

10 HR Priorities

for the Next Canadian Government

Organizational Success and Employee Well-Being

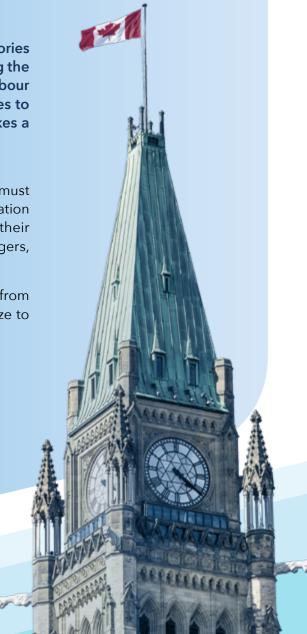


Representing 31,000 human resources professionals in nine provinces and three territories of Canada, CPHR Canada is the national voice of the country's HR profession. During the current federal election campaign, we wish to draw political parties' attention to the labour and employment issues that we consider to be priorities. We encourage the parties to make concrete commitments so that we can collectively build workplaces that strikes a healthy balance between organizational success and employee well-being.

We face huge challenges. In addition to Canada's known productivity issues, our country must now navigate trade tensions with the United States and other trading partners. This situation is creating a great deal of uncertainty and turbulence in the world of work. Because their activities and jobs are potentially at risk, many Canadian workers, as well as their managers, are experiencing high levels of stress and anxiety at work.

To address these issues, CPHR Canada is drawing on the expertise of HR professionals from across the nation and submitting ten actions that the next government should prioritize to help create:

- an innovative and productive economy;
- a qualified and available workforce;
- healthy, supportive and inclusive workplaces.



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An innovative and productive economy

As mentioned by Employment and Social Development Canada in its <u>discussion paper</u> for last fall's <u>Workforce Summit</u>, Canada's lagging labour productivity is a worrying trend. Its lacklustre performance comes as no surprise, considering that Canadian business investment and business investment per worker have been lagging behind the United States for decades and the gap continues to widen. The next government must do more to correct this situation.

Encourage greater productivity by supporting technological change (for example: deploying AI) and developing digital skills

To make our businesses more productive, new technologies need to be adopted and skills improved. While supporting the digital transition, automation, Al and robotization to improve productivity, the next government will also need to support workers and employers in developing the skills required to exploit these technologies.

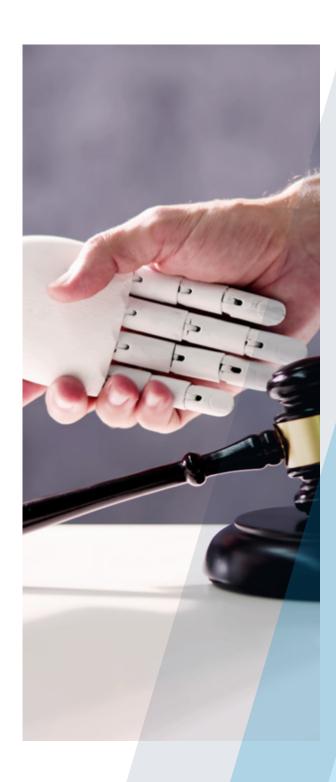
In addition, CPHR Canada suggests that the next government conduct a large-scale information campaign on all measures that the federal government has implemented to improve the productivity of the Canadian economy. Some measures are already in effect and deserve to be better known.

Improve artificial intelligence regulation by resuming the legislative process for Bill C-27, which enacts the Artificial Intelligence and Data Act

At a time when many businesses are stepping up their digital transformation efforts to boost productivity and stay competitive, CPHR Canada believes that labour legislation and organizational practices need to be further developed to support this transition and avoid certain missteps. In addition to encouraging the development of innovative businesses and an artificial intelligence ecosystem, Canada has an opportunity to set the example for digital transformations in workplaces.

The issue of regulation is particularly complex. It has elicited heated, polarizing debates around the world. Some are advocating for rigorous, strict oversight. Some would prefer a more flexible regulatory framework that encourages self-regulation. Some feel that a rapid response is urgently needed (even if it requires later revision) to preempt potential missteps with AI and steer its development. There are also those who argue in favour of a more careful approach.

In 2022, the federal government tabled <u>Bill C-27</u>, the <u>Digital Charter Implementation Act</u>, 2022. While the Artificial Intelligence and Data Act, which was introduced as part of this bill, took a strict approach, several measures still needed to be defined by regulation. The House of Commons Standing Committee on Industry and Technology began to study this bill, but was unable to finish its work. We encourage the next government to resume this work so that Canada has an appropriate regulatory framework for Al in workplaces.







A future-proof workforce: skills and availability

According to Statistics Canada, the number of job vacancies across the country totalled 467,360 in January 2025. Despite a steady unemployment rate of just over 6% since March 2024, recruitment is still the main human resource issue for employers. This challenge is even greater outside of large urban centres. Technical and production positions are still particularly hard to fill.

In addition, more employers are experiencing workforce qualification issues. At a time when the world of work is undergoing rapid transformations - whether these transformations are linked to technological changes or our evolving trade policies - workers' skills development will be one of the major challenges in the coming years. Canada needs a more robust strategy to improve skills development here. This issue will require more sustained attention from the next government.

Adapt the Employment Insurance Program's income and training support measures to the changing economic conditions that are affecting the workforce and employers

CPHR Canada welcomes the outgoing government's decision to implement temporary measures to reduce the impact of economic turbulence on employers and workers who are either at risk of losing their jobs or have already lost them. The enhancement of the Employment Insurance Work-Sharing Program is one of these measures. It will reduce the number of layoffs and lower the cost of regular Employment Insurance benefits caused by the current climate of uncertainty and the sluggish Canadian economy.

The next government will need to gauge the success of these measures and make sure that they facilitate the requalification of workers who leave a sector affected by an external event (e.g. trade tariffs) or help strengthen the skills of workers who are asked to perform new tasks in their sector.

Over the longer term, the next government will also need to consider a permanent modernization of the Employment Insurance Program. CPHR Canada made recommendations along these lines during the consultations held by the federal government in 2021. We hope that the next Minister of Employment and Workforce Development will receive the mandate - and the required financial resources - to put the modernization plans back on track.

Moreover, when it comes to skills development, the federal government should not limit its support to the unemployed. Employed workers, as well as employers, should also be supported, whether this involves carrying out diagnostics or offering training activities that will allow them to improve their skills and productivity and remain competitive.

Finally, CPHR Canada also supports the proposal made last fall by worker and employer representatives, who joined forces to call for the creation of a national advisory council in order to improve coordination of workforce development and ensure effective and institutionalized dialogue between the stakeholders concerned. In addition to representatives of unions, employer groups and provinces, this body should also include the participation of other organizations whose missions enable them to play a key role in the skills development ecosystem. These organizations have complementary positions and expertise to those of the unions and employer groups and can help build bridges between the two types of organizations, which often sit on opposite sides of the negotiation table.

Reduce the barriers to workforce mobility

A number of HR professionals mentioned that the trade tensions with the United States should prompt Canada to improve the functioning of its own national market by reducing the barriers to trade and workforce mobility between the provinces. Harmonizing professional certifications poses a major challenge. Disparities between provincial requirements make it difficult to recognize qualifications, which hinders workers from being able to practice their profession in other regions. The federal government can and must play a role in encouraging better coordination between the provinces. Collectively, through the work of the Committee on Internal Trade or other competent bodies, we must facilitate this mobility and optimize the use of skills available throughout Canada. This is also the reason why CPHR Canada was created. In fact, the provincial entities conceived this organization to be a unifying force and ensure consistency in professional HR supervision and recognition of the designation from coast to coast.

Facilitate the integration and retention of workers from underrepresented groups in Canadian workplaces, including experienced workers

The government should strengthen initiatives aimed at integrating individuals who are far removed from the labour market by increasing the financial resources allocated to their training and to programs that help them gain employment. We are referring, among others, to applicants who are from First Nations, who live with a disability, or who have criminal records. As for experienced workers, the government should make sure that its fiscal policies provide them with more incentives to extend their careers.



6. Immigration: Maintain access to international talent

CPHR Canada has taken note of the 2025-2027 Immigration Levels Plan and of the various tighter measures that were implemented last year by the Ministry of Immigration, Refugees and Citizenship. We understand that immigration targets must factor in Canadian society's capacity to integrate newcomers (housing, public services, etc.). However, we have some concerns about the consequences that are already being felt, especially outside the large urban centres where the labour shortage continues to be a major issue.

JOBS AFFECTED BY A LABOUR SHORTAGE

CPHR Canada would like to share its concern about the tighter measures affecting temporary foreign workers and economic immigration leading to permanent residency. Canadian society has evolved over the last few decades and many occupations, for various reasons, no longer attract Canadian-born individuals like they once did. Examples include jobs in the agri-food and manufacturing sectors (e.g. animal slaughtering, welding and other specialized trades), healthcare (basic care from medical orderlies) or food service (cooking). In many cases, the immigrant workforce is necessary. The next government's Canadian immigration policies and targets must reflect this situation. Furthermore, Canadian employers must be able to count on some degree of predictability in immigration policies. For example, the recent change of policy concerning temporary foreign workers could jeopardize the competitiveness and viability of sectors that count on this workforce.

FOREIGN STUDENTS

The recently tightened rules for foreign students who want to pursue their studies at Canadian post-secondary institutions (significant decrease in the number of permits issued, reform of the post-graduation work permit program) are not without consequences. These changes could adversely affect the supply of labour in certain sectors, including human resources management. We invite the next government, in collaboration with the provinces, to monitor developments very closely and adjust its rules to minimize the impact on in-demand professions in the job market.

SKILLS RECOGNITION

Skills recognition processes for internationally trained individuals are often too long, too complex and too costly. This situation delays their entry into the Canadian labour market. The next government must work together with the relevant authorities (provinces, professional orders) to find ways to simplify and accelerate these processes, while ensuring appropriate professional qualification levels.



Healthy, supportive and inclusive workplaces

A <u>survey by Mercer human resources consulting firm</u> found that over one-third of disability benefits claims in 2022 were attributable to mental health causes and that less than two-thirds of organizations (63%) are effectively managing this risk. Such data is worrying. All stakeholders need to do more to support workers' health and reduce the growing costs that organizations incur due to absenteeism, presenteeism, lost productivity, etc.

Strongly committed to diversity and inclusion, CPHR Canada conducted <u>a large pan-Canadian survey of HR professionals in 2023</u>. Since then, we have continued to monitor and guide the development of these practices, which are often the subject of heated debate. Recognized for its multiculturalism, Canada should continue to show leadership in this area and ensure that diversity and inclusion policies remain at the heart of organizational practices, and that these policies rely on practices that truly have a positive effect.

From mental health to diversity and inclusion, the federal government can provide more support to workers and federally regulated employers.

Harassment and violence: Improve investigative skills and bolster support for employers and the workforce

CPHR Canada previously commended the outgoing government for introducing significant requirements for employers to prevent and address cases of 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 area:

- Awareness and support could be improved by increasing the content available on the government's website and 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.

Pay transparency: Draw inspiration from best practices to implement federal legislation

Pay transparency is based on the idea that employees are legitimately entitled to know their pay as well as the structures and rates of pay in force where they work. In a unionized environment, this transparency is generally enshrined in collective agreements and union practices. It ensures a degree of predictability and pay equity for workers.

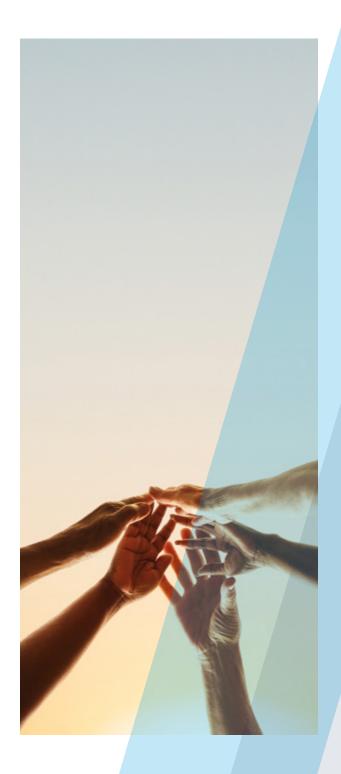
Several Canadian provinces have already begun the process of legislating on pay transparency practices for all employers in their jurisdictions, including Newfoundland and Labrador (Pay Equity and Pay Transparency Act), Nova Scotia (Bill 386 - Pay Equity and Pay Transparency Act), Prince Edward Island (Employment Standards Act), and British Columbia (Pay Transparency Act).

At the federal level, several laws indirectly promote some degree of pay transparency (e.g. Pay Equity Act). Due to the unjustified differences in pay between specific groups that we continue to observe, we encourage the next government to consider this issue and draw inspiration from best practices in Canada and abroad to create its own legislative framework.

Employment Equity Act: Review the law to reflect the findings of the 2024 consultation and increase the number of resources to support bodies that have to implement it

Last September, <u>CPHR Canada submitted its comments</u> as part of the Employment and Social Development Canada consultation that followed up on the Employment Equity Act Review Task Force's Report. The purpose of the Act is to achieve and sustain equality in the workplace through effective employer implementation. To that end, it will be essential for the government to provide organizations with a greater abundance of guidance resources than it has since the Act was implemented. As an example, the implementation of the Pay Equity Act could serve as a guide to providing clear information, effective tools and readily accessible training. This guidance will need to be provided to organizations on a continuous basis, as equity and inclusive practices continue to evolve, and expertise is being developed across the country.

In the area of equity and diversity, the 50-30 Challenge is another federal government initiative that deserves more attention. This program encourages gender parity and a significant percentage of members of other equity-deserving groups on boards of directors and/or senior management. As of March 10, 2,853 organizations had participated in it across the country. This number could rise if the program was promoted more intensively. Tax incentives could also be put in place to stimulate the adoption of diversity and inclusion practices by organizations.



Psychological health and safety in the workplace: Further promote the National Standard of the Mental Health Commission of Canada and provide employers with support in implementing it

Although the National Standard of Canada for Psychological Health and Safety in the Workplace is technically free of charge and basic tools are provided by the Canadian Centre for Occupational Health and Safety and the Canada Mental Health Commission, 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.

Due to the major challenges facing Canadian workplaces, all stakeholders must work together to identify and to apply the required solutions. Toward that end, CPHR Canada strives to keep doing its part to continuously improve the federal government's policies and programs in support of workers and employers. We offer the next government our full cooperation.



HUMAINES AGRÉÉS



