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## **Increasing Wages Forcing Canadian Companies to Consider More Automation and Layoffs**

### ***Entry-Level Job Seekers Worry about Job Security Amidst Rising Wages***

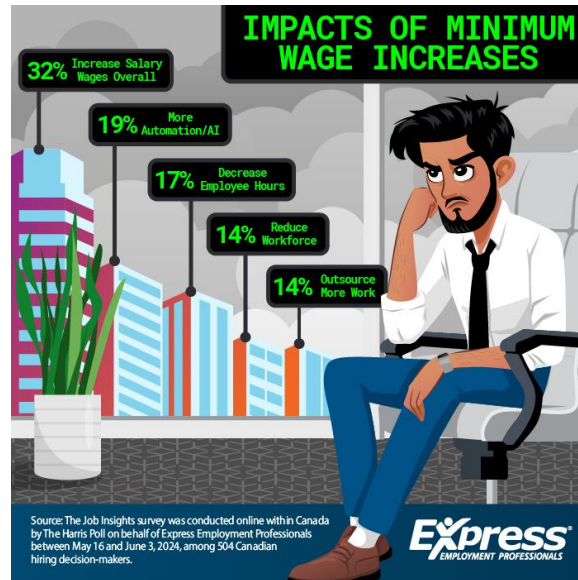
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**TORONTO, July 10, 2024** — Most Canadian provinces now have mandatory minimum wage increases automatically tied to inflation, but these wage increases are squeezing many Canadian companies, who say they are considering significant changes if wages keep going up, according to a new Express Employment Professionals-Harris Poll survey.

One in three Canadian companies (32%) say mandatory minimum wage hikes result in increased salaries/wages across the entire company — not just for minimum wage workers. The main driver for this is most job seekers (59%) say they would quit if they found out an entry-level employee had the same pay as a more senior-level employee at their company following a minimum wage increase.

Nevertheless, most companies (85%) and job seekers (90%) agree that minimum wage should keep up with inflation rates. As well, a majority of job seekers (85%) agree that minimum wage hikes help the personal finances of minimum wage workers in the long run.

But such automatic minimum wage increases come with consequences. Primarily, one in five businesses say that upcoming minimum wage hikes will result in them utilizing more automation/AI (19%), decreasing the number of hours employees work (17%), reducing their workforce (14%) and/or outsourcing more work (14%).



It's no surprise then that two-thirds of many job seekers (66%) are concerned that minimum wage workers need to worry about their job security as a result of automatic wage increases.

According to Express franchise owner Brent Pollington in Vancouver, British Columbia, while companies have adjusted to automatic minimum wage increases tied to inflation rates — as many companies already pay above the minimum — wage hikes are also negatively affecting job seekers.

“While minimum wage is increased to account for inflation, these increases actually further contribute to inflation, making it even more expensive to do business,” said Pollington. “In practice, many of the clients we work with feel that passing the cost of minimum wage increases onto their customers will result in fewer people buying their goods and services, so they have to find other ways to absorb the cost, which can mean hiring fewer people and cutting hours.

“Ultimately, increased minimum wage prices people out of the market, making it harder for hard-working skilled-entry level employees like teenagers to find employment.”

Michael Cabral, an Express franchise owner in Winnipeg, Manitoba, adds that minimum wage increases do not impact all companies equally: “Unfortunately, minimum wage increases hit small businesses the hardest.”

Cabral also says that most companies in his area are already paying above minimum wage to attract the skilled workers they need, but says there are things companies can do to help deal with the increases.

“Companies can use minimum wage increases to regularly review how they can be more efficient and how to better train their staff,” said Cabral. “They also need to review their hiring

process, as using probationary periods, making their hiring and firing process quicker and more efficient, or using staffing agencies can all help lower the cost of hiring and running the business.”

Companies bracing for future mandatory wage increases should proactively:

1. Review current operations and projected labour requirements. Then, review corresponding job descriptions and differentiators, as well as career ladders.
2. Consider compression impact on current employee wages.
3. Develop a staffing plan that flexes with various levels of business activities with trigger points to onboard new hires or make reductions in workforce and budget accordingly.
4. Analyze the total impact the new minimum wage will have on the organization and determine how it will be covered financially.

### **Survey Methodology**

The Job Insights survey was conducted online within Canada by The Harris Poll on behalf of Express Employment Professionals between May 16 – June 3, 2024, among 504 Canadian hiring decision-makers between May 16 – June 3, 2024.

The Job Seeker Report was conducted online within Canada by The Harris Poll on behalf of Express Employment Professionals between May 28 – June 10, 2024, among 505 adults ages 18 and older.

For full survey methodologies, please contact Ana Curic at [Ana@MapleLeafStrategies.com](mailto:Ana@MapleLeafStrategies.com).

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If you would like to arrange for an interview to discuss this topic, please contact Ana Curic at (613) 858-2622 or email [Ana@MapleLeafStrategies.com](mailto:Ana@MapleLeafStrategies.com).

### **About Bill Stoller**

William H. "Bill" Stoller is chairman and chief executive officer of Express Employment International. Founded in Oklahoma City, Oklahoma, the international staffing franchisor supports the Express Employment Professionals franchise and related brands. The Express franchise brand is an industry-leading, international staffing company with franchise locations in the U.S., Canada, South Africa, Australia and New Zealand.

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