

CPHR Canada prebudget recommendations

2022-2023 Federal Budget

CPHR Canada

We are the Chartered Professionals in Human Resources (CPHR) Canada representing 27 000 professionals across nine provinces and three territories. Established in 1994, CPHR Canada is the national voice in regards to the enhancement and promotion of the HR profession.

Our members work in organizations of all sizes and throughout many sectors, which gives them a unique viewpoint on the development of public policies that impact Canadian workers and employers. Together, we advocate in favor of public policies that ensure a healthy balance between organizational success and the well-being of employees, and in so doing contribute to the overall success of the Canadian economy.

Introduction

The COVID-19 pandemic has accelerated the transformation of the workplace. We have learned a great deal from this experience and we still need to adapt and get better. The present context remains uncertain, but it is also exciting as it collectively gives us the opportunity to build a future of work that is more human and prosperous. The 2022-2023 budget must lay the foundation for addressing today's challenges and start building tomorrow the right way.

Over the past two years, within the organisations, our members have been at the center of managing the pandemic within organizations, thus facing a number of organizational challenges. On one hand, they ensured the safety and wellness of workers as well as upkeeping the organizational performance. On the other hand, they relied on their holistic understanding of the workplace to redefine the paradigms of work according to their unique vision.

These prebudget consultations give us the opportunity to tell the Minister of Finance what priorities we think, deferring to the knowledge and expertise of our members, should be addressed in his 2022-2023 budget. Most notably:

- **The labour shortage should be dealt with urgently and vigorously**
- **Supporting policies that promote inclusive and safe workplace**
- **Anticipating and preparing for tomorrow's working world**

Economic measures of the past two years were understandably focused on fighting the pandemic and its effects. Though still precarious, the situation has settled into some kind of normalcy, and so a different posture is required. We think the government should now have the courage and ambition to tackle the economic recovery head-on, and to promptly take on the workplace challenges of today and tomorrow.

The labour shortage should be dealt with urgently and vigorously

This is the number one priority

All socio-economic stakeholders across Canada agree that labour scarcity is the main issue we are facing. It holds back economic productivity and negatively affects our country's competitiveness on the world stage. It also puts tremendous pressure on the workforce, as it is called upon to fill the gap. The consequences for the general population are multifold: service failures, the disruption of supply chains, inflationary prices on consumables, to name but a few.

Labour scarcity doesn't only touch specific regions, professions or industries anymore. It has spread all across the country. According to Statistics Canada, the number of job vacancies rose from 512,000 before the start of the pandemic (Jan, Feb, March 2020) to more than 912,000 in Q3 (July, Aug, Sept 2021)¹. According to BDC, the effects are numerous: 64% of entrepreneurs report that labour shortage limits their growth, 61% must increase their hours and/or their employees' hours, 44% have delayed or are unable to deliver orders to clients².

Because they manage workforce planning and mobility (recruitment, retention, succession), our members get firsthand accounts of the scope and scale of the effects of labour scarcity. The feedback coming from the field is concerning.

Considering the gravity of the situation, the federal government, through its budget, should respond vigorously and urgently. Along with the provinces, it should stop focusing on job creation to instead prioritize concrete actions that seek to fill the countless positions that now lay vacant. The main solutions that would enable us to achieve this are well-known:

- **Aim for a supported economic immigration (for skilled and unskilled jobs) with minimum delays and administrative burden.**
- **Encourage upskilling and reskilling to meet requirements, upgrade worker skill sets and promote future prosperity.**
- **Facilitate access to and openness toward the remote workforce pool (experienced workers, persons with disabilities, BIPOC workers, etc.) by educating employers and reducing barriers.**
- **Encourage the digital transition as well as automatization, AI and robotization so that business can gain productivity and workers can focus on added-value tasks.**

CPHR Canada is hoping to see considerable and ambitious investments in all those areas, as the complexity of the present situation demands dedicated involvement and a wide range of actions.

¹ <https://bit.ly/3HAroyf>

² <https://www.bdc.ca/en/about/analysis-research/labour-shortage>

Skill development in the workplace is a common responsibility shared between individuals and employers. A two-track approach should be put in place as both have to play a part in order to ensure that the workforce has the abilities and knowledge to face tomorrow's challenges. As the future of work is uncertain and the workplace is constantly transforming, we should focus on the skills of the future which are a combination of digital and human skills. In addition to programs that are oriented towards workers, the federal government should provide more support directed to employers so they can better upskill and reskill their workforce within their organizations.

Also, the government could encourage organizations to take the path of digital transformation, by creating programs that assist in changing the current structure, and organizational design of the company, all while supporting employers in developing the people that will work with those technologies.

Training and employment mapping system

Canada also needs a comprehensive information system that would link training, skills and jobs. Employers, training providers and government agencies need to share a common vision as a foundation. A mapping of training and employment opportunities that should be put in place. The mapping system would have three interlocking components:

1. A database of training and education programs and providers;
2. A classification system — or “taxonomy” — of skills and other job requirements that reflects how job seekers and employers think and talk about skills; and
3. Linkages that map the training database to skills and other work requirements described in the taxonomy.

Employment Insurance Program

The government is also currently reviewing its Employment Insurance Program. CPHR Canada believes the time has come to modernize the EI program to recognize the accelerated transformation of the workplace and the workforce and to take into account the many learnings from the COVID-19 experience.

EI renewed has the possibility to be a better tool to address labour shortage while supporting active employment measures that recognize the changing nature of the workplace and workforce. In addition to being an inclusive safety net for workers in need, the EI program should first incentivize workers to return to work. Notably, Artificial Intelligence and other technologies could be of great use to help connect people to jobs offers in real time.

CPHR Canada has made various recommendations in its April 2021 [submission](#) to the House of Commons Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities.

Supporting policies that promote inclusive and safe workplace

Diversity, equity, and inclusion

Whether for or within organizations, HR professionals are often the initiators and facilitators of initiatives that support diversity, equity, and inclusion (DEI). They've long understood the importance of having inclusive workplaces of all kinds, both because it relates to a collective duty of fairness and because it benefits businesses through learning and innovation opportunities.

Now more than ever, DEI is, rightfully, at the center of discussions. Awareness has been raised on this issue, but there's still so much to do at ground level as many biases persist that should be dismantled. For one, there are no excuses to justify the fact that Canadian-born individuals from visible minorities who have a college degree earn 87.4 cents for every dollar their White counterparts make.³

And the pandemic has only accentuated such inequities between groups. For example, Canadian women in households with children under 15 report worse overall mental health outcomes than men in the same situation.⁴

CPHR Canada encourages the government to deepen its ongoing commitment to DEI. We are looking forward to see general as well as more pointed investments in that regard.

The [50-30 Challenge](#), for example, is a great initiative that promotes corporate diversity at the decisional level (boards and senior management), sets clear goals, and offers tools and resources to help organizations implement best practices. Unfortunately, the program is still unknown to many and it mainly reaches organizations that are already convinced of the importance of DEI and dedicated to furthering the cause. Communication efforts should be deployed to massively promote the program, with fiscal incentives attached in order to motivate organizations to embrace DEI. More of them should join the movement, set goals and work towards reaching them.

More targeted measures should also be put in place in order to reach groups that are underrepresented in the workplace—people with disabilities, for example.

Mental health

According to the Mental Health Commission of Canada, mental health problems represent an economic burden of 51 billion dollars per year in this country, 40% of which is attributable to loss of productivity in the workplace.⁵ A 2016 Salveo study revealed that if nothing is done to fight and prevent those issues, the associated costs for Canadian businesses (absenteeism, presenteeism, turnover rate, loss of productivity) will reach 198 billion dollars in the next 30 years.⁶ According to a 2019 Deloitte study, disability benefits requests attributable to mental health issues increase 0.5% to 1% each year.⁷

Even more worrying is the fact that those statistics were published before the pandemic. Due to the persistent anxiety-inducing context we've been in, the mental health problems of the population have reached alarming proportions and in the long term could lead to worrisome human, business and social costs. According to the Mental Health Index by LifeWorks, from a low of -11.8 for the mental health

³ <https://inm.gc.ca/edq2020-cle08/>

⁴ <https://bit.ly/3oA7N9N>

⁵ <https://www.erudit.org/fr/revues/smq/2017-v42-n2-smq03262/1041912ar/>

⁶ http://www.ertsm.umontreal.ca/wp-content/uploads/2013/11/ERTSM_Etudes_de_Cas_2016.pdf

⁷ <https://www2.deloitte.com/content/dam/Deloitte/ca/Documents/about-deloitte/ca-fr-about-blueprint-for-workplace-mental-health-final-aoda.pdf>

index score in December of 2020 to a pandemic high of -9.7, the most recent score is -10.2 (December 2021), which represents a high level of mental health risk.⁸

Having said that, the pandemic has undoubtedly contributed to the dismantling of mental health-related taboos. Still, preventive practices should be encouraged and put in place by all stakeholders. Employers need help to identify best practices that have a positive, concrete effect, so that they can implement an environment that favours wellness. Mental health is a complex issue, and so organizations, especially smaller ones, should be supported and equipped accordingly; the government must help and accompany them so they can effectively carry out their responsibilities. The [National Standard of Canada for Psychological Health and Safety in the Workplace](#) could be encouraged in order to prevent work psychosocial risks factors. Although the Standard is technically free and tools are available, organizations would gain from having support from health and safety professionals for its implementation and sustainably. the government could subsidize such support so organizations can better play an active role in preventing.

Along with a preventive approach, better access to resources is essential when intervention is needed. The government could for example encourage and facilitate access to an Employee Assistance Program (EAP), through current national Insurance companies for example, so that employers, and especially smaller ones, can offer such services to their workforce.

CPHR Canada believes it is crucial that the coming federal budget include measures commensurate with the seriousness of this issue.

Anticipating and preparing for tomorrow's working world today

The world of work was already transforming before the pandemic hit. Since then, changes have accelerated exponentially and brought about new challenges.

Telework has become prevalent, and most businesses will soon transition to a hybrid working environment. Organizations have had to rethink their business models and to continuously reorganize workforces and conditions. Some industries have been weakened or are in decay while others are thriving., workers have seen in this an opportunity to reassess their personal and professional goals and priorities.

We must promote initiatives where organizations within industries can connect and share in order to stabilize our business ecosystem and create new path to social-economic growth for Canada.

On a larger scale, while many short-term issues still need to be addressed, collectively we also need to be ready for the challenges of tomorrow, the government and stakeholders should work together to determine what world of work they want to build and what challenges are yet to come. To this end, we recommend that a pan-Canadian collaborative forum be put in place, one where all actors can connect and work towards the same goal, striving for a more human and prosperous working world.

⁸ <https://bit.ly/3uAFDj1>

In this, CPHR Canada extends its full collaboration, and with its unique perspective is committed to work with the government and all stakeholders in anticipating and preparing for tomorrow's world of work.

Building a human and prosperous working world for today and tomorrow: CPHR leading the way

Though we have made a number of recommendations in this letter, we know the job will not end with this budget. On these issues, ongoing, concerted efforts are required.

We thank you for this opportunity to participate in the federal budget consultations. As we always act in the interest of the overall success of the Canadian economy, we wish to offer you our full cooperation as it would be our pleasure to bring to you our expertise on the challenges of the workplace.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'A. Ariganello', with a stylized flourish at the end.

Anthony Ariganello,
President & Chief Executive Officer
CPHR Canada