

August 29, 2016

C. Michael Mitchell  
Hon. John C. Murray  
Changing Workplaces Review  
Employment Labour and Corporate Policy Branch  
Ministry of Labour  
400 University Avenue, 12<sup>th</sup> Floor  
Toronto ON M7A 1T7

**Re: Changing Workplaces Review Interim Report – Personal Emergency Leave**

Dear Messrs. Mitchell and Murray:

Thank you for the opportunity to respond to the Personal Emergency Leave options in your Interim Report.

The realities of working relationships in small- and medium-sized businesses are very different from those in large corporations. Small business owners are often working alongside their employees, and consequently, the nature of working relationships tends to be more flexible and informal.

Small business owners know that their employees are key to their prosperity. In fact, in a recent survey on the state of the Canadian workforce, two-thirds of Ontario's entrepreneurs identified employees as the most important element to their success, the highest of any available option.

The same survey found that 85 per cent of small business owners already offer flexibility to accommodate personal issues. This flexibility is not only viewed as a top advantage to working in a small business, but is a key element of staff retention efforts (a significant issue for 62 per cent of Ontario's small businesses during the past three years).

Small businesses are about relationships, not regulations. Legislating something that is already being practised by the vast majority of small businesses would be a red tape burden on small employers and would hurt the small business culture that thrives on employers and employees working things out together, among themselves. Red tape disproportionately affects small employers; adding to the burden would negatively impact Ontario's economy.

It would also create a heightened sense of entitlement among employees, which would likely increase the frequency of abuse (i.e., if the law says *I may*, then I *will!*). In several jurisdictions across Canada, studies have shown that public service workers are more likely to take days off on the day before or after a long weekend, during inclement weather, or during major sporting events. This can significantly affect smaller businesses, most of which do not have enough employees to

accommodate gaps in their day-to-day operations, let alone dedicated Human Resources departments to track and manage increased absenteeism.

Taking an extra day when you work in an office of several hundreds of workers can be managed with existing employees; however, in a small business of five or fewer employees, absenteeism can be devastating to productivity and to payroll, if outside help is required.

A 2011 Sun Life Financial report issued to the Conference Board of Canada and entitled *Missing in Action* found that absenteeism costs Canadian businesses 2.4 per cent of gross annual payroll (\$16.6 billion in 2011), without factoring in the harder-to-quantify indirect costs, such as replacement costs, reduced morale and productivity, and reduced customer satisfaction.

It is integral that any recommended changes to legislation that will affect Ontario's small- and medium-sized businesses be approached with precision (i.e., a scalpel, not a sledgehammer). Any changes should acknowledge and reflect the realities of running a small business in Ontario.

For these reasons, we recommend that the Ontario government maintain the 50-employee Personal Emergency Leave threshold. We further recommend that the government break down the 10-day entitlement into separate leave categories with separate entitlements for each category to provide greater clarity on leave for those employers with more than 50 employees. In addition, we suggest that, in the interest of formulating good policy, the government first consider Personal Emergency Leave in the context of all 10 leaves and any other relevant items under the Employment Standards Act, before it acts.

On behalf of our 42,000 small- and medium-sized business members in Ontario who represent about 500,000 employees, we hope that the review's final recommendations encourage and facilitate positive workplace relationships, instead of creating red tape and regulatory barriers that only serve to produce an adversarial workplace where the employer is pitted against the employee.

We urge you to focus on recommending changes that will modernize labour legislation to the benefit of both employees *and* employers to keep Ontario in business and competitive. Where possible, we encourage the government to simplify requirements and provide employers with greater flexibility to manage their relationships directly with their employees.

Thank you again for the chance to provide our submission on Personal Emergency Leave. We look forward to commenting on the full Interim Report in October.

Sincerely,

*Original signed by:*

Julie Kwiecinski  
Director, Provincial Affairs

Ryan Mallough  
Policy Analyst

cc: Hon. Kevin Flynn, Minister of Labour