

Examining labour relations through the small business lens

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On behalf the Canadian Federation of Independent Business (CFIB) 10,000 small and medium-sized member businesses in British Columbia, we welcome the opportunity to share insights on employment rule changes. While it is prudent to review the labour and employment framework from time to time, we have a number of concerns about this review and the unintended consequences changes will have on the province's entrepreneurs as well as the economy as a whole.

In addition to the joint submission filed with 13 other associations on changes to the labour code, we wanted to submit some additional information. The following submission draws from two CFIB data sources. The first source is a public opinion poll conducted for CFIB by Ipsos between August 23 to August 28, 2018 with a sample size of 2,001 employed Canadians, including self-employed and working students. Secondly, data is also drawn from a national CFIB survey conducted August 22 to October 10, 2017, with data specific to British Columbia analyzed and presented.

The submission is structured as follows:

- Employer and Employee Relationships;
- Benefits of Flexible Workplace Practices;
- Promoting Flexible Workplace Practices;
- Protecting the Private Sector; and
- Recommendations.

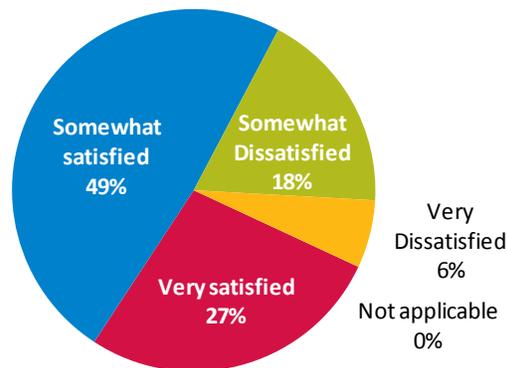
Employer and Employee Relationships

A successful Labour Relations Code is one which promotes a labour force where both employers and employees can thrive. The Labour Relations Code does currently achieve some elements which help to promote positive working relationships. This section of the submission looks to examine the satisfaction of employees in their current working arrangements, and what drives that satisfaction.

Our survey results suggest that the current Labour Relations Code helps effectively frame an environment for employees to succeed. When surveyed, 76 per cent of employees indicated that they were either very satisfied or somewhat satisfied with their overall work arrangement (see Figure 1). In addition, the Code provides employers and employees with the opportunity to negotiate flexible working arrangements. It is essential that the Code continues to promote the possibility for employees and employers to have flexible working arrangements, as it benefits both parties. The benefits for employees can be seen in Figure 2, where 73 per cent of employees indicated that they were either very satisfied or somewhat satisfied with the flexibility to improve work-life/family balance in their working arrangement.

Figure 1

How satisfied are you with the overall satisfaction your work arrangement?

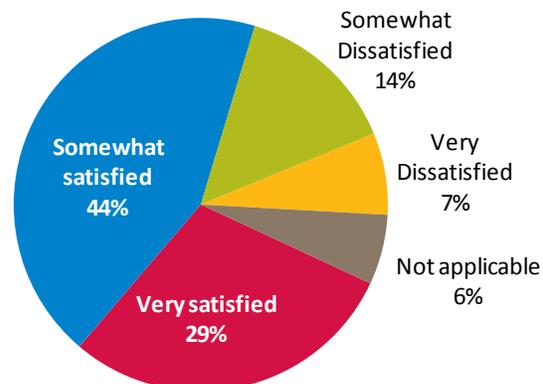


Note: Totals may not add up to 100% due to rounding.

Source: IPSOS Public Opinion Poll conducted on behalf of the CFIB, August 23rd to August 28th, 2017. n=2001 employed Canadians, including self-employed and working student

Figure 2

How satisfied are you with the flexibility to improve work-life/family balance in your work arrangement?



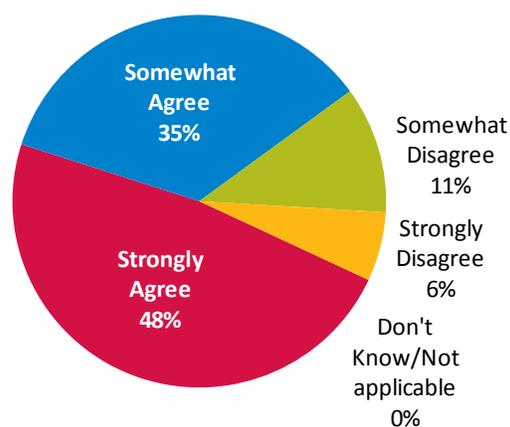
Note: Totals may not add up to 100% due to rounding.

Source: IPSOS Public Opinion Poll conducted on behalf of the CFIB, August 23rd to August 28th, 2017. n=2001 employed Canadians, including self-employed and working student

Not only are employees satisfied with their current work arrangements, the large majority have chosen their current working arrangements. Survey data shows that 83 per cent of employees in all working arrangements agree that their current arrangement is their personal choice (see Figure 3). This is important to highlight, and gives evidence to the fact that the majority of employees are satisfied with their work arrangements and the flexibility that can be negotiated with their employers. The province must continue to support an environment that works for employees and employers; one which does not strip away the possibility for these relationships to exist in the first place.

Figure 3

My current work arrangement is my personal choice.



Note: Totals may not add up to 100% due to rounding.

Source: IPSOS Public Opinion Poll conducted on behalf of the CFIB, August 23rd to August 28th, 2017. n=2001 employed Canadians, including self-employed and working student

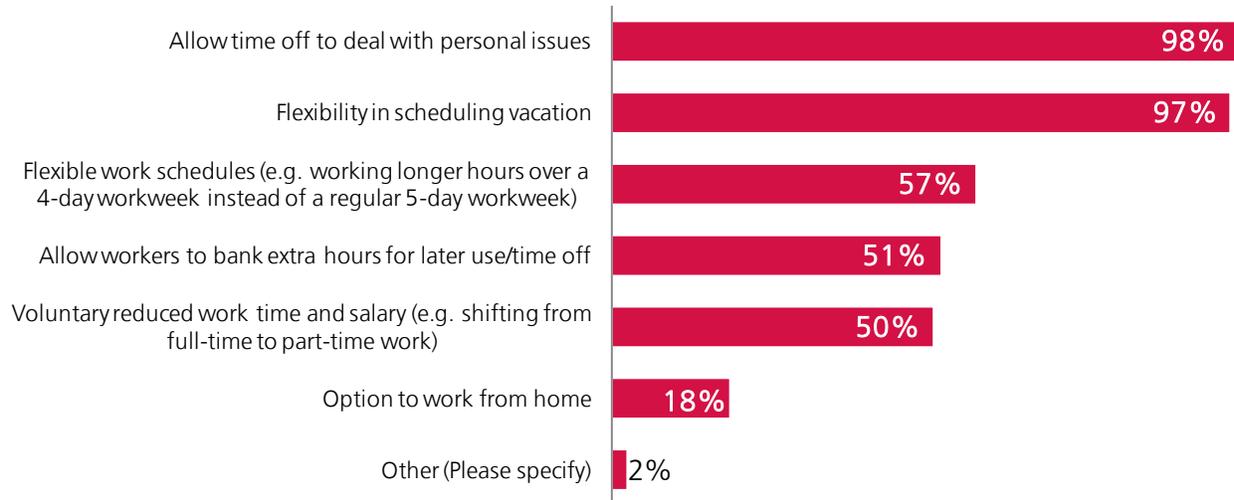
Benefits of Flexible Workplace Practices

Moving forward, it is essential that any review of Labour Relations Code takes into account the value of healthy employer and employee relationships. Not only is it evident that employees benefit and are satisfied with their current work arrangements, access to flexible working schedules seem to be a driving part of that satisfaction. Employers feel the same way. Flexible working environment not only benefit employees, but they contribute positively to employers too. Currently, small businesses in BC offer their employees a variety of flexibility; for example, 98 per cent allow time off to deal with personal issue, 97 per cent offer flexibility in scheduling vacation, and 57 per cent offer flexible work schedules (see Figure 4).

Flexible working environments benefit businesses, and subsequently employers. They help build meaningful relationships between employees and employers and help overall satisfaction of both parties. 90 per cent of employers report better relationships with their employees, 79 per cent have higher employee job satisfaction, and 75 per cent have higher employee retention from flexible workplace practices.

Figure 4

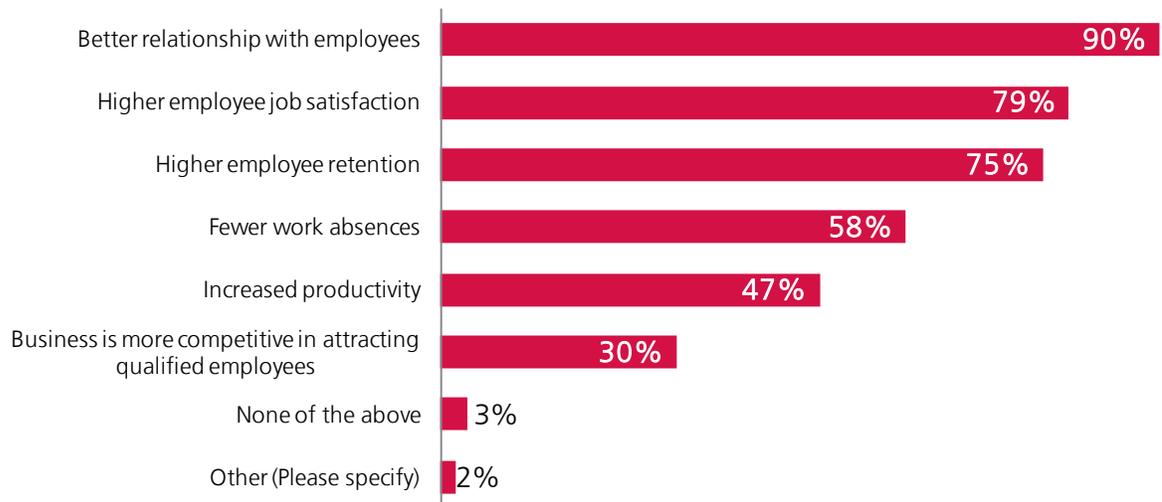
Which of the following flexible workplace practices does your business offer employees? (Select as many as apply)



Source: CFIB Changing World of Work Survey, Aug 22 to Oct 10, 2017. n=391 for BC breakdown

Figure 5

How has your business benefited from these flexible workplace practices? (Select as many as apply)



Source: CFIB Changing World of Work Survey, Aug 22 to Oct 10, 2017. n=390 for BC breakdown

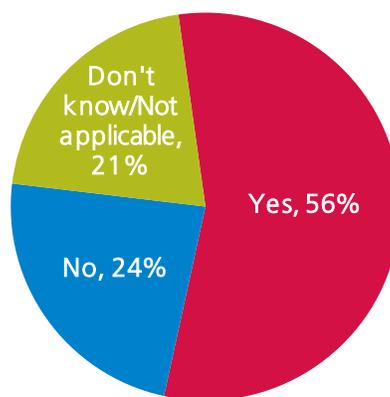
British Columbia must continue to provide employers and employees the flexibility they need to develop positive working relationships. While the Labour Relations Code does help promote this environment to an extent, there is room for improvement. With the best interests of employers and employees in mind, there are several action items that can be taken to help strengthen workplace relationships

Promoting Flexible Workplace Practices

To promote a healthy working environment that allows employers to give the most support they can to their employees, it is important to provide them with the right tools to do so. Government regulation and law can sometimes hinder small businesses from implementing flexible workplace practices. Excessive regulation can choke the variety of flexibility employers can offer, resulting in limited working options for employees. Regulation can limit work flexibility incentives and hinder small business competitiveness. While this is bad for employers, it is equally bad for employees. The burden of government regulation and payroll taxes causes 56 per cent of small businesses to hire fewer employees (see Figure 6). This translates to fewer jobs in BC's economy. Clearly, the current level of government regulation and payroll taxes is not the optimal solution. In fact, this suggests that BC should move towards a Labour Relations Code which favours workplace flexibility.

Figure 6

My business is hiring fewer employees due to the burden of government regulation and payroll taxes

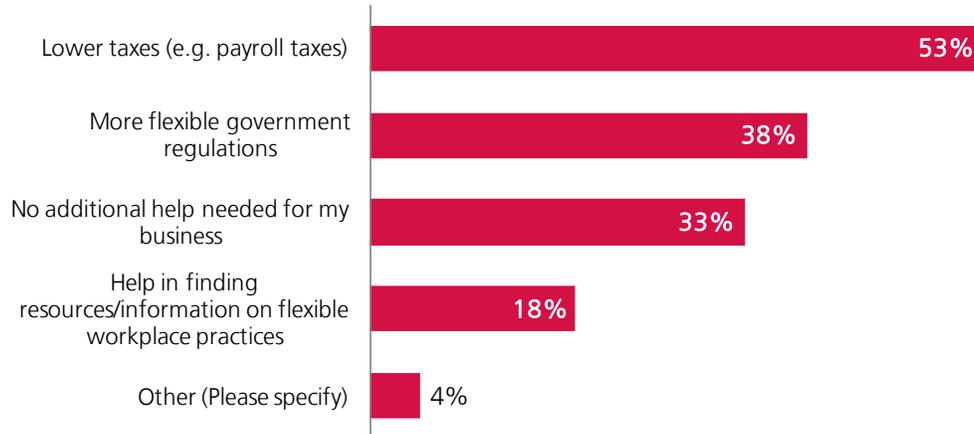


Source: CFIB Changing World of Work Survey, Aug 22 to Oct 10, 2017. n=749 for BC breakdown

There are several ways for the province to continue promoting healthy employer and employee workplace relationships. The best way the province can help support small businesses and employees is through lower taxes (e.g. payroll taxes), which 53 per cent of businesses support. Secondly, 38 per cent of small businesses indicate that more flexible government regulations would help them offer better workplace practices. While it is great news that 33 per cent of businesses indicated they require no additional help, it is important that steps are not taken to jeopardize the confidence of those businesses. We must continue to promote and grow opportunities for our business community to promote flexible working environments for employees.

Figure 7

What would help your business offer flexible workplace practices? (Select as many as apply)



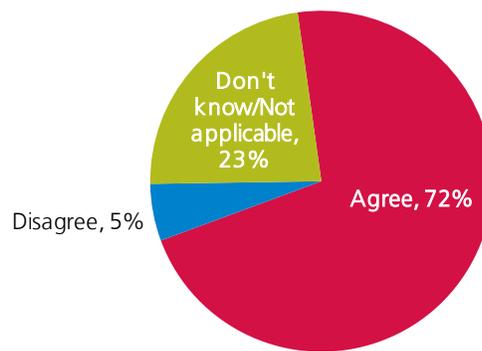
Source: CFIB Changing World of Work Survey, Aug 22 to Oct 10, 2017. n=699 for BC breakdown

Protecting the Private Sector

Throughout this submission, we continue to emphasize the importance and value of flexible workplace practices between employers and employees. Most important is the success of flexible practices, better working relationships, greater employee job satisfaction, and higher employee retention. With this in mind, it is essential that the province does not jeopardize or inhibit the success of flexible working arrangements by altering the current Code.

Figure 8

A written agreement should serve as adequate proof of a business' relationship with a worker for government compliance purposes

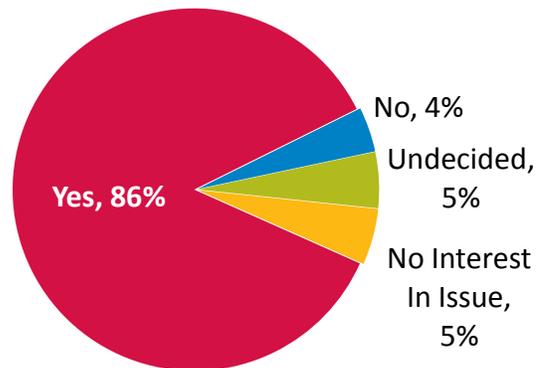


Source: CFIB Changing World of Work Survey, Aug 22 to Oct 10, 2017. n=738 for BC breakdown

72 per cent of small businesses agree that a written agreement should serve as adequate proof of a business' relationship with a worker for government compliance purposes (see Figure 8). With this in mind, there is growing concern around the process of union certification. The governing party originally campaigned on changing the secret ballot vote system to a card-based system, which eliminates the basic democratic right to vote using a secret ballot. In a CFIB survey of BC business owners conducted in 2005, 86 per cent of small business owners indicated that secret ballot votes should be mandatory prior to any union certification (see Figure 9).

Figure 9

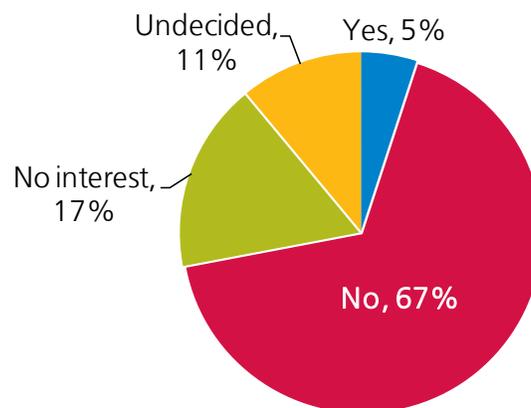
Should secret ballot votes be mandatory prior to any union certification?



Source: CFIB BC Mandate, March 2005. n=1310

Figure 10

Should the Ontario government replace the secret ballot vote system with a card based system for union certification in all sectors?



Source: CFIB Ontario Mandate, December 2016. n=1914

With a strong majority in support of keeping secret ballot voting mandatory, there is clearly no demand for alteration of the current union certification processes. While we recognize this data is dated, we are currently surveying our members on whether the secret ballot vote system should be replaced with a card-based system for union certification. For this consultation, we are able to supply data from a recent Ontario survey. In a 2016 CFIB survey, 67 per cent of small business owners in Ontario opposed replacing the secret ballot vote system with a card-based system for union certification in all sectors (see Figure 10).

In context of the Labour Relations Code, let it be noted there is no consensus supporting change from secret ballot voting to a card-based system. We strongly urge the commission to listen to the voice of small business owners in BC. Removal of the secret ballot vote and introduction of a card based system has the potential to encourage intimidation tactics, resulting in outcomes which may not reflect how employees truly feel. This has the potential to harm employer and employee work relations, jeopardizing the benefits that exist from the current system.

Recommendations

Workplaces continue to change rapidly as technology and new generations of employees demand flexibility, choice, and innovative workplaces. Any changes to the Labour Relations Code need to reflect this change and ensure that opportunities for BC's economy to attract investment, talent, and jobs are not compromised in the process. It is important that the province support BC's small businesses with an environment that allows them to provide valued, flexible work opportunities for employees. In addition, it is vital the Labour Relations Code does not stifle such opportunities through government regulation and payroll taxes, as this functions as a disincentive for businesses to hire people.

CFIB stands behind the recommendations made with the 13 other business associations:

- Ensure appointments to the Labour Relations Board reflect balance between union and employer representatives
- Protect the court-tested definition of “essential services”
- Protect the personal and private information of employees
- Prevent legislated sectoral bargaining
- End governments dictating employee choice on large construction projects through project labour agreements

In addition, we also request you please consider CFIB's following recommendations that will benefit small businesses and employees across the province. Please do not hesitate to reach out; we would be pleased to further explain our recommendations or answer any of your questions you have.

- 1. Do not increase the regulatory burden that small businesses face with respect to employment standards and labour relations requirements.**
- 2. Ensure that any changes to labour legislation allow employers to have flexibility so that they can respond and negotiate directly with their employees.**
- 3. Do not change the union certification process; do not discard the secret ballot voting method, and do not introduce a card-based system to replace the secret ballot vote.**
- 4. Use simple, clear and transparent language in all external communications addressing the requirements under the Labour Relations Code.**