

The Human Resource Quarterly

May 2014

Slogan: Before you give someone a piece of your mind, be sure that you have enough to spare.

A Publication of The Ontario Greenhouse Alliance

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DR. SARA MANN

Dr. Sara Mann from the University of Guelph and Dr. Marie-Helene Budworth from York University, in collaboration with Ken Linington, are conducting a study examining the effectiveness of Supervisory Training in the Agri-Food industry. The first step in this project is to collect data on the needs of the industry (to answer what Supervisory skills need to be trained). Grower co-operation would be greatly appreciated by completing the survey which should not take any longer than 10 minutes. If you complete the survey, you will have access to the results and will have the opportunity to participate in the second part of the study. Please note the information will be kept completely confidential and we will not be releasing any identifying characteristics—only summary data. Access the survey via the FCG website.

The second part of the project will involve supervisory training being delivered at no cost to the participants in various formats (online, on-the-farm, and in the classroom) and then examining the effectiveness of the various methods. If you choose to participate in the second part of the study, we will contact you within a month.

This is a really great project and I would encourage growers to participate. The training is for anyone who provides direction to workers, so owner/operators or workers who supervise other workers. This is for small, medium and large operations.—Ken Linington



WORKING AT HEIGHTS (WAH)

The construction industry is the initial target for new WAH regulations (March 2014) with a two year transition period. Every worker who works at heights must be trained by a certified trainer. Once the regulation is implemented in construction it will expand to all other industry sectors.

This is a concern to agriculture because its regulation is more interpretative and not prescriptive. Although “falls” do occur in agriculture, falls are far from being the greatest risk.

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MINIMUM WAGE - MANAGING THE INCREASE

The recent increase in minimum wage to \$11/hr beginning June 1st has challenged farm employers on how to implement the wage without lowering profit margins. Ultimately if the workforce is to remain the same size, the level of performance needs to improve. One way to improve productivity is to hire a mature, seasoned and focused workforce. Another approach that is occasionally used in the industry is to shift from “hourly rates” to “piece rates”.

Gregorio Billikopf (University of California), has recently updated his *Labour Management in Agriculture: Cultivating Personnel Productivity* textbook, which is available online. Piece-rate pay holds the potential to satisfy the needs of both farm employer and worker alike. Employers who learn how to manage piece-rate pay will have a competitive advantage. Employers can reduce costs while increasing productivity. Workers, at the same time, can earn substantially greater amounts. The trick of course is truly understanding the strengths, weaknesses, opportunities and threats of the “pay for performance” systems. Chapter 9 deals with incentive pay while Chapter 10 focuses on the related “Piece Rate Pay Design”.

The employer will want to have a number of conversations with workers during the transition. Confidence and trust will build over time. The level of performance of individual workers becomes extremely apparent relative to hourly wages. When paid by the hour the fastest worker often works at the level of the slowest worker. Here are four observations if the piece rate and hourly rate may appear the same: i) the piece rate is too low; ii) the piece rate design is faulty (effort is not rewarded); iii) there is not enough work; iv) mistrust that the piece rate will be reduced if workers are exceeding expectations.

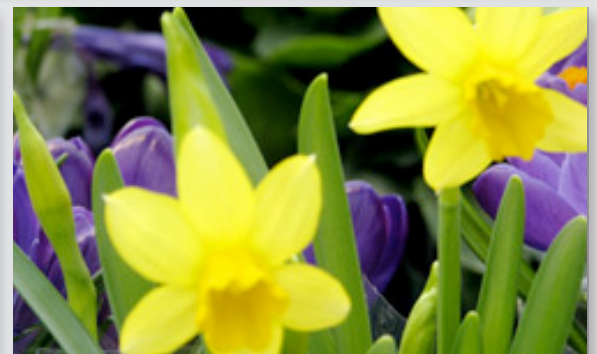
Here are some of the realities about piece-rate pay mentioned in the book:

- Avoid offering an hourly wage with a piece rate bonus. Straight piece rate is more motivating. Pay for effort should not diminish with increased performance. Some use a different or stepped approach to piece-rate. There is some wisdom in avoiding different piece-rates for different groups of workers. The level of pay to any worker should not fall below minimum wage.
- One disadvantage of piece-rate pay is that most employees forego their breaks. Making sure workers take breaks will reduce injuries and mistakes. Breaks also can improve performance. This leads many employers to pay for breaks.
- Variable pay for effort - when crops are uneven. Consider different piece-rates tied to the job or difficulty of the task. Harvesting a poor crop of strawberries, apples, flowers etc. is more difficult than harvesting a bountiful crop. Establish a rate with a bountiful crop, say 100%. If the crop is damaged or light, then the rate may need to be 20% higher.
- Good year vs. Bad year wages - Workers do not control yield or prices and should not be punished for either. Instead workers need to be rewarded for productivity or effort required. For example, if a frost might destroy a crop in a year with poor prices, it might trigger the employer to increase piece rate wages to minimize loss. Though the workers need to understand the reason for the pay increase.
- Analysis of Variance - different workers perform at different rates at different times. Some workers perform at a consistent rate, while others at a variable rate. It is important to understand what creates that variability among workers.

Some case studies are provided and clearly show specific management skills. Four critical management skills are: i) protect workers from piece-rate games played by management, ii) protect management from poor quality work (activities that reward workers at the expense of the employer), iii) design a pay for performance approach that rewards workers for their effort, or what is under their control; iv) involve the workers in the decision making process. If workers are working in teams, it is important that workers pick their own teams. Keeping a lot of performance related data provides piece of mind to workers and a cost benefit understanding to management.

REGULATION ENFORCEMENT CHANGE

The Farming Operations Regulation (part of Health & Safety) has a Training Requirements for Certain Skills and Trades (Reg. 87/13) component. With the development of the College of Trades the enforcement of the regulation is shifting out the Ministry of Labour to the College. It is not clear if we will really notice a difference. The regulation does apply to farming but does not have a huge impact.



MEXICAN SAFETY MATERIAL

The Canadian Agricultural Safety Association (CASA) in partnership with the Workplace Safety and Prevention Services (WSPS) is developing a number of Health and Safety materials targeted to the Spanish Seasonal Worker. An advisory committee includes a number of employers, Mexican Consulate representatives and the Director of Atoctli (worker support). The worker's literacy and cultural background often impacts the workers transition to the Ontario farm workplace. There is a wealth of information available from some key US States like California, Texas and Florida so we expect products to manage both the cultural and language differences.



MINISTRY OF LABOUR BLITZES

The “Vulnerable Workers” May to August 2013 inspection Blitz (proactive inspection by Ministry of Labour’s Health and Safety as well as Employment Standards enforcement) data was released recently.

Here is some of the key data:

| Sector | # of Workplaces Inspected | Orders Issued | Employers With No Violations | Average # of Orders per Workplace |
|---------------|---------------------------|---------------|------------------------------|-----------------------------------|
| Fast Food | 109 | 325 | 16 | 3.0 |
| Salon & Spas | 92 | 195 | 23 | 2.1 |
| Manufacturing | 53 | 104 | 11 | 2.0 |
| Recreation | 25 | 55 | 5 | 2.2 |
| Farming | 18 | 19 | 9 | 1.0 |
| Construction | 9 | 31 | 0 | 3.4 |

MANDATORY HEALTH & SAFETY TRAINING

All workers, including those who are supervisors, must receive mandatory training on the Health & Safety legislation by July 1st, 2014. There are multiple ways that the Ministry of Labour has provided training including online and in person. The training takes approximately one hour and is a one-time obligation. Employers are obligated to keep records of those that have received training.

More informations can be found on the General Information Fact sheet available on the Flowers Canada Growers or Ministry of Labour website. A “Prevention Starts Here” poster must be displayed in the workplace. “Health & Safety at Work Workbook” is a free workbook that can be accessed at any Service Ontario facility and is available in 9 different languages. There are separate work books for workers and supervisors. For larger quantities, we recommend calling ahead. The design is for the worker/supervisor to read and answer questions, this can be done in a classroom environment or individually. The training can also be done online. Once completed, a certificate can be printed as proof.

Links to the information above can be found on the Ministry of Labour or Flowers Canada Growers Inc. websites.

As this program is recently launched, make sure you plan ahead, call ahead and understand what is required of you so you can meet your obligations in a timely manner.



WINERY - GREENHOUSE MINISTRY OF LABOUR INITIATIVE

Ministry of Labour focused on the Winery industry in Niagara for a proactive engagement. Wineries were targeted because of the rapidly growing sector with many small to medium sized businesses with some risk areas (confined spaces, musculoskeletal disorders and falls). It was an integrated Health and Safety and Employment Standards effort spread over two years. The initiative involved engaging the industry by educating, informing, and advising businesses of current regulations followed by progressively stronger penalties to amend behavior. This is the approach agriculture promotes when establishing or enforcing regulations.

There were 121 field visits on 78 premises with approximately 300 orders written. 96% of the wineries were aware of the initiative, 65% attended the outreach, 63% accessed information off the MOL website, and 44% went to WSPS for support. Wineries fall under the Industrial Regulations but many are situated on farms.

The Ministry Of Labour through the Technical Advisory Committee has indicated they are starting a similar two year program in the greenhouse industry. Dean Anderson (WSPS) and Ken Linington (FCO) have had an initial meeting to establish some parameters around the project. There is a video on greenhouse inspection on the MOL website under Videos and Photos.



LABOUR TASK FORCE

AAFC funded 11 Value Chain Round Tables (VCRT). VCRTs include primary production, food and other further processing, distribution and retail with primary production being the driving force behind the various VCRT groups. All of the VCRTs identified labour as a critical issue in expanding markets and sales. AAFC stopped funding VCRTs in March of 2013.

As labour was a common concern, AAFC created a Labour Task Force (LTF) to study the issue and make recommendations to the Deputy Minister. The LTF focused on three areas: i) policy regarding Seasonal Agricultural Workers Program and the Low Skills NOC C&D program with the related Agricultural Stream; ii) Skills, Training, Education and Recruitment; iii) Information Sharing Working Group. The report was completed and presentation made to the Deputy Ministers of AAFC, ESDC and CIC (Citizenship and Immigration Canada). The broad level of support from industry for CAHRC has convinced AAFC through the VCRT program to support and act as an Advisory Committee to CAHRC, though AAFC will not fund CAHRC. These VCRTs should be viewed as collaborators.

VULNERABLE WORKERS OUTREACH

The Tony Dean Report Recommendation 28 identified “vulnerable workers” as a critical group relative to Health and Safety. MOL now has staff identified as Vulnerable Worker Specialist. Their first outreach project ran from August to December 2013 and targeted agricultural Temporary Foreign Workers in Southern Ontario. 19 farm communities were identified where MOL did an outreach (not enforcement) project. Workers were only contacted off the farm when they went to grocery stores, thrift shops, coffee shops, corner stores and community delivered programs (some union driven activities). Farm worker names and employer names were not recorded as no survey was done. A single page “factsheet” explaining worker rights under Health and Safety, business cards with MOL contact center, and conversation was provided. Roughly 40 businesses who served Foreign Workers agreed to carry information for workers to pick up.

The question that remains unanswered is why farming was targeted when there are roughly 120,000 Foreign Workers in Ontario, but only 15-17,000 are employed by agriculture. It is worth noting that there are 35,000 live-in-care-givers exempt from the Act because they reside and work in private residences. Of all the Foreign Workers, SAWP workers are probably the least vulnerable because of the extensive contract that includes a dispute resolution mechanism.

OFFICE OF THE EMPLOYER ADVISOR

If you are an employer and have any questions regarding workplace safety & insurance issues, or require assistance with specific Workplace Safety and Insurance Board (WSIB) claims, please contact the Office of the Employer Adviser (OEA), Ministry of Labour, 151 Bloor Street West, Suite 704, Toronto, ON M5S 1S4, Telephone: (416) 327-0020, Toll free: 1-800-387-0774, Fax: (416) 327-0726, Email: askoea@ontario.ca



CANADIAN AGRICULTURE HUMAN RESOURCES COUNCIL UPDATE

CAHRC was established in 2006 as a Sector Council funded by Human Resources Skills Development Canada (HRSDC) for industry consultation. CAHRC was one of 35 Sector Councils. FCG Inc. joined the Board of Directors in September of 2010. A number of research projects and product developments have taken place including: i) On-the-Job training ii) Agri-Talent iii) Agri-Pathways iv) Agri-Guide v) Agri-Leadership vi) Agri-HR Toolkit and more available on their website.

The Federal Government removed all core funding from Sector Councils as of March 31, 2013. During this time HRSDC made the transition into Employment and Social Development Canada (ESDC). Consultation with the industry came to an end. Most Sector Councils disbanded, while CAHRC decided to transition into a private sector organization. The group decided to move away from just research and development and into having products and services for sale. During the transition phase, CAHRC applied to three Requests for Proposals to do Labour Market Information research for ESDC. The two research projects that were approved include: i) National Agricultural Occupational Framework (\$5,811,259) and ii) Labour Market Information Supply and Demand Forecast Model (\$ 3,787,623). Both projects have an end date in about 3 years in 2016.

WSIB RESTRUCTURING—STANLEY REPORT

In 2011, the provincial government began to review the funding of the Workplace Safety Insurance Board. Recently the Douglas Stanley report suggested some major revisions:

- Shift away from an old data collection structure (Standard Industry Classification—SIC) to a newer structure (North American Industry Classification System—NAICS)
- The current Premium Rate-Setting model has some flaws. For example a small number of mushroom employers are classified with a larger number of tobacco employers. WSIB needs a new rate setting process.
- Experience Rating Programs (CAD—7, MAP, NEER) allow employers who meet specific objectives to receive a rebate while employers with frequent claims receive a surcharge (higher premium). Initially the monies collect from surcharges were to pay for the rebates. Rebates are much higher than surcharges leading to an increase in the Unfunded Liability. Some feel the “return to work” activities are in conflict with the experience rating programs. Stanley is recommending WSIB re-focus on the insurance fairness aspect and abandon the Experience Rating Programs
- New Framework System—under the NAICS there are 24 two digit industry sectors. Stanley is suggesting there be 24 sector groups with a number (5-10) risk bands reflecting employers level of risk. Premiums will focus more on employer history than classification group.
- WSIB pays for Claims Benefits, but they also pay for i) prevention ii) enforcement and iii) unfunded liability.
- Unfunded Liability (UFL)—future costs of current claims is moving the cost of insurance onto the next generation of employers who have not incurred the claim. The recommendation is to retire the UFL in a 3 stage program ending in 2017.
- 2012 had 195,000 claims, of which 92% are relatively simple to administer. It is the 8% that is complex. For example, fatal claims costs are often less than most long-term disability claims, yet the policy is a relatively high payout on fatalities.
- Roughly 20% of employers are new employers every year—should new employers enter the system at a lower rate?
- Ontario’s Employer Health Care Taxation is often viewed as “double taxation”. Workers compensation was in existence long before publicly funded health care.

EMPLOYMENT PRACTICES LIABILITY INSURANCE

A growing area of concern for small businesses in Canada is Employment Practices Liability. Legal experts suggest that less than 5% of cases end up in court or in front of a tribunal, yet negotiated settlements can be costly in terms of legal fees and settlement payment. Claims can arise from a variety of exposures including discrimination of any type, harassment, assault, demotion, defamation, loss of reputation, unfair dismissal, emotional distress etc.

Given the experience of the Tigchelaar Berry Farm Case small and large farms should consider employment practices insurance. The Tigchelaar brothers spent 3 days in court plus an extensive out of court settlement creating a bill of over \$100,000 with no actual wrong doing. The case also created a significant bill for FARMS and the Federal Government who were also named in the suit.

Recently at the annual meeting of the Ontario Fruit and Vegetable Growers Association Ken McNaughton a Co-operators agent in Paris, Ontario spoke about the EmPloyrite Employment Practices Liability plan from Creechurch. Access is available to a toll-free hotline, legal professionals, and a HR hand-



NEW MINISTER OF LABOUR

Kevin Flynn is the new Ontario Minister of Labour. He was first elected to represent the riding of Oakville in the Ontario legislature in 2003. He has served as Parliamentary Assistant to the Minister of Transportation, the Minister of Infrastructure, the Minister of Training, Colleges and Universities, the Minister of Education, the Minister of Energy, the Minister Responsible for Democratic Renewal and the Minister of Labour, where he helped lead the provincial consultation process for Bill 211, which ended mandatory retirement in Ontario.

WSIB 2014 PREMIUMS

The 2014 WSIB premiums will remain unchanged from the 2013 level.

| Rate Group | Description | Premium (\$) |
|------------|--------------------|--------------|
| 159 | Livestock | 7.09 |
| 167 | Field Crop | 2.84 |
| 174 | Tobacco/Mushroom | 5.15 |
| 181 | Misc. Farm & Fish | 3.67 |
| 184 | Ag Service/Poultry | 3.27 |
| 190 | Landscape | 4.93 |

CONTACT US

The Ontario Greenhouse Alliance is a strategic partnership of greenhouse producers of flowers and vegetables. The alliance is made up of the following organizations:



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