

**Recommendations submitted by CPHR Canada
to the House of Commons Standing Committee on Finance**

Consultations on the 2024-2025 Federal Budget

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August 4, 2023

Mr. Peter Fonseca, MP
Chair
Standing Committee on Finance
House of Commons
By email: peter.fonseca@parl.gc.ca FINA@parl.gc.ca

Subject: CPHR Canada recommendations for the 2024-2025 Federal Budget

Dear Mr. Fonseca,

Representing 31,000 human resources professionals in nine Canadian provinces and three territories, CPHR Canada is the national voice of the country's HR profession. We advocate for policies that strike a healthy balance between organizational success and employee well-being.

Canadian workers and the organizations that employ them are currently facing a lot of uncertainty: slowing economic growth, inflation, rising interest rates, faster productivity growth among our competitors, and so on.

Against this backdrop, there are major challenges for the world of work: the shortage of manpower, the mental health of workers and managers, as well as the issue of equity, diversity and inclusion. Based on the expertise of our members, we are submitting ten courses of action that should be given priority in the next budget.

I. A persistent labour shortage

According to Statistics Canada, the number of vacancies rose from 512,000 in the first quarter of 2020 to 759,000 last May. Even if the acute phase that we experienced during the post-pandemic recovery is fortunately behind us (992,000 vacancies in the third quarter of 2022), the shortage persists despite the current slowdown.

This is a complex problem that requires a wide range of actions.

Recommendation 1

Provide the resources required to support increased economic immigration

CPHR Canada welcomes the 2023-2025 Immigration Levels Plan released in November. We also think that the department responsible for Immigration, Refugees and Citizenship Canada should be given all the resources it needs to quickly implement the immigration recommendations recently made by the Standing Committee on Industry and Technology in its report on Canadian SMEs competitiveness. On behalf of the government, the Minister of Innovation, Science and Industry has committed to follow up on this report and we hope that the next budget will contain the amounts required to put words into action.

Recommendation 2

Encourage upskilling and reskilling during the slowdown

For the unemployed, whose numbers are rising due to slower growth, it is still important to fund reskilling efforts through the employment insurance program. Our members nevertheless suggest that the government not limit its support to the unemployed. Both employed workers and employers should be supported in their skills development efforts as well.

Recommendation 3

Further facilitate access and openness to remote labor pools

The government should strengthen its initiatives for people “far from the labour market” by increasing the financial resources required for their training and labour market integration. We are referring here in particular to candidates who come from First Nations, live with a disability or have a criminal record. As far as experienced workers are concerned, the government must continue to encourage longer working lives, such as by ensuring that the interaction between social benefits and taxation does not discourage them from working. The government could also assess the feasibility of introducing a new federal tax credit for older workers who continue to work, like the one in Quebec.

Recommendation 4

Support technological change and the development of digital skills

Technological change and digital skills go hand in hand. As economist and Senator Diane Bellemare (Group of Progressive Senators) recently wrote in the media, “Skills development is a major blind spot. Business investments in machinery, computers, robots and artificial intelligence still rely on humans for Canada to reap the benefits. Businesses won’t invest if there are no people with the necessary skills to operate and work with up-to-date tools.” While supporting digital transformation, automation, AI and robotization to improve productivity, the government must also support workers and employers in the development of digital skills.

Recommendation 5

Prioritize and support the modernization of the Employment Insurance Program

The program needs to be significantly updated so that it continues to provide workers with a safety net but also added incentive to return to work. CPHR Canada made recommendations in this regard during the consultations two years ago. We hope that the new Minister of Employment and Workforce Development will be given the mandate – and the necessary financial resources – to put this modernization project back on track.

II. Psychological health of workers

A recent survey conducted by Mercer human resources consulting firm concluded that:

- more than one-third of disability benefit claims in 2022 were attributable to mental health reasons;
- less than two-thirds of organizations (63%) deal effectively with this risk.

Such data is worrying. All stakeholders must do more to support worker health and reduce the growing costs organizations incur due to absenteeism, presenteeism, lost productivity, etc. Here are two concrete proposals that will allow the federal government to better support the psychological health of workers.

Recommendation 6

Further support the Department of Employment and Social Development on workplace harassment and violence

CPHR Canada has previously commended the current government for introducing significant requirement for employers to prevent and address harassment and violence in federally regulated workplaces. That said, by participating in the work of the Federal Task Force on Harassment and Violence, CPHR Canada was able to observe that several avenues could be considered to improve government action in this sector:

- awareness and support could be improved by increasing the content available on the government website and by rolling out a national campaign for employers and workers;
- investigators identified as potential resources for organizations are relatively few in number and, above all, could benefit from training to achieve more consistent interventions in the various work environments;
- other stakeholders, such as parity committees, would benefit from better training so that they fulfill their role more effectively.

Such actions would require additional financial resources for the Department of Employment and Social Development.

Recommendation 7

Create and fund a program to support the deployment of the National Standard of Canada for Psychological Health and Safety in the Workplace

Although this voluntary Standard is technically free and basic tools are provided by the Canadian Center for Occupational Health and Safety and the Mental Health Commission of Canada, organizations would benefit from receiving support from occupational health and safety experts for its implementation and maintenance. Employers, especially smaller ones, need help identifying best practices that have a tangible positive effect. The government should consider creating and funding a financial assistance program for organizations that want to adopt the standard but need professional assistance to implement it properly.

III. Diversity, Equity and Inclusion (DEI) in the Workplace

Strongly committed to DEI, CPHR Canada conducted [an extensive pan-Canadian survey of HR professionals](#) at the beginning of the year. The results will prove useful to a wide range of stakeholders. Despite the undeniable advantages of DEI, it is clear that there is still a lot of work to be done. Here are three recommendations on the federal government's role.

Recommendation 8

Increase awareness and support budgets for the Pay Equity Unit

CPHR Canada has committed to continuing to work with the Canadian Human Rights Commission's Pay Equity Unit in its efforts to raise awareness of employers' obligations under the Pay Equity Act. Given the employers' deadline for developing their organization's pay equity plan (September 3, 2024), we believe that the Pay Equity Unit would benefit from additional funding.

Recommendation 9

Anticipate the resources needed to modernize the Employment Equity Act

Some of the proposals made by CPHR Canada during last year's consultation held by the Employment Equity Act Review Task Force may have budgetary implications. We are therefore awaiting the Task Force's final report and the government's commitments for following up on it. In particular, existing resources should be enhanced so that businesses, especially SMEs, have greater access to diversity and inclusion management training.

Recommendation 10

Increase support for the 50-30 Challenge

The 50-30 Challenge is a federal government initiative that deserves more attention. The program encourages gender parity and a significant percentage of members of other equity-seeking groups on boards of directors and/or management teams. As of July 25, 2,173 organizations had participated across the country. This number could rise if the program was promoted more intensively. Tax incentives could also be put in place to encourage organizations to adopt DEI.

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Conclusion: anticipating and preparing for the world of work of tomorrow

Government and all stakeholders should work together to understand the challenges on the horizon, including the impact of artificial intelligence on work, and determine what world of work they want to build for the future. To this end, CPHR Canada continues to support the creation of a Canadian HR Collaborative Forum. The aim of such an initiative would be to bring together all the key HR players in the country so that they can work towards a common goal: a more humane and prosperous world of work. CPHR Canada offers its full cooperation to further develop this idea and bring it to fruition.

Thank you for this opportunity to participate in this consultation. We look forward to continuing to share the expertise and perspective of HR professionals with you and your colleagues.

Cordially,



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