



# The business case for **Ethical Employment**

**BETTER WAY ALLIANCE**

CANADA'S ETHICAL EMPLOYER NETWORK

# Ethical employment is good business for owners and staff



Many business owners are well aware of the short and long-term crises affecting our communities and the planet. COVID-19 gave us all pause to think about how we conduct business. Not only do we need to be financially successful, we need to become more resilient than ever - for today and for the future. Did you know that unlocking the human potential in your business is a great way to do this?

It's a best-kept secret of successful business owners: **when you take care of your employees, they'll take care of your business.** Offering good jobs with great benefits leads to business success and resiliency, because the people who deliver your products and services feel satisfied, trusted, and perform at their best so that your business thrives.

The BWA has found that **businesses in every sector can implement ethical employment practices** including:

- Paying above the minimum wage
- Providing paid sick days for all staff
- Stable scheduling like advance notice and a guaranteed minimum number of hours

Study after study of businesses worldwide confirm that **business owners reap economic and social benefits when they invest in these employment practices.**

## Economic benefits include....

- Lower expenses over the long-term
- Less operational downtime
- More spending by local consumers
- Greater long-term revenue

## Social benefits include...

- Reputation aligned with customer values
- A legacy of community contribution
- Greater local leadership and social capital

We know that getting started might be daunting. That's why we've launched this Business Case to help guide your business through these turbulent times. We hope it provides you with a guiding star on a journey that increases revenue, builds community, and creates a long-lasting business.

# How to use this Business Case

We've structured this business case to help you understand **why it's worth implementing** each of the ethical employment practices our members support, and **how to start or improve your ethical employment practices**.

We've peppered in case studies, too, so that you can learn directly from business owners' experiences in a variety of sectors. Have a read top-to-bottom, or navigate directly to the section you want to start with.

Our ongoing work with members and business owners keeps this guide current and relevant. If you have feedback or want to share your experience implementing ethical employment practices, reach out and schedule a call!

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# Fair wages: Paying more than minimum wage creates returns

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While every business has a unique pay strategy that suits them, all Better Way businesses know that paying above the legislated minimum wage is good for their businesses and good for the local economy.

Higher wages create stronger, loyal relationships with employees that result in higher productivity. Higher wages are directly linked to better customer service and better quality of work, especially for lower-wage hourly workers.

Benefits directly and indirectly attributable to paying higher wages include:

- attracting talented & aligned staff
  - retaining experienced high-performing workers
  - cultivating repeat customers who recognize and trust all staff
  - boosting mid-term sales through more local disposable income
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## Benefit 1: Attracting talented & aligned staff

A good team makes a big difference in businesses of all sizes, and great talent is attracted by ethical employment practices. Offering *more than minimum wages* can make the difference between finding great employees or finding staff who quit for a slightly higher wage elsewhere.

Nowadays, more workers are choosing to work for ethical business owners who invest in their values. In a study of 7,700 millennials worldwide, **50% would refuse to work at an organization that clashes with their ethics and 40% want an employer with a strong sense of purpose beyond financial success** (1). Paying workers fairly demonstrates you value the people you work with. Next time you're hiring, remember that you're being interviewed too. Discuss your investment in employees and see how it pays off with talented candidates.

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(1) Deloitte. The 2016 Deloitte Millennial Survey Winning over the next generation of leaders. Retrieved at <https://www2.deloitte.com/content/dam/Deloitte/global/Documents/About-Deloitte/gx-millennial-survey-2016-exec-summary.pdf>

## Benefit 2: Retaining experienced high-performing workers

BWA members see first-hand that **ethical employment practices reduce turnover and associated costs**. This result is being able to keep talented and dedicated staff who you can train on advanced topics like cost management, crisis management, and staff leadership. Not only does this save money, it also produces empowered and responsible staff you can count on when you're away.

### How much does turnover actually cost?

The Aspen Institute created a free, publicly-accessible turnover cost calculator. You can access it online at <https://www.aspeninstitute.org/publications/cost-of-turnover-tool/>

Turnover costs for **each** person who leaves your workplace include:

- separation costs, such as exit interview time and HR/admin time
- overtime costs for staff members to cover the empty role or lost sales from no-shows
- recruitment and interview costs
- screening costs, e.g. police checks, plus admin time to coordinate screening
- hiring bonuses
- orientation costs for the new hire and the training manager
- lost sales from managers' time spent training
- technology, uniforms, and other resources for the new hire

...and those are just the direct costs! Other indirect costs include lost sales from low staff morale, disgruntled customers, potential increased shoplifting when your shop is poorly supervised, and lost sales from low staff expertise.

**Costs can easily reach a few \$1000 for each staff member who quits. These costs don't add value to your bottom line.**

Contrast that to increasing wages by \$2.50 for a minimum-wage employee working 20 hours per week. That's an extra \$50 per week and \$2,600 per year. For a comparable cost, raising minimum wages would avoid the disruption to your business and you'd build a more committed team that wants to perform better for an employer who values them.

### Benefit 3: Cultivating repeat customers who recognize & trust your staff

Research studies and BWA members tell us that **retaining employees creates a customer base that recognizes and trusts their staff, which builds customer loyalty** (2). Harvard researchers found that retailers who are understaffed or have poorly trained or unmotivated employees have poor performance because these employees can't execute properly (3). In fact, 60% of Ontario business owners reported that **employees are the most important asset leading to business success** in a 2018 study by the CFIB (4).

It's no wonder that many of our members say that high staff morale and long staff tenure boosts their word-of-mouth referrals and creates repeat clients. Check out our case study on BWA member Anita Agrawal (page 6), who cultivated her team's relationship-building efforts with a 12% raise.

### Benefit 4: Boosting mid-term sales through more local disposable income

Recent work by economists reveals that higher wages do not lead to jobs being lost in the local economy (5). Ontario's economy actually grew after a \$2.40/hour minimum wage hike in 2018 (6), although critics said a minimum wage hike would ruin small businesses. Instead, **more money was spent at main street businesses after the wage hike.**

The CEO of Wetzel's Pretzels based in California was originally worried that the state's two minimum wage hikes – one in 2014 and one in 2016 – would kill sales. Instead, **company sales were 15% above year-over-year forecast after the 2014 minimum wage hike, and 12% above after the 2016 minimum wage hike.** Despite a small price increase on menu items to cover increased costs, "more people are now coming in to shop and buying more than they used to", observed the CEO (7).

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(2) Knowledge at Wharton. Out of Stock? It Might Be Your Employee Payroll – Not Your Supply Chain – That's to Blame. Wharton School of the University of Pennsylvania. Retrieved at <https://knowledge.wharton.upenn.edu/article/out-of-stock-it-might-be-your-employee-payroll-not-your-supply-chain-thats-to-blame/>

(3) Ton, Z. (2012). Why "Good Jobs" Are Good for Retailers. Harvard Business Review. Retrieved at <https://hbr.org/2012/01/why-good-jobs-are-good-for-retailers>

(4) Kwiecinski, J. (2018, October 13). KWIECINSKI: Buyer Beware of Bill 148. Retrieved at <https://torontosun.com/opinion/columnists/kwiecinski-buyer-beware-of-bill-148>

(5) Manning, A. (2021) The elusive employment effect of the minimum wage. Journal of Economic Perspectives, 35(1), 3-36.

(6) Olive, D. (2018, August 25). The benefits to raising Ontario's minimum wage are tangible. Toronto Star [online]. Retrieved at <https://www.thestar.com/business/2018/08/25/the-benefits-to-raising-ontarios-minimum-wage-are-tangible.html>

(7) Harnett, S., (2017, February 17). Wetzel's Pretzels' CEO says minimum wage increase boosts business. Retrieved at <https://www.marketplace.org/2017/02/17/fast-food-ceo-says-minimum-wage-increase-boosts-business/>

# Assessing what's next for you with more-than-minimum wages

## Do you currently have some staff on minimum wage?

Raising wages might seem stressful and risky. There are plenty of stories claiming that it puts small shops out of business. We've just shown that the opposite is true – higher-than-minimum wages are a boon for business – but it doesn't stop a bigger expense line from sounding scary.

Every business has its own unique starting point and structure, so you need to create a plan that works for you. If you're paying some staff the legislated minimum wage, ask yourself:

- What is your employee pay strategy?
- How would your wage expenses change if you included training costs & retention savings?
- How many employees are paid the legislated minimum wage? Could you increase their wages? Could you increase all staff wages?
- If a key employee asked for a 25% raise, could you afford to lose them? Can you integrate this into your pay strategy?

## Do you currently pay higher than minimum wage and want to increase your ambitions?

Businesses who are already on a fair wage journey can start from their maximum end-point and work backwards. Of course, the economy always changes – remember a milkshake once cost 25-cents! – so your end-point isn't forever. Expect it to change in the medium-to-long-term. Here are some prompts to help you design a more ambitious pay strategy:

- What's your max end-point? What kind of livelihood do you want to provide your staff?
- What would a gradual wage hike strategy look like over a few years?
- If you have a tips-based or hourly-billing revenue model, are there other models that would make it easier to raise wages?
- Are there different strategies you could apply for different pay levels or roles, raising the lowest wages first?

# Case Study

Raising wages during COVID-19 increased staff loyalty, commitment and happiness at Best Bargains / Jewels 4 Ever



**"Paying competitive rates means that we don't have to worry about our team leaving and we don't have to worry about retraining costs."**

**Anita Agrawal,  
Best Bargains / Jewels 4 Ever**

Even experienced business owners have trouble figuring out the best wage mix. However, they DO know that a fair wage strategy are a great way to reduce staff turnover and increase operational stability.

BWA member Anita Agrawal, owner and jewellery designer at Best Bargains / Jewels 4 Ever, wanted to ensure her staff felt appreciated when they were able to return to work after COVID lockdowns. Anita knew it took courage and effort for her staff to travel on public transit to get to work. To show her gratitude and appreciation, BB/J4E increased all staff wages by 12%.

According to Anita, feeling appreciated isn't the only benefit to raising wages. "We've always had excellent staff retention with some of our team having worked with us for 22-25 years. Paying competitive rates means that we don't have to worry about our team leaving and we don't have to worry about retraining costs."

"We also recognize that a lot of work is sales, and sales is not just about buying and selling but rather the good relationships you build with people. When a key sales person leaves a team, they can sometimes take your clients with them. **Paying fair wages is a good way to ensure you don't disrupt your business.**"

# Paid sick days: Maximize your business's productivity

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COVID-19 taught us that paid sick days are indisputably the best tool to keep illness out of the workplace. No matter what kind of business you run - if a staff member has to choose between a paycheck and recovery, chances are you've just created a preventable outbreak in your workplace. Many businesses can handle one staff off sick - but **multiple workers off is a big performance headache that could shut down your business** until everyone is healthy again.

BWA members support providing all staff with paid sick days, regardless of position and tenure. Many members offer policies that provide 10 paid sick days and "as many as needed" in practice. Members simply don't want to risk an outbreak of any virus at work.

But offering paid sick days isn't just about mitigating risk - it creates real financial returns too. Our members have seen first-hand that staff who have paid sick days feel respected by their employers. **They are happy, productive, and loyal co-workers that provide excellent customer service, even when your business is short-staffed** because someone is home sick.

## **Benefits directly attributable to providing paid sick days to all workers include:**

- Avoiding lost productivity from sick or injured staff
- Retaining an efficient team that can perform, even during staff shortages
- Avoiding preventable shut-downs due to illness

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### **Benefit 1: Avoiding lost productivity from underperforming sick staff**

When sick or injured workers go to work, they under-perform. This is known as "presenteeism", and it costs businesses money. According to a 2018 study, the national cost of presenteeism in one year was estimated to be \$100-\$150 billion for US companies (8). In the study, **offering paid sick days was shown to reduce presenteeism** because staff could access health care and recover quicker at home.

The costs of under-performance are compounded when more co-workers become infected. Offering paid sick days avoids the domino effect of under-performance.

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(8) Asfaw, A., Rosa, R., & Pana-Cryan, R. (2017). Potential Economic Benefits of Paid Sick Leave in Reducing Absenteeism Related to the Spread of Influenza-Like Illness. *Journal of Occupational Environmental Medicine*, 59(9), 822-829. Retrieved at <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5649342/>

## **Benefit 2: Retaining an efficient team that can perform, even during staff shortages**

Far from creating a culture where workers abuse sick leave, our members actually often need to remind their staff that they can take days off when they're sick. Because members expect staff to take a handful of sick days each year, they **plan how to build a team that can cover when a staff member calls in sick**. This forward-planning leads to teams that are more agile so they can perform more efficiently.

Employees excel in cultures where they feel healthy, respected and trusted. In a study of 41 US-based publicly-traded companies, **average revenue increased by 6.8% per full-time equivalent (FTE) employee after introducing a paid sick leave program** (9).

**"Paid sick days build trust & loyalty with staff and help reduce total days off in a year. When you invest in staff, they'll invest back in you."**

**- BWA member, Café & Bakery**

## **Benefit 3: Avoiding preventable closure due to short-staffing**

Contrary to popular belief, offering paid sick days doesn't lose a business money. Over the long-term, a successful paid sick day program will reduce the overall amount of days off that employees take in a year by limiting the spread of viruses in a workplace.

Nima Fotovat, President of Riverside Natural Foods, introduced 14 paid sick days during the pandemic (10). **The company was able to protect workers' incomes and company revenue by avoiding production shutdowns.**

Instead of forcing employees to choose between a paycheque or safe recovery at home, Nima was able to provide for his staff's health needs while keeping the business running during peak COVID waves.

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(9) The Business Impacts of Paid Leave. (2019). American Sustainable Business Council. Retrieved at [https://www.asbcouncil.org/sites/main/files/file-attachments/panorama\\_report\\_-\\_business\\_impacts\\_of\\_paid\\_leave.pdf](https://www.asbcouncil.org/sites/main/files/file-attachments/panorama_report_-_business_impacts_of_paid_leave.pdf)

(10) CBC (2021). How offering employees paid sick leave can pay off for businesses

Retrieved at <https://www.cbc.ca/news/business/how-offering-employees-paid-sick-leave-can-pay-off-for-businesses-1.6009166>

# Assessing what's next for you with paid sick days

## If you don't have a paid sick day program, start here

If you're starting with a blank slate on paid sick days, you probably want to wade in the pool before diving. Your business is dependent on many factors, so launching a successful employee program requires constant evaluation and feedback.

Many of Ontario's top health organizations recommend 10 paid sick days per employee/year. However, every business is different and, just like wages, finding the right balance for your unique business matters.

We've got a short case study below that illustrates how one BWA member calculated the cost of his PSD program. Your own business's costs will vary based on your wage rate and average daily revenue.

### Case Study: How to Calculate the cost of a paid sick day program

Aaron Binder, Chief Experience Officer of Go Tours (he's also a BWA Director!) implemented a paid sick day program of 4 days for each staff member in 2021 and 2022.

An average of just 1.7 days per staff member were taken in 2022. In 2021, less than 1.2 days per staff member were taken. Staff taking fewer days than offered is a common experience amongst other BWA members as well.

Go Tours' total bill on paid sick days, including staff coverage, was \$4,900. Compare that to losing \$2,700 in revenue each day that they close their doors because of a preventable illness outbreak. **Go Tours' paid sick day program pays for itself - and some! - if they avoid just two days of closure per year.**

We've put a generic paid sick day program calculator on our blog for you to download.

[\*\*Download the PSD calculator now\*\*](#)

## Do you currently offer some paid days and want to provide a more attractive program?

A best-in-class paid sick day policy, based on our members' experiences, is 10-14 paid days off. *But in practice*, many members also offer additional days on an as-needed basis. They do this because it's simply better to have a sick worker stay home than to bring a virus into the workplace.

Here are some questions to help increase your PSD program ambition:

- What is the average number of paid sick days currently taken by all staff members? If most staff are using all their sick days, it might indicate that staff are coming to work before they've fully recovered.
- What do your staff think? Do they need more paid sick days, and how many more?
- If you've had to temporarily close because of staff illness, how much revenue did you lose out on while you were shut? This is the cost of not having PSDs (it's not free!). The cost of offering a PSD program may be marginal compared to lost revenue - or it might even be cheaper!
- Based on the math of your existing program, how much would it cost to increase the number of paid sick days?
- Could you design a strategy to gradually increase the number of PSDs you offer over a few years?

**"If our staff is putting in everything they've got for us, day in, day out, why would we dock pay or not support them when they're sick?"**

**- BWA member, food sector**



# Case Study

Offering paid sick days in the restaurant industry is a bold move that contains illness and builds resiliency



**"Give staff a few sick days. Explain they should take their health seriously. And have the right number of people around so you survive that situation."**

**Jessica Carpinone,  
Bread By Us**

The restaurant industry is notorious for creating a culture of ridicule and guilt around staff staying home if they feel unwell.

Jessica Carpinone, co-owner at Bread By Us bakery in Ottawa, says she has had to explain to new staff that they can and should stay home for a few days when they're ill. "Usually people make fun of you or are angry if you have to stay home. The pressure is so high. In my industry we have to truly encourage people to stay home when they're unwell."

Bread By Us offers paid sick days to all full-time and part-time staff. Jessica says the program has worked well to contain illness: one person getting sick doesn't mean everyone gets sick.

Faced with severe labour shortages during COVID waves, Jessica and her co-owners developed various strategies to cope with staff absences due to illness. They've established a labour cushion so they can replace sick workers and avoid running their team into huge overtime hours. At times they simplify their menu and reduce services offered, and drive buy-in from customers by communicating why they're taking these measures. According to Jess, "it sometimes means small sacrifices in the short term, but that tends to pay off in the long term when issues are contained effectively."

# Stable scheduling: Build your reputation as a great employer

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Stable scheduling is a big part of what makes a job enjoyable and dependable, which is what all workers want. Stable scheduling includes practices like:

- Providing schedules 2 weeks in advance
- Keeping schedules as predictable as possible
- Accommodating staff needs and conflicts, such as family care and other jobs
- Offering more hours to part-time staff before hiring new staff

As leaders across multiple industries, BWA members don't believe that "this is just how the industry does things" should dictate *how their own business* is run.

Our members have seen a pay-off from stable scheduling practices. It's a guaranteed positive return, since these are zero-cost practices! Benefits directly attributable to stable scheduling practices for all staff include:

- Attracting great staff who want to work for you
- Retaining experienced and knowledgeable staff who outperform year over year
- Mitigating absenteeism

## **Benefit 1: Attracting great staff who want to work for you**

Stable scheduling is all about giving all your staff members a great work environment. Our members are proud to offer jobs that people want. Many of our member businesses are well-known by workers in their neighbourhoods as desirable employers. This word-of-mouth reputation means that it's much easier to hire experienced staff and spend less money doing it.

It's the same in large businesses too. Costco, the wholesale retailer, enjoys a much better reputation than their competitor, Sam's Club. Costco is known for their more convenient scheduling practices and higher pay (more than 2x what some competitors offer!) - and in return, they attract high-performing employees and great supervisors (11).

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(11) Ton, Z. (2012). Why "Good Jobs" Are Good for Retailers". Harvard Business Review. Retrieved at <https://hbr.org/2012/01/why-good-jobs-are-good-for-retailers>

## Benefit 2: Retaining the best staff that get better year-over-year

The numbers prove it – when staff are offered predictability and good conditions in their job, they perform better! The Gap (the clothing retailer) ran a pilot project to test stable shift scheduling and **their revenue increased by 5% per hour**. This was most likely because it reduced the quit rate by knowledgeable, experienced staff who wanted predictable schedules (12).

At BWA member Go Tours, a tour company in Toronto, most staff stay on for 5 years. That's unusual for a seasonal business in an industry known for its rapid turnover! Their staff like getting consistent hours week-to-week, which allows them to plan for other commitments.

**"When you treat someone well and are truly proactive by having ethical employment practices, you don't have to hire again."**

**– BWA member, IT sector**



## Benefit 3: Mitigating staff absenteeism

**Staff turnover is highest in jobs that don't accommodate work-family scheduling conflicts.** This is most common in the food-service and hospitality industries. To reduce quit rates, absenteeism, and disciplinary action, have a system where workers know what hours to expect in advance, and a fair, dependable process for resolving scheduling conflicts (13).

(12) Williams, J.C. et al. (n.d.) Stable scheduling increases productivity and sales. University of Chicago and University of North Carolina at Chapel Hill.

(13) Wolfers & Zilinsky. (2015). Higher Wages for Low-Income Workers Lead to Higher Productivity. Peterson Institute for International Economics. Retrieved at <https://www.piie.com/blogs/realtime-economic-issues-watch/higher-wages-low-income-workers-lead-higher-productivity>.

# Assessing what's next for you with stable scheduling

## Are you ready to adopt Stable Scheduling practices?

Stable scheduling might be a great place to start on your Ethical Employment journey – it provides tangible returns without costing a penny. If you're just starting to be intentional with your scheduling strategy, here are some prompts to set you on your way:

- Do you currently give advance notice of staff schedules and could you provide more?
- Have scheduling issues come up during previous exit interviews with staff? What specific concerns can you address?
- What scheduling concerns are top-of-mind for staff?
- Do you keep records of previous weeks' and months' schedules on-hand to ensure consistency in employee schedules?
- Have you set up an easy way for staff to drop, add, or swap shifts, and do staff use it?

## Do you want to make your existing scheduling practices even better?

If you already have shift records from previous weeks and months, and know how your scheduling matches up with traffic in your store or service needs, you've got what you need. To go deeper in your scheduling practices, explore these questions:

- Based on your previous records and observations, what is the minimum number of hours you can guarantee to each staff member? This may have seasonal variation.
- Do you know how many hours each staff member needs as a minimum to pay their bills? Can you offer this?
- Can your schedules be more predictable so staff can accommodate their other jobs and commitments?
- When you're considering a new hire, have you first asked your current part-time staff if they want to take on more hours?
- Do you know if your scheduling practices create difficulties at home for any of your staff (e.g. with childcare or transit needs), and could you re-allocate hours to accommodate?

# The Big Picture

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Businesses are implicated in some of the greatest challenges humanity faces today, such as climate change and the decline of social mobility. Business owners are being faced with an existential choice: **do they help usher in a better 21st century or do they contribute to the problems that have led to today's crises?** Implementing ambitious Ethical Employment practices not only builds a competitive business, it also contributes to a better future for all.

Being a Better Way employer creates value for society, and creating value brings intangible benefits such as:

- A strong reputation amongst consumers and community members
  - Enhanced social capital, allowing you to tap into hidden resources
  - Creating new possibilities for business succession
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## **Benefit 1: Boost your business's reputation**

Business is no longer done in a silo. In today's digital age, **your business's values and actions are much more visible than before.** A quick online search can pull up information on your great brand story – or in the case of one Toronto coffee shop, a toxic work culture and employee mistreatment (14).

Shoppers are increasingly spending their money at businesses that reflect their values. **More than 75% of shoppers will refuse to buy from a company that supports an issue contrary to their beliefs,** based on a study of 1,000 US consumers (15).

Businesses that engage and contribute to their local communities are generally perceived more positively. Read our case study on Mohamed Fakh, CEO of Paramount Fine Foods (page 15) to learn about the amazing impact he has had on his local and global communities.

**"Better Way members are more innovative than their peers. We have absorbed costs that our competitors haven't. By necessity, we have to create different business models than the industry standard."**

**– BWA member, IT sector**

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(14) Mok, T. (2020, May 17). Former staff of popular Toronto coffee shop revolt after it announces reopening. BlogTO. Retrieved at [https://www.blogto.com/eat\\_drink/2020/05/former-staff-toronto-coffee-shop-revolt/](https://www.blogto.com/eat_drink/2020/05/former-staff-toronto-coffee-shop-revolt/)

(15) Cone Communications. (2017). 2017 Cone Communications CSR Study. Retrieved at <http://conecomm.com/2017-csr-study/>

## Benefit 2: Tap into hidden resources through improved social capital

Social capital means the resources generated through relationships – like a **strong network and powerful referrals**. Offering good jobs with good pay and benefits to workers in your community helps your power of association, especially in today's fast-moving digital culture. This opens up new opportunities for partnerships, collaborations, and recognition that positions you as a future-forward business.

BWA member Flow Office Wisdom is also a Certified B-Corporation (which means the company meets high environmental, social, and legal standards). Its Chief Buzz Builder & Partner, Crystal Wilson, is also the lead for B-Local Ontario, a group of B-Corporations in the province. In her role, she **creates ample opportunities to meet other ethical business owners** – and heightens the profile of her business amongst potential clients, too.

## Benefit 3: Create new possibilities for succession that continue your legacy of community contribution

Many businesses start as passion projects with few thoughts about an exit strategy. When that time comes, it can be difficult to navigate what happens. Keeping the business in the family is not an option for many, and it can be hard to find buyers that can provide continuity to value-led companies. Many businesses simply shut down.

Investing in a culture of respect and trust through good employment practices **fosters a group of potential buyers who are committed to the business: your own staff!** They may be willing to acquire the business and convert it to a co-operative or employee-owned company, enabling the business to continue its community stewardship. For example, Adam Calqohoun, founder of Oyster Boy restaurant, gifted each of his 6 employees a 5% stake in the business and encouraged them to buy out the rest of the shares in the next few years (16).

The 2022 federal budget committed to making it easier for businesses to transfer ownership to employees (17) at a time when almost 75% of Canadian business owners are looking at exiting by 2028 (18). Investing in your community and employees could mean that your business will continue its legacy of local contribution even after you leave.

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(16) Lavoie, J. (2022, Apr 21). Toronto restaurant owner gives loyal staff stake in business for their hard work during pandemic. *Toronto.com*. Retrieved at [https://www.toronto.com/news/business/toronto-restaurant-owner-gives-loyal-staff-stake-in-business-for-their-hard-work-during-pandemic/article\\_a9b5135c-b0a3-5dca-b6f6-6aled955a38d.html](https://www.toronto.com/news/business/toronto-restaurant-owner-gives-loyal-staff-stake-in-business-for-their-hard-work-during-pandemic/article_a9b5135c-b0a3-5dca-b6f6-6aled955a38d.html)

(17) Pek, S. (2022, Apr 18). New budget offers Canada a chance to get employee ownership right. *The Conversation*. Retrieved at <https://theconversation.com/new-budget-offers-canada-a-chance-to-get-employee-ownership-right-181019>

(18) Pohlmann, C. (2018). Selling up is a huge emotional challenge, compounded by tax regulations and finding someone qualified to step into the business: Opinion. *National Post*. Retrieved at <https://nationalpost.com/entrepreneur/nearly-75-of-smb-owners-will-exit-their-businesses-in-10-years-who-will-fill-their-shoes/wcm/ef67a933-1bf6-4d56-b0e7-3f5d2b664671>

# Case Study

Community outreach boosts company goodwill and local resilience at Paramount Fine Foods



**"People say the customer is always right, the customer comes first—no. Your employees come first. Take care of them, take care of your culture and they'll take care of your customers."**

**Mohamad Fakh,  
Paramount Fine Foods**

Mohamad Fakh, President and Founder of Paramount Fine Foods, is well known for his community outreach in Mississauga, Ontario – and globally, too. Mohamed has been instrumental in mobilizing support and building resilience for the Middle Eastern community in times of crisis (19).

Mohamad and other business owners led fundraising efforts in response to the 2017 attack on a Quebec mosque, directing funds to families of the victims and to reconstruction efforts. Mohamad hired 100 Syrian refugees in 2016 and set an example for how business owners could give opportunities to newcomers to Canada. The list goes on. And all this while growing the Paramount brand to 70 restaurants in Canada, the US and the UK.

Mohamad's business philosophy is "Four P's"—People, Purpose, Planet, and Profit." He says, "If you look after your community, and you're responsible towards the planet, people will support you. You'll get the best talent in the business and customers will be loyal, so you'll get profit." When COVID broke out, he added another 'P': "Pivot...we saved the staff by launching a new concept" (20). It's part of what Mohamad calls "Kinder Capitalism", an idea he hopes other leaders will adopt (21).

(19) Gamrot, S. (2022, January 1). Paramount Fine Foods owner Mohamad Fakh appointed to Order of Canada. Toronto Star. Retrieved at [https://www.thestar.com/local-mississauga/news/2022/01/01/paramount-fine-foods-owner-mohamad-fakh-appointed-to-order-of-canada.html?itm\\_source=parsely-api](https://www.thestar.com/local-mississauga/news/2022/01/01/paramount-fine-foods-owner-mohamad-fakh-appointed-to-order-of-canada.html?itm_source=parsely-api)

(20) Mohamad Fakh: "Refugees Want a Hand Up, Not a Handout." Bay Street Bull. Retrieved at <https://baystreetbull.com/mohamad-fakh-refugees-want-a-hand-up-not-a-handout/>

(21) Kong, S. L. (2021, November 24). How the kinder capitalism of Paramount Fine Foods became the secret of Mohamad Fakh's success. Globe and Mail Report on Business. Retrieved at <https://www.theglobeandmail.com/business/rob-magazine/article-the-corporate-citizen-mohamad-fakh-paramount-fine-foods/>

# Putting it all together: Your ethical employment journey

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**Taking the first step, however small, is your best path to success**

You might know you want to be an Ethical Employer and don't know where to start. Or perhaps you're already a Better Way Business and you're striving for excellence. While there isn't any one path forward that works for every business, we do know one thing: **making incremental changes over time works.**

**Small wins prove the business case internally and this builds momentum.** You can start with one, two or three practices – whatever makes sense for you based on the "Assessing what's next for you" sections. Answering those questions will give you a pretty good idea about where you are closest to your big ambitions or where you have a clear path forward. **It's also important to ask your employees themselves - what changes would make their jobs more satisfying?**

Wherever you start, the most important thing is to implement and learn as fast as you can. Our members focus on going beyond policies. **It's in taking action that change happens.**

## About the Better Way Alliance

The Better Way Alliance is Canada's Ethical Employer Network. Our members are business owners who know that investing in ethical employment is an investment in their business's success. Together, we bring the voice of businesses owners who support ethical employment, to conversations in media, politics, and industry.

BWA members gain access to a network of business owners and get resources that help them unlock the human value of their businesses with higher wages, paid sick days, and stable scheduling.

Contact us to help you get started on your ethical business transformation or to develop deeper strategies if you're already on your way. Great jobs in local economies start with Better Way Businesses.

# Contact Us

Interested in connecting with us to speak at an event?  
Do you have a story to tell about rising commercial rent?  
Want to learn the benefits of becoming a member?

We love hearing from our community. Contact us for a virtual coffee.



**Liliana Camacho**  
Director



**Aaron Binder**  
Director

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# BETTER WAY ALLIANCE

## CANADA'S ETHICAL EMPLOYER NETWORK

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 [www.betterwayalliance.ca](http://www.betterwayalliance.ca)

info [at] betterwayalliance.ca