote public policies that ensure a healthy balance between organizational success and employee well-being, thus contributing to the overall success of the economy.

And, 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 B.C. based on “people first” goals, policies and funding.

In her Budget 2022 consultation paper, the Minister of Finance, the Honourable Selina Robinson asks how we can continue collectively to create a safe, more affordable British Columbia for everyone. For CPHR B.C. & Yukon—the answer is simple: provide people with safe, equitable, diverse, enriching work environments and the skills they need to succeed; ensure quality, affordable accessible child care for all and support smaller employers and those most affected by the COVID-19 pandemic. Here is our submission.

Key message #1 — A workforce with the right skills and in sufficient quantity is key to a sustainable path forward.

According to a recent survey conducted by the B.C. Chamber of Commerce, 59 per cent of respondents indicate that access to labour continues to be a problem. This is up from 41 per cent in April.

Labour and skills shortages are not new but the pandemic has exacerbated the problem not only in B.C. but from coast-to-coast. Here, the government has introduced a number of measures to address labour shortages including investing in the expansion of training in the health care sector, funding in partnership with organizations and indigenous communities to expand access to skills training, introducing new micro-credential courses in high-demand fields and investment in youth employment initiatives.

These are worthy initiatives but more needs to be done.

Recommendation: the government should address the following:

- Encourage senior workers to stay employed including providing taxation relief to those who employ them as well as enabling these workers to upgrade their skills.
- Grow and reskill the workforce and fill the labour shortages through diversity, equity, inclusion and belonging strategies.
- Develop new competencies and expertise to support the emerging green economy.
- Support the development of new job skills to meet the demands of the digital shift.

Key message #2: Workers must have access to paid sick leave; employers need to be supported.

It is estimated that as many as a half of employees in B.C. do not have access to paid sick leave.

Generally, those in precarious employment including women, youth, minimum wage earners and other equity groups are more likely to hold lower-paid jobs that do not provide benefits such as employer-paid sick leave. Without paid sick leave, employees often have no option but to go to work risking infecting others or in some cases, worsen their own health. Sick workers are not as productive as healthy workers. They suffer, their families suffer, and their employers suffer but often lack the resources to provide an adequate sick leave plan themselves.

On May 20, 2021, the government introduced temporary provisions that provide employees three days of paid sick leave if they need to stay home as a result of circumstances related to COVID-19. Employers who do not currently provide employees paid sick leave are eligible for reimbursement of up to \$200 a day per employee for up to three days paid leave. As you know, this initiative is set to expire on December 31.

The government has indicated that it wishes to permanently require employers to provide three days paid leave. While an Options Paper has been developed which presents three possible models for the new paid sick leave entitlement to British Columbians, further details are necessary for employers to fully comment or provide feedback on this policy. CPHR B.C. & Yukon is pleased to have the opportunity to provide input into those consultations but for the purpose of this submission, however are requesting that you might give consideration to some of the practical application challenges and perhaps unintended consequences that CPHR B.C. & Yukon has identified may flow from the amendments as they have been proposed.

We share with you below a few of the significant questions having arisen from a consultation with CPHR BC & Yukon's Public Policy Committee which have yet to be addressed:

- As the communication to employers refers to a range of possible models, but only refers to three different numbers of paid days (3, 5, 10), will there be a consultation process that allows stakeholders to have input on the details of the paid leave beyond just the number of paid days?
- The Section 49.1 proposed amendment refers to paid and unpaid days, is it at the employee's or employer's option which they use first?
- Is the government considering a permanent subsidy for employers? If yes, are they considering evening the playing field so that employers who already had a sick pay program for some employees (e.g. full-time vs. part-time or casual employees) can still get reimbursement for employees who are now eligible but were not under the employer's sick program, as they too now have a new permanent increase in costs?

For HR professionals working in a unionized environment, they note that sick leaves are typically a large portion of their collective agreements, which speaks to the clarity required for HR professionals, who will be implementing these policies in their workplaces. HR professionals are also asking for more details such as whether an employee providing care for family members or dependents would be factored into this policy.

Recommendations: We recommend that as the recovery remains uncertain the government consider extending the subsidy Employer Reimbursement Program one year to those employers who currently do not provide paid sick leave. We also recommend reviewing the eligibility criteria as sick leaves are complex and it should be noted that employers and HR professionals need more clarity around the idiosyncrasies of the policy prior to mandating. We recommend another consultation process to fully appreciate how employers will be impacted. This may facilitate a smoother transition for organizations who are still struggling without having to deal with additional new permanent costs. An extension would also allow policy makers to analyze the intended and unintended consequences of the paid sick leave initiative.

Key message #3—Families urgently need access to affordable, quality childcare

We commend the government of British Columbia for its continued commitment to childcare and congratulate ministers for reaching an agreement with the federal government that will result in a \$3.2 billion investment over five years with the goal of providing families with \$10 per day child care.

The case has repetitively been made that women have been foremost negatively impacted by the pandemic. Without access to child care, parents are making tough decisions about their participation in the labour force. There is no longer any doubt: the provision of affordable, quality child care allows families to fully participate in the economy, supporting business growth and will alleviate labour shortages.

Recommendation: Move swiftly to create new high quality, affordable child care spaces.

Key message #4—Provide people with safe, equitable, supportive and diverse work environments

A hybrid model of work is emerging throughout Canada. Some employees will continue to work remotely either part-time or full-time; many others are returning to physical work spaces and some have never left.

This situation is creating new demands on employers to create flexible work arrangements while growing their businesses.

In particular, employers need 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 strongly support this initiative and look forward to collaborating with the Minister and his officials on the development of legislation and regulations.

We also support and encourage further inquiry into the issue of the “gig” workforce.

Recommendation: That the Minister of Labour works with provincial, territorial and federal ministers to ensure a harmonized approach that support a flexible work environment including for gig workers and on-demand work that reflects the realities of emerging work forms and provide adequate protections for these workers.

Discrimination and racism exist within our society and in all areas. We have a collective responsibility to end them. However various studies have concluded that it is in employment and the workplace where inequity is experienced most intensively¹. Inequalities persist at different levels:

- Access to the labour market
- Economical (salary and benefits)
- Working conditions
- Retention of employment

Each stakeholder has a responsibility to act. Employers must deploy DEIB strategies, initiatives and programs, professional human resources associations must ensure a diverse, qualified profession and governments must ensure an appropriate legal and regulatory framework supported by well-funded initiatives and programs. As a large employer, government must show the way in promoting exemplary practices.

Addressing discrimination and racism must be a priority. Again, we press the government to act swiftly.

Recommendations:

¹ <https://inm.qc.ca/edq2020-cle08/>

- Consult employers, HR leaders and equity requiring groups on the constraints to achieving more ambitious diversity and inclusion targets.
- Strengthen existing resources to enable SMEs to access diversity training. CPHR B.C. & Yukon could assist the government to identify solutions.
- Increase 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.

While the nature of work was changing rapidly 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. 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 B.C. & 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.

Recommendation: Provide a direct subsidy to assist organizations to implement wellness programs.

Key message #5—Businesses need human resources support to implement recruitment, retention, wellness and DEIB² strategies.

The challenge businesses are facing in recruiting the necessary human resources will likely hold back the recovery.

Issues addressed earlier such as providing workers with safe, equitable, diverse and enriching work environment while ensuring employers are compliant with the many laws and regulations are challenging all employers. Larger employers have the advantage of having in-house experts and the ability to hire special advisors as they recover. Smaller employers, even those with in-house HR expertise, are juggling just as many balls but with fewer hands to keep them in the air. These issues will not disappear.

These small and medium-sized employers are the bedrock of the B.C. economy; they need and merit special support.

The Québec government has made available resources to support strong human resources practices in organizations. Through this program, businesses have access to human resources professionals to assist

² Diversity, equity, inclusion, belonging

them in developing exemplary practices in talent acquisition, culture, employment wellness, engagement, compliance and labour and employee relations. The program provides funding up to 50 per cent of professional fees subject to an organization's financial situation.³

Recommendation: Assist small and medium-sized enterprises with the recovery by providing direct funding to hire professionals to support the development of strong human resources practices in organizations.

Conclusion

We appreciate that the government is striving to put people first in ensuring a strong, resilient and sustainable future for all. We encourage the government to continue supporting businesses that have been most affected by the pandemic as the economy slowly reopens.

CPHR B.C. & 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.

³ <https://www.emploiquebec.gouv.qc.ca/entreprises/gerer-vos-ressources-humaines/soutien-en-gestion-des-ressources-humaines/>