



Kumi Canada Corporation

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VIA EMAIL: CWR.SpecialAdvisors@ontario.ca

Changing Workplace Review
Employment Labour and Corporate Policy Branch,
Ministry of Labour
400 University Ave., 12th Floor
Toronto, ON M7A 1T7

RE: Submissions on Ontario's Labour & Employment Law Regime

Attention: Mr. Michael Mitchell and the Honorable John Murray

On behalf of Kumi Canada Corporation, I am writing to offer the company's submission on the Changing Workplace Review which is currently being undertaken by the Ontario Ministry of Labour. Unfortunately we are unable to attend one of the scheduled consultations with you. However, we want to provide our position to you in writing.

Kumi Canada corporation is a Manufacturing company established in 1998 with 180 employees. We are experienced in plastic injection moulding and primarily target large plastic automotive trim for OEM automobile manufacturers in North America. As part of the automotive manufacturing industry, Kumi is involved in a highly competitive manufacturing sector within Ontario, the competitiveness is growing rapidly through manufacturers located in the United States and Mexico. It is becoming extremely difficult to stay profitable as it stands today. With the changing workplace review we have some concerns we would like to address.

The Employment Standards Act, 2000

Personal Emergency Leave:

For employers similar to Kumi, that already offered employees various types of leaves which address the personal emergency situations covered by section 50 of the ESA, the introduction of statutory emergency leave in 2001 introduced a great deal of unnecessary complexity and generated little, if any, real benefit for employees. Kumi's employees already had the ability to take time off work to address personal illness, injuries with short-term and long-term disability benefits for longer medical absences, bereavement leave to attend the deaths of a loved one, and approved leave for absence to address other urgent matters.

The introduction of the statutorily-protected leaves has and will continue to have costs and create issues for Kumi. On an annual basis, employees are currently using approximately 6.5 days of emergency leave per year on average. In order to cover the absences created by the statutory leave days, Kumi is incurring an annual cost of approximately \$160,000. This cost is in addition to lost productivity from using temporary staffing to cover the absences of regular, Full Time employees. Additionally having to count absences under the statute and under employer policies simultaneously complicates the company's efforts to monitor attendance of employees with casual absenteeism issues. This also obstructs the company's ability to reward those employees who provide (have) perfect attendance. Employees enjoy being rewarded and if we are unable to differentiate between Statutes and policies we are not able to reward those who deserve the recognition which reduces the Moral within our organization. Many employees feel that they are entitled to 10 days off per year. This is over and above their

vacation allotment and many take the full ten days. Associates ask how many "EL" days do I have left? Which seems this is an obligation for the days to be used.

There are many other companies south of our border who understand the plastic industry as well as Kumi Canada does. Therefore, we would like to propose the following for your consideration which will help keep us competitive and continue business in Ontario.

- 1) Eliminate the 10 personal emergency days for those company's who already have leaves in place that meet or exceed the personal emergency leave standard.
- 2) It has been suggested to change some or all of these days to paid days. Not only is Kumi paying out for the absences for these employees, there will be additional costs for these paid leave days as well. Kumi is already feeling the financial strain to be competitive and this will add more costs. We would propose this does not get passed.
- 3) If the personal leave days continue, give the employers the right to ask for reasonable evidence for the absence, let us use the absences as part of our daily tracking methods used for promotions or employee reviews. This will hopefully deter employees for using them at will.
- 4) Reduce the number of personal emergency leaves to 5.

In closing everything comes down to competitiveness and unfortunately we are no longer just competing with the US to keep business, Mexico is becoming the country of choice with low wages, close trading partner with the US, and weak currency. Kumi continues to find ways to cut costs, find new business and keep our employees happy with continued benefits and the occasional wage increase. With the Changing Workplace Review we may need to stop or eliminate these benefits which will reduce moral in our workplace and we may lose some key people. We can only hope that you will take our suggestions and make some changes to the employment standards act to help the manufacturing industry.

Thank you very much for accepting our submission.

Sincerely



Ian Macdonald

Sr. Manager Human Resources.

Kumi Canada Corporation.