

2010 Scholarships Competition

“Discuss the impact of provincial government funding cuts on unionized public sector workers and the public they serve.”

Essay Submission by Laurie Card

Full-time Student, Thompson Rivers University

(Relative: Stuart Card, PEA Member # 8045)

Submitted to:

PEA Scholarships Committee

March 13, 2010

With the recent announcement of the 2010 British Columbia Provincial Budget forecasting a five percent reduction to the civil servant workforce over the next three years, the question concerning the impacts of government funding cuts to the public sector couldn't be timelier. A budget that forecasts the reduction of 1500 full time positions, while "ensuring future job growth in BC"¹, seems contradictory. These mixed messages cause a wave of uncertainty to flow rapidly throughout the public and private sector. Many impacts are felt by public service employees, as well as the public in which they serve. These impacts include a lower staff moral and an increased work load, which results in increasing difficulties in providing a quality level of service to the public and the resulting negative outcomes in the communities of BC, now and in the future.

While collective agreements can protect employees from wage cuts, benefit reductions and in some cases, contracting out, there is little to protect employees from the broader elimination of full-time positions. As Karim Bardeesy explains in his article in the *Globe and Mail* "cash-strapped governments feel the need to lead by example and reduce program spending, of which salaries make up a significant part".² With positions being cut frequently in the public service, employees find themselves regularly waiting and wondering when it will be their turn. This instability and uncertainty creates a low staff moral. The remaining staff often "feel shocked...fearful about their future... such employees are more likely to have lower morale and increased stress levels, be less

¹ Province of British Columbia. "Building a Prosperous British Columbia." Budget 2010 News Release, 2 March 2010

² Karim Bardeesy. "We can't fix the public sector in one budget." *Globe and Mail*. March 3 2010.

productive, and less loyal with increased quit levels.”³ More people may leave the public service due to this uncertainty, resulting in further pressures on remaining staff and increased workloads, which inevitably causes a reduction in the quality of service they are able to provide.

While the general public may agree with the idea of cuts to the public service workforce to reduce expenditures, many would not welcome a lower level of service. With an increasing demand for public services due to an ageing population, the difficult issue of where to cut services arises. Unfortunately, the elimination of employees is a seemingly easy solution. Many of the actual impacts are not directly attributed to the loss of employees in the public service, until it disrupts the population on a larger scale. Not only is the quality of service at risk, many communities in BC rely on the public sector as the foundation of their economic livelihood. As the Canadian Union of Public Employees identifies “the public sector plays an enormous role in many BC communities. In some of the hardest hit communities it is the most important sector...public sector wages buy groceries and cars. We shop in our downtowns.”⁴ The elimination of positions in the public service means the elimination of those wages contributing to the community. Added to this concern is the tendency for remaining employees, out of concern for their own long-term employment, to tighten up their spending, contributing even less to economic strength of their communities. On the surface, the reduction of employees may not seem like a cause for concern for some people. However, when you

³ Peter K Jacobs. “Working Knowledge: A Report on Research at Harvard Business School.” *Harvard Business School*, 5:1 (2000)

⁴ Canadian Union of Public Employees “Budget 2010 Consultation Prebudget Submission to British Columbia Select Standing Committee on Finance and Government Services.” October 2009.

look deeper and are aware of the impacts rippling throughout the workplaces and communities affected by these cutbacks, a greater understanding of the lasting ramifications are very apparent. The significance of these impacts are not only important to staff and service issues in the short term, but in the future as well.

A long term factor to consider when discussing government funding cuts, is the volatility of the public service creating unattractive job prospects for future employees and young professionals. With many Ministries already struggling to find qualified professionals, such as in forestry where significant cuts have been made recently, the unstable employment situation creates further difficulties with recruitment. Many professional schools are suffering low enrolment rates due to the uncertainty of employment, not only in the public sector but the private sector as well. This is a direct result of the relationship between job markets in each sector. Added to these recruiting difficulties, a high level of retirement is predicted over the next several years. Of particular long term concern is the replacement of these talented and experienced individuals. When the forecasted economic rebound does occur, the costs of recruiting new staff in a more competitive market, added to the cost of retraining, leaves one to question the short term advantages of staff reductions when compared to the long term repercussions. Instead of focusing on staff retention and a higher level of efficiency, reductions seem to be made in the least effective manner. It is important that when “organizations restructure, they keep in mind the needs of surviving employees, the emotional turmoil created by the restructuring process, and its likely negative effect on productivity, profitability, and competitive advantage”⁵, as well as the long term needs of

⁵ J. Lewin, E. Johnston. & J. Wesley. “The Impact of Downsizing and Restructuring on Organizational Competitiveness.” *Competitiveness Review* (2000).

the organization and the public they serve. The short term fix of reducing staff, may not leave a strong foundation on which to build.

However, the public sector is a hard working, resilient group that is proud of the service they provide to citizens. Through hardship, it is likely they will become more innovative and efficient and continue to find ways of providing a quality service. This strong workforce will assist the government to allocate resources to provide critical services. Ideally, a more comprehensive plan is required to solve the long-term issues of demographics, expenditures and levels of public services requirements. Government cuts to staffing create lasting impacts that undulate throughout the province for many months or years, after the reductions are made. Public employees should be recognized for their contribution to our communities and economy, and not viewed only as a burden to the Province. Funding cuts need to be made wisely, with careful consideration of the impacts felt by the remaining employees, as their contributions become increasingly more important during difficult economic times.

Works Cited

Canadian Union of Public Employees “Budget 2010 Consultation Prebudget Submission to British Columbia Select Standing Committee on Finance and Government Services.” October 2009.

Bardeesy, Karim. “We can't fix the public sector in one budget.” *Globe and Mail*. March 3 2010.

Jacobs, Peter K. “Working Knowledge: A Report on Research at Harvard Business School.” *Harvard Business School*, 5:1 (2000).

Lewin, J., Johnston, E. & Wesley, J. “The Impact of Downsizing and Restructuring on Organizational Competitiveness.” *Competitiveness Review* (2000).

Province of British Columbia. “Building a Prosperous British Columbia.” Budget 2010 News Release, 2 March 2010.

<http://www.bcbudget.gov.bc.ca/2010/newsrelease/2010_News_Release.pdf>