
2017 Pre-budget Consultations
A Submission to the House of Commons
Standing Committee on Finance

Beyond Canada's 150 – A step forward to
realize Canada's full human resource potential

August 2017

Summary

CPHR Canada, the national voice of the human resources profession in Canada, welcomes the opportunity to participate in the pre-budget consultation process – a first for our association.

The quality of a country's human resources is an important determinant of its global competitiveness and sustainable long-term prosperity. Efficient and productive human resources propel the economy on the trajectory of growth and development.

We have two main recommendations that, if adopted, may pave new ways for growing and ensuring prosperity for future generations. This goal can be best achieved, or at least bolstered, by the development and deployment of an efficient and productive workforce which can compete in a globalized economy.

These are our recommendations:

Recommendation 1 – Improve job prospects for Canada's youth and create training opportunities for youth and older Canadians by

- mainstreaming science, technology, engineering and maths (STEM) early in the education system
- promoting women in STEM
- considering the Global Apprenticeship Network as an appropriate forum to work with private sector partners to create apprenticeship opportunities for youth; and
- introducing small and medium-sized enterprises (SME) specific programs to support older workers to fully participate in the digital economy

Recommendation 2 – Improve the quality of the workplace by

- leading innovation in the workplace
- introducing proactive pay equity legislation in the winter sitting of Parliament.

Introduction

It is a pleasure for CPHR Canada to participate in the pre-budget deliberations of the House of Commons Standing Committee on Finance. The issues facing Canada's prosperity are closely linked to human resource challenges. Our Vancouver-based association of nine provincial and three territorial associations, is the national voice for the enhancement and promotion of the human resource profession through established designations, collaboration on national issues related to the profession and proactively positioning the national human resources agenda at the national and international level.

Our 27,000 members assist employers of all sizes in meeting the labour market challenges of today and tomorrow – challenges such as an aging workforce, the need to attract skilled workers from Canada and abroad, the diversification of the economy requiring more and higher skills, and the growing regulatory compliance burden. In that respect, we are uniquely situated to assist Parliamentarians to address many policy issues including reforms to employment insurance, improving access to good quality job training for all Canadian workers, facilitating the entry of a qualified and competent workforce, and legislative initiatives such as pay equity.

CPHR Canada is promoting wide acceptance of standards for human resource professionals across Canada so that employers know they can rely on competent professionals who abide to a code of ethics and rules of professional conduct. We want to make sure that employers of all sizes, especially mid-sized companies, can rely on professionals to protect their most important asset – their employees.

And it is that very matter the Standing Committee on Finance has invited Canadians to address as part of its pre-budget consultations. Our brief speaks to measures that could help the development and deployment of an efficient and productive workforce which can enable business to compete in a globalized economy.

We invite you to read our white paper, [Canada 150 and Beyond – The Role of Human Resources in Canada's Prosperity](#) discusses how drivers of productivity can be leveraged to efficiently deploy productive human resources. This submission will focus principally on the need for improving job prospects and create training opportunities for youth and older Canadians.

This is our submission.

Recommendation 1 – Improve job prospects and create training opportunities

The education and training of a country's human resources is a major factor in determining just how well the country's economy will do. In general, educated and well-trained workers tend to be more productive than workers with inferior education and training. The knowledge and skills of workers available is a key factor in determining both business and economic growth. Economies with a significant supply of skilled labour enabled through formal education and training, are often able to capitalize on this aptitude through development of more value-added industries, such as high-tech manufacturing and software development. An economy in which education and training are treated as an asset is often referred to as a knowledge-based economy.

Promoting the skills and competencies to thrive in the digital era is key to competing in the globalized world. More than ever the quality of their workforce and the demand for digital skills determines the competitiveness of businesses of all sizes.

We welcome the commitment in Budget 2017 to invest \$50 million over two years to support organizations delivering digital skills training to girls and boys from kindergarten to grade 12. This is the right path. Moreover, science, technology, engineering and maths (STEM) must be mainstreamed early in the education systems, fields that are typically crowded out by older, less relevant disciplines. The federal government should address cultural stereotypes that impact the choice to study and work in STEM fields and promote women in STEM.

We therefore recommend action to mainstream STEM early in the education system. We also recommend programs to promote women in STEM.

Government, business, and educational institutions should be encouraged to work together to provide Canada's youth with opportunities for apprenticeships and skills development to be able to fully participate in the new talent economy. A major initiative in this respect is the Global Apprenticeship Network (GAN), developed in response to the G20 priorities on apprenticeships and skills, which mobilizes the private sector, business federations and associations to share best practices, to advocate and to commit to actions for job creation and skills development.

We recommend the federal government consider the Global Apprenticeship Network as an appropriate forum to work with private sector partners to create apprenticeship opportunities for youth.

Reducing skill gaps in organizations has long been regarded a major and ongoing challenge for people working in human resources and talent management. This is particularly true in this era of rapidly changing technology and business models. Most progressive organizations see training as a fundamental part of staff development, achieving business goals and increasing productivity. The Canadian economy is dominated by small and medium-sized enterprises (SMEs). Due to lack of funds and other constraints, these businesses are often unable to provide appropriate training for their workers, particularly older workers.

One in five Canadian workers are aged 55 years or over. Older workers are significantly less likely to pursue job-related training than their core-age counterparts. Between July 2007 and June 2008, 32% of workers aged 55 to 64 years took some training compared to 45% of those aged 25 to 54 years. Older workers with lower personal income, less than post-secondary education, temporary employment, and sales or service jobs, along with those working in the private sector and goods-producing industries were significantly less likely to participate in training than others of the same age.¹ As the fastest growing segment of Canadian workers, this is potentially the generation that will be left behind in the new talent economy.

It is imperative to design a policy response to address the training needs of older Canadians particularly those employed in SMEs to correct this situation and enhance the quality of Canada's human resources and contributing to Canada's prosperity. In the words of the Innovation, Science and Economic Development Minister, "Today, the digital economy is the economy. There is not a single industry that digital technologies don't touch anymore."²

We recommend SME specific programs to support older workers to fully participate in the digital economy.

¹ Author: Canada 150 and Beyond – The Role of Human Resources in Canada's Prosperity

² Remarks to the Canadian Chapter of the International Institute of Communications, November 17, 2016. News release.

P.O. Box 17510

tel/tél. 604.684.7228

Vancouver, BC Canada V6E 0B2

toll free/sans frais. 1.800.665.1961

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Recommendation 2 – Improve the quality of the workplace

Canadians are generally happy with their jobs and private lives and their level of satisfaction compares well with that of other OECD and non-OECD countries³. Canadian employers can further enhance job satisfaction and productivity of their employees by providing, where possible, flexible work schedules and other work-life balance measures.

As Canada's largest employer, the federal government must lead innovation in this area. Addressing work-life balance, promoting diversity, recognizing and addressing mental health, providing equality of opportunity are among the challenges facing employers. For the federal government, a modern framework for pay equity for the federal public sector and federally-regulated organizations is long-overdue.

Outdated legislation that does not reflect the current make up of the workforce, with more women entering the workforce, rising educational levels and more women pursuing careers in new areas, a higher proportion of women in senior ranks of government and industry, is driving the need for pay equity legislation. A persistent gender wage inequity remains with Canada placing 80th in the World Economic Forum's 2015 gender gap report.

We have read with interest the First Report of the House of Commons Special Committee on Pay Equity. We are encouraged the Minister of Employment, Workforce Development and Labour has indicated that legislation will be introduced later in 2018. We urge the Standing Committee on Finance to recommend that timelines be accelerated. It would be unfortunate to miss the opportunity and momentum created by the Special Committee on Pay Equity to address this important legislative gap within this Parliament.

We therefore recommend introduction of pay equity legislation as soon as possible.

As legislation and oversight regimes to govern pay equity are designed, we would like you to consider that our members, CPHRs, are best positioned to implement, monitor and report on pay equity regimes in organizations. Moreover, they are uniquely qualified to provide oversight of pay equity regimes and participate in a commission should one be formed.

³ Society at a Glance 2014: OECD Social Indicators
P.O. Box 17510 tel/tél. 604.684.7228
Vancouver, BC Canada V6E 0B2 toll free/sans frais. 1.800.665.1961

Conclusion

Addressing productivity and competitiveness issues requires a determined response and concerted action.

The quality of a country's human resources is an important determinant of its global competitiveness and sustainable long-term prosperity. Efficient and productive human resources propel the economy on the trajectory of growth and development.

We are confident the House of Commons Standing Committee on Finance will chart the course needed now to enhance growth and productivity.

We are privileged to be part of that process and appreciate the opportunity to help inform the public discussion. We look forward to discussing our recommendations with the Committee.

For information, please contact:

Carole Presseault

For CPHR Canada

E carole@presseaultstrategies.ca

T 613-796-0422

P.O. Box 17510
Vancouver, BC Canada V6E 0B2

tel/tél. 604.684.7228
toll free/sans frais. 1.800.665.1961

CHARTERED PROFESSIONALS IN HUMAN RESOURCES
CONSEILLERS EN RESSOURCES HUMAINES AGRÉÉS