2025 Was a Turning Point for HR: What Canadian Employers Must Do Next



As 2025 comes to a close, many Canadian HR professionals feel like they have been running uphill with a compliance binder in one hand and a culture mandate in the other. It was a year of constant adjustment. New legislation, shifting tribunal expectations, rising accommodation complexity, labour shortages, remote work tensions, and a growing gap between policy and practice all collided at once.

If 2024 was about awareness, 2025 was about consequences.

Across Canada, human rights complaints increased, courts continued to refine employer obligations, governments pushed transparency and accountability, and employees became more informed and more willing to challenge decisions they perceived as unfair. HR teams were no longer just policy administrators. They became risk managers, cultural translators, and crisis responders.

This article looks back at what defined HR and HR compliance in 2025, the lessons employers should have absorbed, and what is likely coming in 2026. It is written for Canadian HR leaders who want fewer surprises next year and more control over outcomes.

2025 Was The Year Compliance Became Personal

One of the defining shifts in 2025 was that compliance stopped feeling abstract. It became personal for employees and expensive for employers.

Human rights tribunals across the country reported steady or rising complaint volumes. According to public reporting from the **Ontario Human Rights Tribunal**, applications have more than doubled over the last decade, with disability, family status, religion, and reprisal leading the way. Similar trends were reported by the **British Columbia Human Rights Tribunal** and the **Alberta Human Rights Commission**.

What changed in 2025 was not just volume, but tone. Employees increasingly framed complaints as moral issues, not technical ones. Accommodation failures were described as disrespect. Scheduling decisions were described as discrimination. Performance management was framed as retaliation.

HR leaders who still viewed compliance as a checklist found themselves on the defensive.

One Ontario employer learned this the hard way when a manager denied repeated modified scheduling requests from an employee caring for an elderly parent. The employer believed it was acting reasonably. The tribunal disagreed, finding that the organization had focused on operational inconvenience rather than accommodation analysis. The decision cited the long-standing Supreme Court precedent in *Supreme Court of Canada* jurisprudence that inconvenience does not equal undue hardship.

The message from 2025 was clear. Good intentions do not shield employers from liability. Process matters, documentation matters, and empathy without follow-through is not a defence.

Lesson One: Policies Are Only As Strong As The People Applying Them

Many organizations entered 2025 with updated policies. Flexible work policies, accommodation policies, harassment policies, and remote work guidelines were all revised during the pandemic years. HR assumed the hard work was done.

2025 exposed the gap between written policy and lived practice.

Tribunal decisions repeatedly emphasized that having a policy is not enough. Employers must show that managers understand it, apply it consistently, and escalate issues appropriately. In several decisions, adjudicators noted that the employer had a policy but the supervisor had never been trained on it.

A notable example came out of British Columbia where an employee alleged discrimination based on disability after being disciplined for attendance issues. The employer pointed to a detailed accommodation policy. The tribunal focused instead on the supervisor’s actions, noting that the manager discouraged accommodation discussions and framed requests as burdensome. The policy existed. The culture did not support it.

For HR, the lesson was uncomfortable but necessary. Policy updates without manager capability create legal risk. In 2026, HR teams that do not invest in supervisor training will continue to pay for it through complaints, investigations, and turnover.

Lesson Two: Accommodation Became The Central HR Skill

Accommodation was not new in 2025, but its scope expanded dramatically.

Disability accommodation now includes mental health, neurodiversity, episodic conditions, long COVID, menopause, and anxiety related to return-to-office mandates. Family status accommodation extended beyond childcare to eldercare, blended caregiving, and complex scheduling needs. Religious accommodation surfaced more frequently during holidays, hybrid schedules, and dress code disputes.

Statistics from the Canadian Centre for Occupational Health and Safety show that mental health related accommodation requests increased significantly between 2022 and 2025. At the same time, employers reported difficulty determining where accommodation ends and undue hardship begins.

Courts and tribunals clarified that accommodation is not about perfection. It is about effort, exploration, and documentation.

In Ontario, arbitrators repeatedly cited the principle that employers must

demonstrate they turned their mind to alternatives. Saying no without showing what was considered is often fatal to the employer’s case.

HR professionals learned in 2025 that accommodation is not a single decision. It is a process that evolves over time. In 2026, organizations that treat accommodation as a dialogue rather than a transaction will be better positioned to defend decisions and retain employees.

Lesson Three: Hybrid Work Became A Compliance Issue, Not A Perk

Hybrid and remote work stopped being framed as flexibility and started being treated as an accommodation, a retention tool, and in some cases, a right.

Several 2025 disputes arose when employers attempted to pull back remote work arrangements without assessing individual circumstances. Employees argued that remote work had become an implied term of employment or that return-to-office mandates disproportionately affected those with disabilities or caregiving responsibilities.

While courts have generally upheld employer authority to determine work location, they have also emphasized the duty to assess accommodation requests individually. Blanket return policies without exemptions triggered complaints.

A Québec employer faced scrutiny when it required full return to office despite medical documentation supporting continued remote work for certain employees. The employer cited consistency. The tribunal cited failure to accommodate.

The lesson for 2026 is that hybrid work decisions must be risk assessed. HR should treat changes to remote arrangements as potentially high-risk decisions requiring consultation, documentation, and individualized analysis.

Lesson Four: Termination Risk Increased Even When Employers Thought They Were Right

2025 reinforced a painful truth. Termination remains one of the highest risk moments in the employment lifecycle.

Wrongful dismissal awards continued to trend upward. Courts cited inflation, longer job searches, and age discrimination impacts when assessing notice periods. In several cases, courts emphasized employer conduct during termination, not just the termination itself.

Poorly handled terminations led to aggravated damages where employees were humiliated, misled, or pressured. In one Ontario case, an employer delayed issuing a record of employment while negotiating a release. The court viewed this as coercive and increased damages.

HR professionals learned that compliance during termination is not just about pay. It is about dignity, clarity, and process.

As 2026 approaches, HR teams should revisit termination scripts, manager training, and exit protocols. A termination done poorly can undo years of good HR work.

Lesson Five: Training Became Evidence Not Just Education

In 2025, training stopped being viewed as a nice-to-have and started being scrutinized as evidence.

Tribunals and courts increasingly asked whether managers had been trained on

harassment, accommodation, privacy, and workplace investigations. When training was outdated or nonexistent, employers struggled to defend decisions.

In harassment cases, employers with regular, documented training were more likely to demonstrate due diligence. In privacy cases, lack of training around digital surveillance and AI tools created exposure.

This trend will accelerate in 2026. HR teams should assume that training records will be reviewed during disputes. The question will not be whether training existed, but whether it was relevant, timely, and applied.

What HR Should Be Doing Now As 2026 Approaches

As HR professionals look ahead, the focus should shift from reactive compliance to strategic readiness.

First, HR should conduct a compliance post-mortem on 2025. Identify where complaints arose, where managers struggled, and where policies failed in practice. Use real cases as learning tools rather than one-off crises.

Second, manager capability must become a priority. Supervisors are the front line of compliance. In 2026, HR should ensure managers understand accommodation, performance documentation, respectful communication, and escalation protocols.

Third, HR should simplify policies. Overly complex policies often go unused. Clear decision trees, checklists, and guidance documents support consistent application.

Fourth, HR should integrate legal risk thinking into everyday decisions. Return-to-office plans, scheduling changes, discipline, and terminations should all be viewed through a risk lens, not just an operational one.

What Could Be Coming In 2026

While no one can predict legislation with certainty, several trends suggest where HR compliance is headed.

Governments continue to focus on transparency and accountability. Forced labour reporting, pay transparency, and AI governance will likely expand. Employers using AI in recruitment, scheduling, or performance assessment should expect increased scrutiny.

Mental health protections are likely to deepen. Tribunals are already treating psychological safety as a core employer obligation. HR should expect more guidance and possibly legislative movement in this area.

Hybrid work disputes will continue. As labour markets tighten and employee expectations solidify, HR will be navigating a complex balance between operational control and accommodation rights.

Privacy will remain a risk area, particularly as monitoring tools, productivity software, and AI-driven analytics become more common. HR must ensure that technological efficiency does not outpace legal and ethical safeguards.

Jurisdictional Differences HR Should Track Going Into

2026

Jurisdiction	Key HR Compliance Focus Entering 2026	Practical HR Impact
Ontario	Human rights accommodation and reprisal risk.	Increased documentation and manager training required.
British Columbia	Flexible work and mental health accommodation.	Greater scrutiny of return-to-office decisions.
Québec	Psychological harassment and language obligations.	Policy localization and bilingual compliance essential.
Alberta	Investigations and procedural fairness.	Strong process documentation needed.
Federal	Pay transparency and supply chain reporting.	HR involvement in governance and reporting cycles.

This table is not exhaustive, but it illustrates a broader truth. National policies are no longer enough. HR must understand local risk.

A Story HR Leaders Should Remember

In late 2025, an HR director at a mid-sized Canadian employer reflected on a difficult year. The organization had faced two human rights complaints, one wrongful dismissal claim, and multiple accommodation disputes. None involved bad actors. All involved reasonable managers who were overwhelmed.

The turning point came when HR stopped focusing solely on compliance and started focusing on capability. They rebuilt manager training, simplified policies, and created safe escalation pathways. By year end, complaints dropped, engagement improved, and managers reported feeling more confident.

The lesson was simple. Compliance is not about avoiding mistakes. It is about building systems that support people when mistakes happen.

Final Thoughts For 2026

If 2025 taught Canadian HR professionals anything, it is that compliance and culture are inseparable. Laws will continue to evolve, but the core expectation remains constant. Employers must act reasonably, fairly, and transparently.

As 2026 approaches, the most successful HR teams will be those that anticipate risk, invest in people, and treat compliance as a living system rather than a static rulebook.

HR has never been more central to organizational success. The challenge now is to step into that role with confidence, clarity, and courage.