

WORK SHARING: A STRATEGY FOR RETAINING A CORE WORK FORCE THROUGH TOUGH TIMES

Does this sound familiar? ...

- Our market has been hit hard by the economic downturn.
- Revenues are down and our reserves are dwindling.
- We have a great core of employees that are critical to us but not enough work to keep them all busy.
- If we cut hours of work, or lay some employees off, we may not be able to get them back when things turn around and they are critically needed. That could threaten our ability to recover when the opportunity is there.
- On the other hand, we can't afford to carry them any longer
- We are already working on adjustments and we have a plan that we are confident will bring in enough work to support our core labor force within six month.
- In the meantime, we need a strategy to retain our core employee that is affordable through this difficult adjustment period.

Work Sharing is a federal government program designed very specifically to assist in situations such as is described above.

Let's assume a business with a remaining core of ten critically important employees. Four other employees who were not considered critical to the recovery of the business have already been laid off. Still, there is only enough work to keep six of the ten (60%) busy on a full time basis. **Under a formal Work Sharing agreement (which must be approved by Service Canada):**

- The employer and participating employees agree that, as an alternative to an additional four workers being laid off, all ten will reduce hours of work by 40% and pays employees only for they hours they work (hence the 40% wage cost saving).
- Service Canada allows participating employees to receive Employment Insurance benefits for the hours of work they miss because of the work shortage.
- Work scheduling is left to the Employer and it is understood by all that available work will be fairly shared and employees will work when work is available, Flexibility in scheduling is often necessary so that hours vary with work availability.
- When Work Sharing participants (employees) are away from because of the work shortage, they are not required to engage in a search for alternative employment (as would be expected if they were receiving regular Employment Insurance benefits).

Note:

Work Sharing is not available in situations where work shortages are clearly due to "seasonality" or are otherwise recurring or predictable. It can only be approved where a work shortage is unanticipated and where there is a "reasonable expectation" of a full return to work within six months.

Does Work Sharing Work?

The Work Sharing program has been around for decades and has been independently studied many times. Consistently, such studies have shown that, in most cases, the program succeeds:

- Layoffs are avoided through temporary, unexpected periods of work shortage and all workers tend to return to full time hours as the business recovers
- Core employees that participate in Work Sharing tend not to leave for other jobs
- Most participating employers describe the program as easy to administer and an excellent support through tough times
- The cost to the Employment Insurance fund is about the same as would be the case if an employer opted for layoffs but
- The benefits in terms of employee well-being, as well as business and local economic stability tend to be very significant.

Why is Work Sharing not more well known?

- In prosperous times, Work Sharing is a program that gets very little attention because it is rarely needed. So, it's not normally on the radar for most business leaders.
- When difficult times come, and Work Sharing could be helpful, most business leaders are unaware of it as an option and they are often too busy reacting to difficulties to search and find out about it. Often, they reluctantly opt for layoffs because they don't know that there may be an alternative.
- The federal government does not advertise Work Sharing. Therefore, many businesses that could participate don't know about it. And, unless you are good at navigating complex web sites, finding out about the program and how to apply for participation can be a cyber frustration.

Want Help?

David Sutherland is a Kelowna resident who, for many years, was the government coordinator for Work Sharing and a recognized expert on the program in B.C and Ontario. He is now an independent consultant, offering human resource and organizational adjustment consulting support on a broad range of issues, including:

- An assessment of your business situation and whether or not Work Sharing is an option you are likely to qualify for
- Advice on explaining Work Sharing to employees so they are on-side with application
- Assistance with the preparation of a formal application for Work Sharing and liaison with government to ensure your application receives appropriate consideration.

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