

The legalization of cannabis: impact for the workplace

A Morneau Shepell research group report

October 2018



Canadians will be able to use cannabis recreationally without fear of criminal sanctions as of October 17, 2018. While the federal *Cannabis Act, C-45, 2018* addresses usage in many public places, the question of how to handle cannabis in the workplace rests largely with individual employers.

The question is what, if anything, should organizations be doing to prepare for the legalization of cannabis? Responses to Morneau Shepell’s 2019 *Trends in Human Resources* survey, conducted in July 2018, indicate that a minority have implemented policies to address the use of cannabis in the workplace, even though medical cannabis has been legal in Canada since 2001 (with prescriptions on the rise¹) and legal recreational use is looming. Organizations are divided in their approach: some employers are taking a “wait and see” attitude, while others are seizing the moment and introducing new policies. But are new policies enough?

Workforce demographics may be a factor in determining how proactive an organization should be in addressing cannabis in the workplace. Morneau Shepell’s *Mental Health Priorities 2017* research asked employees about both current cannabis use and whether that use was expected to increase with legalization. Age and gender were found to have an impact on cannabis use.

Cannabis usage in the last year

That doesn’t necessarily mean, however, that employers should do nothing, even if they have workforce demographics with a lower likelihood of cannabis use. Given the odds that increased medical and recreational use of cannabis may lead to on-the-job issues, it is prudent for employers to develop a strategic plan for dealing with issues now, rather than reacting on an ad-hoc basis when a situation arises.

The legalization of cannabis: impact for the workplace report discusses Morneau Shepell’s research findings and makes recommendations for a strategic approach to dealing with employee use of cannabis in a way that ensures everyone’s safety without infringing on individual liberties.

Employers’ current actions

When asked what actions they had taken in preparation for the legalization of cannabis, employers responding to the *Trends in Human Resources* survey provided this input:

	Currently in place	Planned for the next 12-18 months	Not planned
Update substance abuse policy to manage cannabis in the workplace	34%	52%	13%
Update employee drug testing protocols	11%	19%	71%
Train managers to manage cannabis in the workplace	7%	48%	45%
Cover medical cannabis under our drug benefits plan	3%	9%	88%
Cover medical cannabis under a health spending account (HSA)	8%	7%	85%

Only one-third (34 per cent) of respondent organizations have already updated their substance abuse policies to manage cannabis in the workplace, although another 52 per cent are planning to do so in the

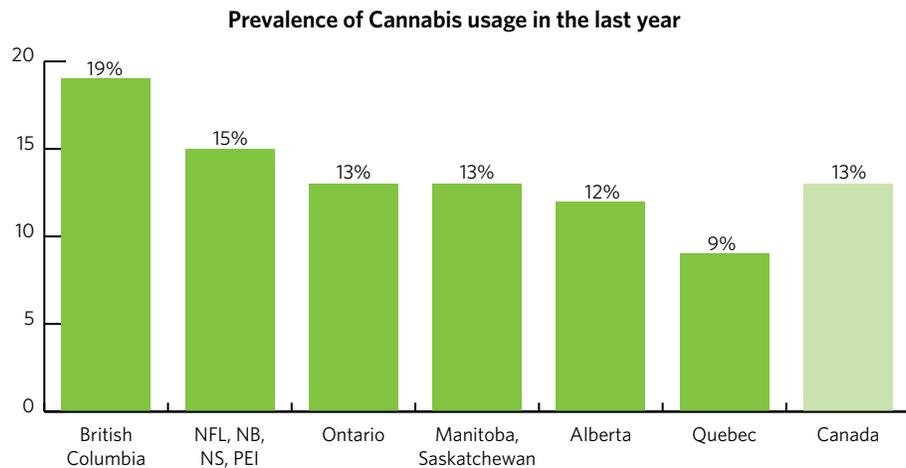
next year to year-and-a-half. The other action that employers are planning to take in the upcoming 12 to 18 months (only seven per cent have done so already) is to train managers to handle cannabis in the workplace. Doing so is particularly important, given that impairment of employees in the workplace can pose a significant risk to the health and safety of the organization.

It is perhaps surprising that, even though medical cannabis has been legal in Canada for almost two decades, only three per cent of organizations currently cover it under their drug benefits plan and only another eight per cent plan to consider doing so in the next 12 to 18 months.

Prevalence of cannabis use

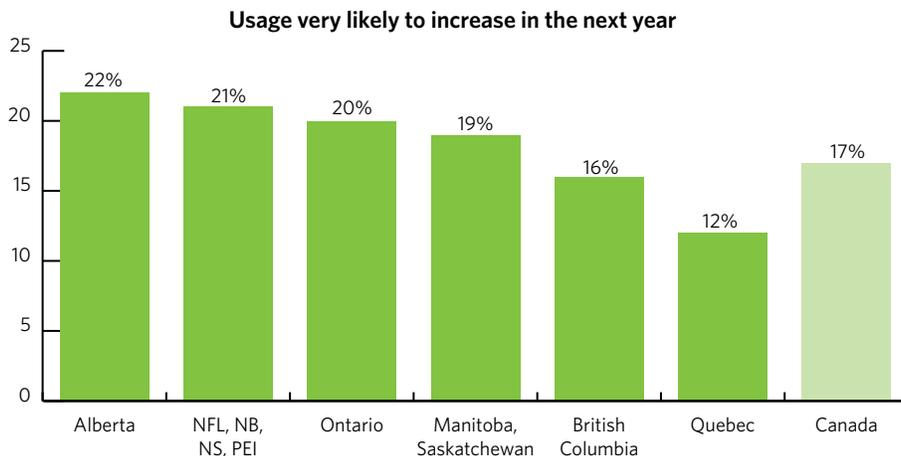
Feedback from employees gathered in the *Mental Health Priorities 2017* research suggests that employers should not expect a large surge in cannabis usage with legalization.

Employees were asked whether they had used cannabis in the last year. Those responses were then broken out by region:



The research shows that employees in British Columbia are most likely to use cannabis, while those in Quebec are least likely to do so.

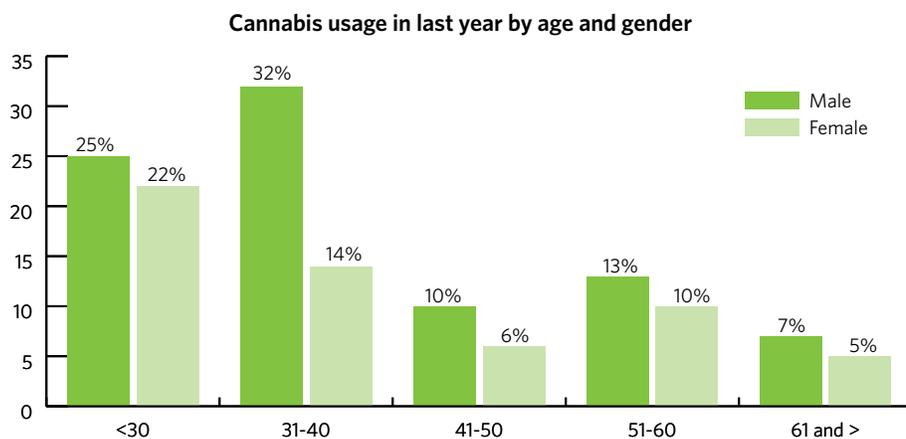
Employees were also asked what impact, if any, legalization would have on their cannabis usage.



While legalization seems to be a persuasive factor in the Prairie provinces leading to increased usage, cannabis does not seem to be something Quebec employees plan to use as much as the rest of the country, now or in the future.

There were some other findings from this research that help pinpoint workforce demographics that may lead to workforce issues with cannabis:

- Cannabis use decreases with age
- Women are less likely than men to use cannabis
- Cannabis use is not an “employees only” issue. Managers are just as likely to use cannabis – and may be slightly more inclined to do so after legalization
- Cannabis use is most prevalent in British Columbia and least prevalent in Quebec



Do these findings mean that Quebec-based organizations with staff that are primarily older women in non-managerial positions need to be less concerned about having policies in place to address cannabis use than other employers? While those organizations may be statistically less likely to have a workplace issue, it is still prudent for all organizations to be prepared to manage cannabis in the workplace. Doing so removes ambiguity for employees and lessens the risk to workplace safety.

Developing and implementing a cannabis strategy

Addressing cannabis in the workplace effectively, like so many other human resources issues, requires the development and implementation of a cannabis strategy, rather than merely introducing a new policy. The following points highlight key considerations in developing a holistic strategy that covers communication and training, and also aligns with other sources of employee support.

- **Recognize that an alcohol/substance abuse policy may not be appropriate for cannabis**

Unlike in the case of alcohol, testing for cannabis intoxication may not be conclusive.

Tetrahydrocannabinol (THC) can be present in the bloodstream for a long period of time without necessarily causing impairment. In addition, alcohol is not medicinal, but cannabis can be the best treatment for some conditions. That means that there may be situations where cannabis use at work is permitted.

- **Take the time to educate and communicate with all employees**

Companies should introduce any changes or new policy with a discussion about the legalization of cannabis and clear messages about what will and won't be allowed in the workplace. That conversation should communicate that "legal" is not synonymous with "risk free" and that the purpose of the new policy is safety. Any new policy, along with its rationale and enforcement, should be spelled out clearly. Employers should invite employees to share their concerns and address them.

- **Appoint a single point of contact in human resources (HR) to deal with issues relating to cannabis in the workplace**

Having a lead HR person to deal with all issues related to cannabis use will ensure that any new policy is applied consistently. That person will also be able to track any recurring issues so that the organization can spot any need for clarification.

- **Align cannabis policies with the company's disability management approach**

Results from the *Sanofi Healthcare Survey 2018* indicated that almost two-thirds (64 per cent) of employees thought that medical cannabis should be covered by private health benefit plans, while only 34 per cent of employers shared the same opinion. Data from the Morneau Shepell *Trends in Human Resources* survey suggest that even fewer will actually provide this coverage: only 12 per cent either already have cannabis coverage in their plan or plan to add it in the next 12 to 18 months.

Regardless of whether a company opts to provide coverage for medicinal cannabis under its benefits plan, it is important for employees to understand how the company will differentiate between medicinal and recreational cannabis use, as well as any limitations on the use of cannabis for health reasons. For instance, the employer may want to ensure that employees understand that, even if they have a doctor's prescription for medicinal cannabis, the employer may decide to get a second opinion from an occupational health physician or a cannabis specialist to see if another medication or dosage would work just as well. This may be the case particularly where the employee's job is safety-sensitive and/or where there have been substance abuse issues before. In addition, it is essential to address employee concerns about confidentiality. Disclosing medicinal use of cannabis also means sharing the reasons for use, and the employer should discuss how the employee's privacy can be protected, even if treatment is required at work.

- **Implement manager training alongside the rollout of the new policy**

As there is currently no effective test for cannabis impairment, managers will need to rely on their own observations if they suspect impairment and/or abuse. Employers should outline the process for addressing concerns if managers notice a decrease in productivity or change in work habits, etc. Managers should also be instructed as to how to raise and address issues with employees. Training workshops for managers are available through employee and family assistance plan (EFAP) providers. They can ensure that managers receive consistent, timely training, particularly with respect to reviewing mandatory/monitored referrals to the EFAP.

Endnotes

1 <https://www.canada.ca/en/health-canada/services/drugs-medication/cannabis/licensed-producers/market-data.html>

Methodology

Morneau Shepell's *Workplace Mental Health Priorities 2018*

Conducted in October 2017, the *Workplace Mental Health Priorities 2018* survey polled employees (working full time, part time or self-employed) and people managers from across Canada.

The composition of respondents included:

Employees (n = 1,001)

- 79 per cent working full time
- 17 per cent working part time
- 4 per cent self-employed

- 500 respondents worked at organizations with 500 or fewer employees
- 501 respondents worked at organizations with 501 or more employees

Managers (n=509)

- 310 respondents worked at organizations with 500 or fewer employees
- 199 respondents worked at organizations with 501 or more employees

Morneau Shepell's 36th annual *Trends in Human Resources* survey, 2019

Conducted in July 2018, with input from 356 organizations employing 683,497 Canadians in a broad cross-section of industry sectors.

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