

# Common-Employer: What it means for Franchisees

▶ **ISSUE:** Common-Employer (legally deeming two parties co-employers of an employee)

▶ **OVERVIEW:** As a franchisee, you get to enjoy the benefits of business ownership, with the support of an established franchise system behind you. **Potential changes to Ontario's labour laws could change that.**

The Ontario government is considering changes to the *Labour Relations Act (LRA)* and *Employment Standards Act (ESA)* that could change the legal standard for determining if two or more entities are considered common-employers. **This means your franchisor could be deemed a common employer of your employees** because they provide you with training and operational support. By changing the laws, the government would be changing the rules by which franchising has always operated, undermining the independent nature of the franchisee-franchisor business relationship.

## ▶ IMPACT ON FRANCHISEES:

If your franchisor is deemed a common-employer of your employees:

- **Your role would essentially be reduced to that of a store manager with little control over the operation of your business.** This would change your legal relationship to both your franchisor and your employees, and potentially have significant impact on your contractual agreements and on your business.
- **Some franchisors might reduce the training and support provided to franchisees to avoid a common-employer designation, while others might stop franchising altogether.**

Franchisees should also keep in mind:

- Additional changes being considered, like restricting flexibility in employee scheduling and changing the collective bargaining process in Ontario, could also impact your business. **Learn more about the Changing Workplaces Review at [www.cfa.ca/common-employer](http://www.cfa.ca/common-employer).**
- Although the changes being considered would initially only impact businesses in Ontario, legislative changes introduced in one province are often adopted in other provinces. **This means any changes to Ontario's labour laws could eventually impact franchisees in other provinces as well.**

## ▶ CFA ADVOCACY ACTION PLAN:

CFA is laser-focused on the common-employer issue and combatting its detrimental and unintended consequences to franchising. As the national trade association for franchising, we are the only organization whose efforts are concentrated on common employer as its top concern. One of our key advocacy strategies is grassroots lobbying efforts to raise awareness about the franchise business model, the important contribution franchising makes to Canada, and how common employer would negatively impact franchising.

As a franchisee, you're uniquely positioned to capture the attention of your MP and MPP because you're one of their constituents, and your stories resonate most strongly with them as politicians. Through your personal experience and involvement in your community, you are in a powerful position to educate government about the uniqueness and strength of the franchise business model. By educating your MP and MPP, you can help prevent them from making policy or legislative decisions that would forever negatively impact franchising, which provides jobs, opportunities, and success to so many Canadians.

## ▶ HOW TO PARTICIPATE:

Most people think lobbying is an elite and highly specialized process. It doesn't have to be. Lobbying is as simple as communicating a clear message on an important issue to your elected officials. CFA's grassroots lobbying means connecting business owners with their local politicians. In our grassroots campaign, you may be called upon to:

- Write letters to government
- Meet with your local MP or MPP
- Take part in media interviews to share your success story
- Host open house events at your franchise for local politicians

CFA will help make it easy by providing you with instructions and background briefings to help you prepare. We will help to organize meetings with your MP and/or MPP, and provide you with backgrounders, key messages, and leave-behind materials. We will also help by organizing small groups of local franchise business owners to meet with government so you don't have to do it alone.

You can volunteer to take part in CFA's advocacy efforts. Step one is to stay informed by signing up online at [www.franchiseawareness.ca/grassroots](http://www.franchiseawareness.ca/grassroots) for information from CFA.

▶ **WHO TO CONTACT FOR MORE DETAILS:** For more information, contact Samantha Sheppard, Government Relations Specialist, at [ssheppard@cfa.ca](mailto:ssheppard@cfa.ca) or call 416-695-2896 ext. 230.