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# Flexibility and Accountability:

An Overview of Provincial Labour Market  
Programs & Projects

Prepared for Human Resources and  
Skills Development Canada

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# 1 Executive Summary

## 1.1 Project Background, OECD Research and the Canadian Context

Human Resources and Skills Development Canada (HRSDC) is sponsoring two research projects dealing with labour market flexibility and accountability. One project involves the Organization for Economic Cooperation and Development (OECD) in an inter-country study between Canada, Netherlands and Denmark – the governments of Alberta and New Brunswick are participating in this study.

The second project involves the examination and review of program/project studies from nine provinces and territories, assessed and analyzed against the dimensions of the OECD research. This paper summarizes the research and findings of the second project. British Columbia, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia, Newfoundland, Prince Edward Island and Yukon participated in the project.

A wide variety of programs/projects, ranging from targeted programs for specific client populations to broad-based, province-wide programs or policy frameworks were examined. Because the size, type and dimensions of the project studies gathered during this work vary widely, definitive comparisons about provincial/territorial practice should be made cautiously.

The OECD research explores the dimensions of flexibility and accountability in local labour market policy. Local is defined as a population of 300,000 to 800,000 which means in the Canadian context either the provincial or territorial level, or large urban levels. Flexibility is defined as “the possibility to adjust policy at its various design, implementation and delivery stages to make it better adapted to local contexts” (OECD, 2009:13). Characteristics of flexibility include program design; the degree to which local delivery agents have the ability to manage and move budget funds to meet local needs; program eligibility (the degree to which local actors are able to determine who they serve); the degree to which local agents choose and establish their own performance targets and goals; and the ability to establish local relationships, partnerships and networks. Accountability is assessed against four main characteristics: legal accountability, fiscal accountability, performance accountability and public accountability.

The OECD research also reviews the dimensions of networked relationships and the tension between flexibility and accountability. A natural tension exists between the concepts of flexibility and accountability in a networked relationship and a balance must be struck in order for the network to function at its optimum. (OECD, 2009)

In Canada, in the mid-to late 1990s, in an effort to ensure that labour market policies and services were more responsive the federal government began devolving labour market services to the provinces. Devolution was intended to move decision-making closer to the individual employer and job seeker thereby resulting in greater

responsiveness. Labour Market Development Agreements (LMDAs) were signed with numbers of provinces in the mid-to late 1990s. The agreements varied from fully devolved arrangements to co-managed arrangements.

More recently, the federal government has entered into Labour Market Agreements (LMAs) with the provinces and territories and has fully devolved services under all Labour Market Development Agreements and enhanced funding in Budget 2009.

Both of these labour market agreements are consistent with the basic foundation of the OECD research – decentralized responses are more likely to result in better employment outcomes. The LMDAs are more prescriptive in that the agreement devolves legislative responsibility under employment legislation to the provinces and territories. Under the LMDA, program design is left to the provinces to determine but interventions have to be similar to federal benefits and federal legislation.

The LMA, however, is not limited by a legislative framework. These agreements are built on the principle of shared constitutional responsibility for labour market interventions. They recognize the primary responsibility rests with provinces and territories for the design and delivery of programs and services. The list of eligible programs is less prescriptive and provides a broad range of options for provincial consideration. Eligible clients are limited to groups that typically do not have significant attachment to the labour market. An important innovation in flexibility, however, includes responses for low skilled employed people, a group that would typically fall through programming cracks.

## **1.2 Findings**

A review of provincial and territorial programs reveals that program design and delivery is largely consistent with the practices outlined on OECD research. The province or territory is responsible for high-level program design; the trend is to provide a program framework that outlines the general process for the intervention with the client, and/or the process and conditions for funding proposals. In one case, the province delegated decisions about program design to a community organization that is not only responsible for delivery of the program in their geographic area of responsibility, but also for developing policy and program guidelines for the rest of the province (Newfoundland).

Size of the program/project study appears to make a difference with regard to the degree of flexibility in program design. In the case of large public employment services, the programs studied suggest that provinces are more prescriptive. This is not surprising, because the size of the program requires a more robust and clearly defined design framework and can rely less on personal relationships to deliver outcomes (Ontario and Québec).

As programs mature and move past pilot stages or to delivery in more locations, there is often a strong tendency to formalize the program design with more documentation or direction from the province which may have the impact of increasing accountability

at the local level (British Columbia and Nova Scotia). The challenge in program expansion is to capture the flexibility of a model that is currently working and, using typical program delivery approaches (i.e. frameworks, program and policy descriptions), translate the success of the project from one industry and one geographic location to new industries, in new locations, with new partners.

The choice of delivery vehicles also has implications for flexibility and accountability. Many of the programs studied deliver services through community-based organizations with strong community linkages. The single focus of these organizations in working with communities, individuals and employers was very clear during the interviews and represents an advantage of this type of delivery vehicle. These organizations have the advantage of being able to leverage contributions from other partners in the community.

The OECD literature notes a variety of practices with regard to financial flexibility as well as substantial accountability requirements associated with the use of public funds. The practices of the programs studied are consistent with this research. The provincial/territorial program design usually outlines the financial parameters under which local service deliverers operate. A combination of practices were noted in the program studies, varying from line by line budget requirements to block funding of programs, and limitations at the local level in the ability to move funds between budget items. Some examples were noted of tying individual performance outcomes to financial payment (British Columbia). Multiyear funding was used in Ontario and agencies were allowed to carryover funding between fiscal years (Yukon). In one case (British Columbia), enhanced program funding was provided to projects. It allows a portion of operational funding to be used within the discretion of the delivery agent to meet the individualized needs of clients.

Planning processes varied widely depending on the size and maturity of the program. More developed planning processes characterized the large public employment services examples provided by Ontario and Québec. Ontario's planning process is driven by a provincial framework that has been developed over a number of years with the participation of stakeholder groups. It integrates planning processes, performance management and stakeholder involvement and is based on the business planning process driven by the government's fiscal year. Each year, government identifies strategic priorities in the business planning process and requests the service provider to prioritize those areas relevant to their program offerings. A unique feature of the planning process is that it recognizes where the service provider is currently performing and establishes a process for continuous improvement.

Criteria for governance mechanisms or the development of partnerships and networks is not prescribed in any detail for most of the programs studied, nor in funding agreements. During many of the interviews, however, partnership or network approaches were described as essential. Governance mechanisms to manage program operations were largely the creation of local delivery agents working with

the province or territory. These mechanisms evolved over time as the program matured and developed. Use of local committees or planning structures involving multiple labour market partners occurred in many of the programs. Representatives of industry or employers were critical members of these structures to ensure accountability to their needs. Best practices in this area suggests that community or stakeholder governance mechanisms can be used as a method to ensure both flexibility and accountability measures are incorporated in practice. The form of governance appears in many cases to have been developed in accordance with what was needed to get the job done and was not overly prescribed by government.

The OECD research notes that the capacity of labour market organizations to meet local needs is determined by the local knowledge and understanding of the economic and labour market context (OECD 2009: 28). Formal labour market information appeared to be less relevant in many program studies, particularly the smaller programs. It was local labour market "intelligence" that was almost always relied on to shape program directions. Labour market "intelligence" refers to local knowledge of specific employers and their needs, awareness of current and potential economic expansions, as well as areas of potential economic contraction. This type of intelligence and understanding is gathered through spending time with employers and understanding their needs.

In addition, the research notes that having talented staff at all levels is critical to successful partnerships. Individuals must be able to operate with a sense of independence while still managing with an understanding of the direction and goals of the organization. This finding was strongly reinforced in the interviews. Interviewees often mention the ability to form relationships with employers, to understand and work within local economic conditions, and to develop relationships with individual clients as critical to achieving successful outcomes.

### **1.3 Conclusions and Best Practices**

Canada has taken major steps in decentralizing labour market policy and programs. The current labour market agreements establish national frameworks for labour market interventions with national objectives and priorities, financial regimes, and accountability and performance measures. Using the architecture of these agreements, the provinces and territories have developed practical approaches and best practices for building flexibility and accountability into program arrangements.

One of those practices is the use of third-party agencies to deliver program interventions, particularly in the case of hard to serve clients. Interviews suggest that third parties can be more flexible in their ability to respond to the needs of clients with multiple barriers. They are not constrained by public service hiring practices and have the ability to hire the kind of staff they believe are necessary to do the work. They have a single focus or business line and can concentrate on quickly developing responses that meet the needs of labour market partners, including clients and industry. They are often closer to the community of clients they serve, and so can



connect with the groups that are targeted in many of the program studies. These organizations also appear to be able to develop detailed understandings of local employer needs and consequently, develop the trust relationships required to deliver effective programming.

Funding arrangements that use performance measures can increase the accountability of these organizations. A potential weakness observed in the programs studied relates to informal strategic planning processes being used by many of these organizations. At best, operational planning to deliver results on a day to day basis was being used. Larger and more complex programs, like those offered in Ontario and Québec, relied on much more formalized and robust planning processes presumably with better long-term outcomes.

The OECD research suggests that partnerships and network relationships are critical to horizontal integration, but rarely do the partnerships have sufficient policy and program flexibility to make them truly meaningful (OECD, 2009:28). The studies made use of partnerships to plan and deliver services. Partnerships were undertaken because it "was the right thing to do" and "was necessary to achieve labour market outcomes". Horizontal integration was also being achieved through corporate policy frameworks to guide decision-making at the provincial and local levels. Regional and sectoral planning processes are being used in Québec as a form of horizontal integration.

The accountability and performance management requirements of the LMDAs and LMAs are manifest at local levels. Provinces are increasingly moving to delivery systems where access to programs is not based on EI eligibility, but are rather needs-based, driven by employment outcomes at the local level. The labour market agreements are not always viewed as supportive of this direction. The separate accountability requirements of the two agreements was seen to be onerous. The possibility of collapsing the two agreements into one agreement with one set of accountability requirements should be investigated in partnership with provincial/territorial governments.

There was little evidence of negotiated targets in many of the studies. Targets were most often included in funding agreements and were a combination of client counts, activity counts and employment outcome measures.

As noted by the OECD, there is friction between flexibility and accountability. The programs reviewed in this study suggest that the relationship between flexibility and accountability should not be viewed as a simple inverse relationship. As flexibility increases, it does not necessarily follow that accountability is lessened. In other words, accountability does not necessarily have to be given up in order to ensure flexibility. The relationship between the concepts is more complex and nuanced. The LMA is an example, as the agreement affords new flexibility to provinces and territories, at the same time it moves to measuring real labour market outcomes as

opposed to activity counts. In this instance, it appears that both accountability and flexibility increased.

A fully developed labour market system is going to be made up of a myriad of the program interventions – each with varying degrees of accountability and flexibility, and means for achieving these goals. There is not necessarily a trade-off between flexibility and accountability, and between horizontal and vertical accountability in service delivery relationships. A matrix of flexible and accountable relationships is created, and must be sustained and managed in a fully functional labour market system. Policy makers and program designers need to be more aware of the interplay between these concepts and incorporate these features in program design. Delivery staff also need to understand the interplay between these concepts as they go about the day-to-day delivery of programs. Staff should be recruited and mentored for their ability to understand and work within matrix and nuanced relationships, or for their ability to develop these skills. Best practices dialogues can be used to share information and evidence-based knowledge between government and service agencies, and between agencies.

Labour market intelligence was identified throughout the interviews as a critical element to success. The informal but critical nature of labour market intelligence needs to be recognized, and formalized systems of labour market information need to support knowledge gained on the ground.

Finally, political imperatives will influence both accountability and flexibility; in the recent economic downturn, the architecture of current labour market agreements was flexible enough to build on with new time limited funding. Accountability requirements will continue to evolve and will be influenced by reviews of public spending through legislative or parliamentary officers like the Auditor General or provincial auditors.

#### **1.4 Recommendations**

The following recommendations are offered for consideration:

- Consolidate labour market agreement architecture and review accountability processes for simplification;
- The formal labour market information system needs to recognize and value the role of labour market “intelligence” and build the capacity of local agents to understand formal information;
- While increasing the value of local labour market information, care should be taken to not overly formalize, organize and track this system. Ask and answer the question “for what purpose” before making changes. Recognize that the value of this information is largely operational.

- Promote evidence-based decision-making as a tool to increase both flexibility and accountability. Information will increase the quality of the dialogue between governments and local agencies.
- Develop a role for continuous improvement in relationships with third parties as programs are planned and delivered; this will lead to innovation in both flexibility and accountability.
- Develop capacity of delivery organizations in small and remote regions to deliver flexible and accountable programs, and adapt accountability practices while capacity is being developed. Staff should be mentored and developed in their ability to form relationships with employers and other labour market partners. Funding arrangements should recognize organizational development and staff development needs.
- Particularly in volatile labour markets further work should be done to develop more flexible contracting processes with service deliverers.

## 2 Introduction

Human Resources and Skills Development Canada (HRSDC), and the Governments of Alberta and New Brunswick are participating with the Organization of Economic Cooperation and Development (OECD) in a study on decentralizing and coordinating labour market policy. The study examines the balance between implementing flexible policy interventions and ensuring policy goals and objectives are met through accountability measures.

This synthesis paper provides the background and findings for a supplementary project that collected and reviewed program/project studies from the provinces and territories not participating in the OECD project. The findings are to inform future policy directions for HRSDC and the work of the OECD.

The intent of this paper is to assess the international research according to pragmatic, program and service-oriented standards. Provinces and territories chose a program or project from their jurisdiction to be used as an example of flexibility and accountability. Through a literature and document review, interviews with key provincial and/or service delivery stakeholders, and grounded in the experience of the project consultants, the program/project studies have been assessed against the dimensions of flexibility and accountability as outlined in the OECD research. This synthesis paper:

- Reviews the background for labour market developments in Canada;
- Provides a high level overview of the OECD research and an assessment of the Canadian labour market architecture in light of the principles of flexibility and accountability;
- Summarizes the program/project studies;

- Provides a thematic analysis of the program/project studies against the principles of flexibility and accountability.

The paper concludes by making observations, comments and recommendations on:

- The approaches that work best to ensure accountability and flexibility work in practice;
- The forms of horizontal integration that might substitute for vertical accountability;
- The relationship of management by objectives to greater flexibility and accountability;
- The evidence for effective target setting between governments; and
- The methods for developing targets.
- Recommendations and next steps.

### **3 Project Methodology**

Eight provinces and one territory chose to participate in this project. Participants include British Columbia, Saskatchewan, Manitoba, Ontario, Quebec, Nova Scotia, Newfoundland, Prince Edward Island and Yukon Territory. New Brunswick and Alberta were not asked to participate in this project because of their involvement in the country project undertaken by the OECD. Nunavut and the North West Territories did not participate in the study because of resource concerns. Many of the provinces and territories were in the midst of implementing fully devolved LMDAs and/or LMAs which made participation in the project more difficult, and influenced the program studies chosen for this paper.

A literature review of the OECD research on flexibility and accountability in labour market policy was conducted. It provides a research base for the examination of the program/project studies in the provinces and territories, informs the interviews of key program participants, and provides a framework for understanding the dimensions of flexibility and accountability in the program/project studies. A synthesis of the literature is provided later in this paper.

An invitation to participate in the project was circulated to senior officials of the Forum of Labour Market Ministers (FLMM). A short discussion guide identifying the high level trends of the OECD research was provided to provinces and territories along with the invitation. The guide also provided factors for provinces and territories to consider in choosing an appropriate project or program example. The following factors were suggested:

- The example chosen should use the funding from the Labour Market Development Agreement (LMDA), the Labour Market Agreement (LMA) or the provincial or territorial government as a primary source of funding.

Arrangements made pursuant to the Aboriginal Human Resources Development Agreement were not included in the scope of the project;

- The program/project study may be delivered by provincial employees or contracted to other agencies (e.g. non-government or private sector or other public agencies) in whole or in part;
- The example does not have to be a discrete program but could be a business process (e.g. new methods for contracting or new performance management strategies);
- The program/project study should illustrate local responsiveness to new and emerging needs or innovation in responding to existing needs.

Once the program study was selected by the participating jurisdiction, interviews were conducted with an official responsible for the program, or managers and administrators directly responsible for the program or project. These officials were viewed as the persons most likely to have direct experience and knowledge of the practice affecting flexibility and accountability at the “ground level”. In all but one case, the official interviewed was a government employee; in Newfoundland the person interviewed was the senior manager for the non-government organization delivering the program.

An interview guide was designed to capture information relating to the major trends in the OECD research. For the most part, 2009/10 annual plans for Labour Market Agreements or Labour Market Development Agreements were used to outline the most recent information on trends and issues. Some of the plans were in draft stage of development. Where plans were not made available by the participating jurisdictions, other labour market planning documents were provided to the project consultants. Program documentation was collected during the interviews, including program descriptions or policy statements. Funding agreements were also collected. Based on the interviews and a review of the documents collected, program or project summaries were written. The program or project summaries were shared with the participant to ensure completeness and accuracy of the information collected. The summaries are attached as Annex A. Each summary lists the sources used in compiling the information contained in the program summary.

In addition, one or both of the project consultants attended the Alberta site visit conducted by the OECD. The site visit involved a visit to Wetaskiwin, Hobbema and Edmonton. The New Brunswick site visit was held in January, 2010 and involved visits to Moncton and Mirimichi. The role of the project consultants at the site visits is to provide additional resources or commentary based on their experience and the data collected in this project.

The information and data gathered during the literature review, interviews, document reviews and site visits is the foundation for this synthesis paper and a presentation to senior management of Human Resources and Skills Development Canada.

It should also be noted that with the exception of Quebec and Manitoba, all programs/projects in this study examine the relationships between provincial/territorial governments with service providers, whereas the OECD study is concerned with relationships at the provincial level.

## **4 Canadian Labour Market Policy**

### **4.1 Recent Developments**

The context for labour market policy and programming in Canada has been marked by significant federal interventions in labour market policy alongside provincial programming (Marquardt, 1999). In the mid to late 1990's, in an effort to ensure that policies and services were more responsive to regional and local economies, jobseekers and employers, governments began the process of devolving or decentralizing labour market policy and services. Flexibility in the management of labour market programs and services was necessary to enable competitiveness, inclusion and prosperity at the local level (OECD, 2009). Devolution of programs and services was seen to be desirable as it moved decision-making closer to the individual employer and job seeker thereby resulting in greater responsiveness (Mosley, 2008). Innovation and experimentation in service delivery were thought to be likely results from local delivery, with a stronger focus on customer service and better opportunities for integration with educational and economic partners (Eberts, 2008).

In Canada, Labour Market Development Agreements were signed with numbers of provinces as a result of an offer made by the federal government in May, 1996. The offer was made in the context of evolving thinking on active labour market policy (particularly new Employment Insurance legislation), but also in light of a strong desire by the federal government to show the federation worked, particularly for the province of Quebec (Bakvis and Aucoin, 2000). The May, 1996 offer constituted a significant change in direction by the federal government both in labour market policy and intergovernmental relations. The offer provided the federal government would withdraw from the direct purchase of training, involvement in apprenticeship, cooperative education, work-place training and project-based training in provinces. The federal position also allowed provinces to choose to deliver all the active components of the new Employment Insurance system (i.e. targeted wage subsidies; targeted earning supplements; self-employment assistance; job creation partnerships; and loans and grants for skills development for individuals). (Bakvis and Aucoin, 2000: 9).

Numbers of provinces and territories accepted the offer for fully devolved services (Alberta, Saskatchewan, Manitoba, New Brunswick, Quebec, Northwest Territories) while others chose a co-managed relationship with the federal government. Under the agreements, the federal government retained the responsibility for national labour market information, pan-Canadian activities to be funded from the EI fund and

active labour market measures for non-EI clients (i.e. Youth, First Nations, the disabled and immigrants) (Klassen, 2000: 175). All provinces and territories have since entered into devolved agreements with the federal government, some accepting the transfer of resources as recently as Fall of 2009.

More recently, the federal government has entered into Labour Market Agreements with the provinces and territories. The LMAs target non-Employment Insurance eligible clients and are funded from the Consolidated Revenue Fund as opposed to the Employment Insurance Fund. Agreements with all provinces and territories have been completed. The significance of the LMAs is described later in this paper.

As part of Budget 2009, the federal government, through the Canada Skills and Transition Strategy, has allocated further funds (\$8.3B) for active and passive measures to assist workers and their families during the global recession. The federal government has used the existing agreement architecture to provide time-limited funding to the provinces and territories. Under the existing Labour Market Development Agreements, an additional \$1 billion is being provided in 2009/10 and 2010/11 to help respond to the higher demand for labour market programs and training resulting from increased unemployment. Under existing Labour Market Agreements, an investment of \$500 million in a Strategic Training and Transition Fund is being provided for 2009/10 and 2010/11. The Fund supports initiatives that help workers in affected communities and sectors get training so they can stay employed or move into new jobs. The federal government indicates that increased flexibility is being provided to provinces and territories to ensure that the funding can be used to offer a broad range of activities and to support workers affected by the downturn, regardless of their eligibility for Employment Insurance benefits.

(HRSDC: [www.hrsdc.gc.ca/eng/employment/partnerships/index.shtml](http://www.hrsdc.gc.ca/eng/employment/partnerships/index.shtml)).

#### **4.2 Current Issues in the Canadian Labour Market**

The Canadian economy and labour market has experienced significant volatility since the beginning of the financial crisis in the United States and the onset of the global recession. In October 2008, employment in Canada was at a record high and unemployment rates were at record lows. By October, 2009, employment was down by 400,000, a drop of 2.3 per cent with the large majority of the drop occurring in the five months after October, 2008. (Gilmore, J. and Larochelle-Cote, S.: 6)

Youth, men and people employed in manufacturing, construction, natural resources and transportation and warehousing faced the greatest downside risks. More particularly, the groups facing the greatest risks during the economic downturn included men with lower educational levels, more recent immigrants, off-reserve aboriginal people, low-wage earners, and families with young children, many of who are targeted population groups under the Labour Market Agreements. Lower rates of full-time employment were experienced and part-time employment grew along with self-employment in the later part of the year. Modest improvements in employment

rates occurred with people over 55 and those working in real estate and leasing; information, culture and recreation; and health care and social assistance. (Gilmore, J. and Larochelle-Cote, S.: 6-9).

Information gathered from representatives gives a further view of the issues facing labour markets at a more local level and the type of responses being considered and developed. All participants identified the volatility in the labour market as a significant issue to manage. Ontario, Quebec and Saskatchewan, in particular, identified the need for a more immediate response for workforce adjustment services. This also emerged as a discussion point in the Alberta site visit where public employment services had been challenged to develop new services for companies downsizing. While participants indicated their resources are being stretched in the current economic circumstances, they are still looking to the longer-term where there will be skill shortages. The changing demographics of the workforce will still be a long-term issue. The participants in this project are creating opportunities to maximize labour market participation for more disadvantaged populations, both because of the immediate dislocation these groups are experiencing, but also because their participation in the labour market will be required to meet long-term needs.

## **5 OECD Research and Canadian Labour Market Architecture**

The objective of this section is to provide an overview of the OECD research and the relationship of the Canadian labour market agreement architecture to the research findings.

### **5.1 OECD Research and the Decentralization of Labour Market Policy**

Two ministerial conferences regarding decentralization of labour market policy have been held by the OECD in the last ten years. (OECD, 2009:5). As a result of discussions and deliberations at these conferences, the OECD has been engaged in a series of research projects examining the experience of member countries in decentralizing programs, establishing area-based partnerships, establishing new forms of governance, skill upgrading of low-trained workers and integration of immigrants, coordinating workforce and economic development policies, and designing integrated local skills development projects. (OECD, 2009:5).

According to the OECD, a major lesson to be taken from this research is to ensure labour market policy and training is flexible and adaptable locally. Moving policy and programs in this direction will assist workers in obtaining employment and improving employment outcomes, and will assist in upgrading local labour market and skills demand by assisting productivity improvements in enterprises. (OECD, 2009:5). The OECD maintains it is not as important whether central or regional governments are in charge of labour market policy but that flexible labour market policy is available to actors at various levels of the system to allow for local orientation of programs in a manner that addresses contemporary economic challenges. (OECD, 2009: 13 and 18).



It should be noted that local is defined as populations of 300,000 to 800,00 which mean for many provincial jurisdictions labour markets at the provincial/territorial or major urban area.

## 5.2 OECD Definitions of Flexibility and Accountability

The OECD defines flexibility as:

“... the possibility to adjust policy at its various design, implementation and delivery stages to make it better adapted to local contexts, actions carried out by other organizations, strategies being pursued, and challenges and opportunities faced. It is a broad concept which encompasses a wide array of elements – legal, budgetary, performance management-related – all of which can have a potentially high importance.” (OECD, 2009: 13,14).

Bruce describes two primary notions of labour market flexibility – firstly, dealing with the performance of the labour market itself and secondly, the management of labour market policies and programs themselves. A flexible labour market is one that:

- Allows people to move into and out of the labour market easily;
- Facilitates movement into emerging sectors and out of sectors which are shrinking;
- Allows people to move to where the jobs are and out of regions where jobs are no longer available;
- Provides sufficient, appropriate and timely training for new opportunities. (Bruce, 2009: 5).

The attributes of flexible labour market management include:

- Use of local budget management processes;
- Use of local program design responsive to local needs;
- Use of performance management for those responsible for implementation;
- Collaboration among stakeholders and partners;
- Locally relevant goals and stakeholders. (Bruce, 2009:5)

But Eberts and Giguere note the advantages of flexibility may be offset by possibilities of duplication of programs across jurisdictions, policy and program implementation that can be diverted from the original objectives because of competing priorities, delays in policy and program implementation, and poor delivery and administration because of gaps in capacity (OECD, 2009: 61).

Bruce defines accountability as “a system of checks and balances designed to protect the public interest and minimize the potential for abuse of power or spending.” (Bruce, 2009:6). After reviewing the literature, he notes the Canadian context for

accountability is evolving from a time where mid-level and front-line managers and staff had a fair degree of flexibility in making decisions within a program framework, to a system where decision-making has moved up the ladder to senior officials and sometimes to the political level. This upward movement of decision-making has been coupled with increased public reporting on spending allocations. (Bruce, 2009:6).

### **5.3 Characteristics of Flexibility**

Dimensions of flexibility have been described in some detail in the literature. The following elements are identified.

#### *Program Design*

Program design is viewed as a critical element of flexibility. The degree to which local service delivery agents or sub-national governments can determine the design and mix of programs is key to flexibility. The literature questions the degree to which local actors or delivery agents are able to determine the elements of programs and are able to innovate and experiment to address the needs of the local economy, businesses and jobseekers (Mosley, 2008). The literature notes a wide variety of experiences in OECD countries, including the use of block grants to sub-national authorities, permitting sub-national governments to choose from a menu of centrally determined program options, and allowing local actors to use portions of budget allocations for innovation. (OECD, 2009: 91).

#### *Financial Regimes*

Questions have been also been asked with regard to the extent and degree of financial flexibility afforded through decentralized regimes. Various degrees of financial flexibility have been noted through case studies. Options for financial management have been identified including the use of block grants, incentive based funding, innovation based funding and line item funding (OECD, 2009: 91; Mosley, 2008). Mosley believes that budget flexibility means the ability to move a budget allocation between programs and the ability to move personnel. (OECD, 2009: 90).

#### *Program Eligibility*

The degree to which local actors are able to determine who they serve is discussed in the literature and is viewed as an area in which the desire to be accountable to national goals has overridden the goal of local flexibility. Mosley notes that in most OECD countries, decisions with regard to who may be eligible for services is made at the national level with little flexibility given to the service deliverer. (OECD, 2009: 91).

#### *Performance Management*

Again, the OECD literature questions the degree to which local agents choose and establish their own performance targets and goals. The literature notes little flexibility in this area or, in some cases, little ability to negotiate performance targets in the context of broader, national-level goals (Mosley, 2008; OECD, 2009, 92). Mosley notes in the OECD 2009 study, that “national PES [public employment services]

operational targets need to be realistic but also “stretching” in that they stimulate local actors to enhance their performance under given local labour market conditions.” (OECD, 2009: 92).

#### *Partnerships and Local Networks*

A critical feature of the theory of devolution of programs is the ability to enable and empower local agents to innovate and form local partnerships and relationships with a broad range of related agencies. The OECD research notes that this ability does vary with the nature of the local agent. For example, public employment services have the greatest flexibility in their ability to collaborate with partner organizations (Froy and Giguere, OECD, 2009: 49)

### **5.4 Characteristics of Accountability**

Mosley identifies four dimensions of accountability that are considered important by governments. (OECD, 2009: 86).

#### *Legal Accountability*

There is a general expectation that public agencies and those with whom they contract, follow applicable legislation and statutes.

#### *Fiscal accountability*

Again, public agencies are expected to manage costs, operate within budget allocations and adhere to public financing rules.

#### *Performance Accountability*

Clearly established outcomes and/or outputs are generally part of most management regimes. Cost/effectiveness of programs is increasingly measured as part of performance accountability.

#### *Public Accountability*

Public agencies and those with whom they contract are accountable to the elected, as well as to the clients they serve.

The literature notes a different emphasis under traditional public sector management practices versus new public management practices:

“In more traditional systems of public administration, the accountability framework emphasizes the legal and fiscal accountability and the separation of administration and politics, whereas “ new public management” gives greater emphasis to decentralization, managerial discretion, performance measures, quality standards and consumerism in accountability frameworks.” (OECD, 2009: 87).

These attributes are consistent with the theory of decentralization.

## **5.5 Networked Relationships and the Tension between Flexibility and Accountability**

The OECD research is based on the notion that decentralization of responsibilities leads to better outcomes as partnerships or networks between labour market stakeholders, educational institutions and economic partners are more likely. The outcomes from decentralization, however, have been impacted by the ability to deliver horizontal integration between two or more of these partners. The literature notes “successful coordination requires not simply rearranging government organizational structures but rather effecting change in behaviour and the culture of government agencies and other partnering organizations” (Eberts, 2008: 2). The range of issues that must be examined when considering horizontal integration include the capacity of the partnership organizations to address and manage questions of leadership, strategic planning, customer focus, information and analysis, human resource development and performance results in their day to day environments. Leadership is defined as core to creating viable networks (Eberts, 2008) and healthy, robust networks are key elements to successful collaboration. Networked relationships are often viewed as the solution to complex client problems.

A natural tension exists between the concepts of flexibility and accountability in a networked relationship. (OECD, 2009). A balance must be found to allow the appropriate interplay. Eberts notes, that within a network structure based on shared responsibilities, the challenge is to ensure sufficient flexibility at the local level so partners can carry out their responsibilities while still ensuring program and financial objectives to higher levels of the organization or government are met. (OECD, 2009: 131). In the context of networks or partnerships, Eberts states that:

“ If a proper balance is not struck, then the network cannot function to its fullest potential in meeting local needs. A network that has too much formal accountability might stop partnerships from responding to citizen needs (Ling, 2000). A network with too little formal accountability may lose its strategic guidance and may undermine the equitable administration of services to individuals in the country for whom the interventions are intended. Moreover, it may lose its political support if legislators and citizens grow concerned about the proper use of public resources.” (OECD, 2009: 131).

Elements of creating the correct balance in a network are described in the literature as follows.

### *Shared Vision and Objectives*

In his review of the literature, Bruce notes the specialized mandate problem, where specific mandates of government departments or agencies promote single purpose rather than integrated strategies. (Bruce, 2009: 12-13). Development of a shared vision and objectives has been identified as a key element in balancing flexibility and accountability in a network, and in addressing the complexities of mandates.

Diversity in the group forming the network can be a major challenge and may be resolved through finding common interests such as the group to be served. This can be problematic between employment agencies and economic development agencies where the client group may not be the same. A strong commonly held plan with a vision and objectives is likely to help resolve the disparity in interests. (OECD, 2009: 132-133).

#### *Leadership and Trust*

Leadership and trust are also described as key dimensions to ensure a balance between the two concepts. Eberts describes the need for strong leadership at both the government and the local level. The role of leader is described as being responsible for defining the common purpose of the partnership or network, being able to shape their organization to be able to deliver on the planned objectives and hold their organization and respective partners accountable. (OECD, 2009: 133). Accountability is particularly important as it relates to maintaining adherence to performance measures.

Trusting partners in the network is also described in the literature. Simmonds states a dimension of trust includes the relationship between national and local players, and the perceived level of local capacity by national policy makers. (OECD, 2009: 165). He also notes that the urgency of national aims and objectives, especially political commitments, may interfere in how higher levels of government communicate their desires to sub-national and regional partners and how flexible that communication may be. (OECD, 2009: 165). Trust is also critical in accepting information from a partner and in the development of performance measures.

#### *Strategic Planning and Problem Solving*

After establishing a shared vision, Eberts suggests that networks need to become expert at planning and problem solving. Development of a thorough plan that resolves a shared problem and that is based on a thorough assessment of the client needs and is based on the available information and data is necessary. Critical to the success of the plan is consultation on the problem and the proposed solution as well as agreed upon metrics that can track progress. (OECD, 2009: 136).

Bruce also notes the need for consultation and local input. He identifies distance as a problem where governments attempt to control program design without local dialogue or input. He also describes the responsible management problem, where government micro-manages programs, stifling creativity and flexibility of local programs. (Bruce, 2009: 12-13). He also notes the problem of program commitment where short-term government funding strategies do not support long-term solutions required for marginal communities. (Bruce, 2009: 12-13).

#### *Performance Measures*

Data, information flow (both vertically and horizontally), partners speaking the same language, and trust between partners through releasing information to and accepting information from others, are all identified as key foundations for the development of

useful performance measures. Measures should not be solely focused on processes but should be based on client outcomes. This becomes particularly difficult where partners may focus on different aspects of the client's progress toward employment. (OECD, 2009: 138).

Mosley also notes the tension between flexibility and accountability in the context of performance management. He identifies problems with regard to the variety of organizational forms, lower levels of program and information standardization, leading to less comparability of labour market and performance data across jurisdictions. (OECD, 2009: 88). He notes that in the case of political decentralization, like the Canadian experience, these problems can be managed through the use of national policy frameworks, that include a coordinating mechanism, a common set of performance measures, a system to exchange labour market information, and a minimum set of standards for services to clients across the country. (OECD, 2009: 89).

Government's expectations or expectations from different ministries may also conflict and pose problems for coordination and delivery coherence. For example, social welfare ministries are likely to place a strong emphasis on work first where education and training ministries may place a stronger emphasis on education and skills development before work. Expectations between national and sub-national governments may also pose issues at the service delivery level. Potential also exists for conflict between funding mechanisms even those coming from one level of government.

#### *Governance Mechanisms*

The establishment of workable governance mechanisms is a critical element to the success of partnerships. Mechanisms must be:

“...transparent, standardized, and robust enough to maintain interoperability of the entire joined-up network.” Eggars and Goldsmith (2004) underscore the interconnectedness of network partners and the need to establish basic business rules that they can all understand and follow. “Networked government typically involves co-ordination between multiple levels of government, non-profit organizations, and for-profit companies. Poor performance by any one organization within the network, or the breakdown of the relationships between any two organizations within the network, can imperil the performance of the whole.” Therefore, partners within the network must have transparent mechanisms for collecting and reporting performance. Since accountability runs vertically and horizontally, the performance and accountability systems must do the same.” (OECD, 2009: 139).

Simmonds notes the ability of national funding rules to enable local accountability and notes the institutional legacy of national agencies can impede efforts for local flexibility. (OECD, 2009: 165). In some case studies, the literature notes the tension between different levels of governance (i.e. national, regional and sub-regional

decision-making authorities) and how that tension may impede flexibility at the local level while ensuring accountability to national objectives (Simmonds, 2008).

Governance mechanisms noted in the literature include contracts for service where clear relationships are established outlining service requirements and expectations, roles and responsibilities. Other mechanisms include bargaining relationships where service expectations are negotiated between the service deliverer and the funding partner, likely a level of government. Memoranda of understanding can also be negotiated outlining expectations, role and responsibilities and funding relationships. Sharing and managing risk should be part of the arrangement between the partners, particularly where the arrangement is based on performance. (OECD, 2009: 139-140).

#### *Staff Development*

Having talented staff at all levels is critical to successful partnerships. Two dimensions of staff competence are described in the literature.

The ability to operate with a degree of individual independence is necessary. “For staff to carry out their responsibilities within a network in which authority is shared at various levels of government, staff must possess the talent and knowledge to function independently within the network.” (OECD, 2009; 141).

The individual’s understanding of the direction of the organization will and should temper individual independence. “To be effective partners, organizations must also have competent staff that understand how the organization fits within the overall and objectives of the partnership and can carry out their responsibilities within that partnership. Staff must therefore be trained not only in providing the services their particular organization specializes in, but also in understanding how to be meaningful participants in a partnership arrangement.” (OECD, 2009: 141).

## **5.6 Flexibility and Accountability in Current Labour Market Agreements Architecture**

The Labour Market Development Agreements were a major step toward flexibility in labour market policy. Provinces that signed the fully devolved agreements in 1996 realized new opportunities to work with local partners including non-government organizations, training institutions and economic development agencies and social assistance ministries to develop more locally relevant responses to labour market issues. Devolution provided an opportunity to rationalize strategies and approaches at the regional and local levels. The fully devolved LMDAs are now the standard across the country. The Labour Market Agreements are a more recent development and expand the definition of eligible client groups to include those that have marginal or weak linkages to the labour market as well as the range of program interventions.

Both agreements are built on the basic foundation of the OECD research – decentralized responses are more likely to result in better outcomes. The LMDA, however, devolves legislated responsibility under employment legislation to the

provinces and territories and thus has to meet the legislative and legal requirements of the *Employment Insurance Act* (Canada). The LMDAs are more prescriptive in defining an eligible client group and the program design allowed under the agreement. Clients must be EI eligible or be eligible through reach back provisions. A list of eligible program interventions is provided in the agreements although the detail of program design is left to provinces to determine. Provinces and territories can add to programs or modify but program interventions have to be similar to federal benefits, and consistent with approaches under the Act.

The LMAs are funded through the Consolidated Revenue Fund and thus are grounded in a different legislative framework. Importantly, they are built on the principle of shared constitutional responsibility for labour market interventions. They recognize the primary responsibility of provinces and territories for the design and delivery of programs and services. The list of eligible programs is less prescriptive than in the case of the LMDAs and provides a broad range of programming options for consideration by the province or territory. Eligible clients are limited to target groups that typically do not have significant attachment to the labour market. An important innovation in flexibility, however, includes responses for low-skilled employed people, a group that would typically fall through programming cracks.

Both agreements rely on fixed formulae for funding to the provinces/territories. The LMAs, however, are based on pre-established funding levels with increases built in and have created the opportunity for provinces to use more multi-year funding commitments to programs and service delivery partners.

Both agreements have outlined the requirements for performance management frameworks. While the LMA is based on a per capita calculation, the LMDA uses 17 variables that closely mirror the unemployment rate. The framework for the LMDA is based on jurisdictions providing an annual plan outlining labour market issues, priorities, expenditure plans and expected targets. The primary indicators are activity-based, focusing on the number of active EI clients accessing programs and numbers of EI clients returning to work. The LMA framework has evolved significantly, both in terms of program and client eligibility as described above, but also with regard to the management framework. The elements of the framework are similar to the LMDA (i.e. planning, financial reporting, performance measurement, public reporting and evaluation). The critical changes come with the introduction of a high-level multi-year plan, requirements for consultation with business, labour, community organizations and official minority language groups and the move to more outcome-based measures of performance. The consultation requirement recognizes the important element of partnerships and networked relationships in reaching successful labour market interventions. The move to outcome measurements is likely influenced by the developing thinking on new public sector management. The evolution of the LMAs represents a more nuanced and developed sense of flexibility and accountability, and the interplay between these concepts.



## **6 Summary of Program/Project Studies**

A wide variety of program or projects were chosen by the provinces, ranging between highly specialized and targeted programs for specific client populations to broad-based province-wide programs or policy frameworks. The project methodology allowed for a broad range of provincial and territorial projects to provide a rich set of examples and learnings for the thematic analysis. The following provides a brief overview of the projects selected by the participating jurisdictions. As noted earlier, full descriptions of each program/project can be found in Annex A.

### **6.1 British Columbia – BladeRunners**

BladeRunners is targeted to highly marginalized at-risk youth who require on-going support, job preparation and job readiness skills, and work-place training to assist them in overcoming barriers to employment and attach to the labour market over the long-term.

BladeRunner is a 15 year old project with a 75 per cent success rate in placing participants in employment. Currently the program is delivered on Vancouver Island, the lower mainland, Whistler and Prince George. The provincial government is considering expanding the program across the province. It began in 1994/95 with the construction of General Motors Place. To date, it has focused on positions in the construction sector, but is expanding to other sectors like the creative industries.

BladeRunners “offers a standardized service delivery model which is flexible to meet community needs and those of its participants. The communities where BladeRunners is delivered have individualized needs which are often influenced by such factors as regional demographics, labour markets, and the needs of the participants that the program serves.” (Source: BladeRunners, Guidelines and Framework Agreement, 2004: 4).

The Foundation Model establishes the framework for the program. During the recruitment phase, the program is focused on liaising with the community and developing industry relationships. Individuals participants are screened to assess their desire to work. During the job ready phase, participants focus on the development of life skills consisting of time management, financial management, anger management and workplace and cultural awareness. In addition, the participant focuses on job readiness training, specifically health and safety certification, occupational first aid and WorkSafeBC awareness. The final element is placement readiness training in which training specific to the individual worksite is provided to the participant. During the career phase, a 24 month period, the participant is provided at least 20 hours of career development services and is monitored for career progress at six months and 12 months.

The Foundation Model is being reviewed because some industries need longer training and more preparation time for the participant. The plan is to move to a principle based approach and outline issues that the primary contractor will have to

consider as they develop their networks. It is hoped that a new foundation model will be developed for each industry as the program expands.

## **6.2 Saskatchewan – Workplace Essential Skill Saskatchewan**

In Saskatchewan, despite record employment levels, some individuals are still experiencing difficulties in finding work or finding permanent work, and are under-represented in the labour market. Part of their problem in attaching to the labour market, lies in a lack of workplace essential skills (defined as the nine essential skills identified by HRSDC – reading text, document use, numeracy, writing, oral communication, working with others, thinking skills, computer use and continuous learning).

The Workplace Essential Skill Saskatchewan (WESS) Initiative was introduced in 2008/09 as a pilot. The objectives of the pilot are to fully engage Saskatchewan residents in the labour market; to support business, industry and training institutions in partnerships to prepare low skilled job seekers and marginalized existing workers to gain and retain meaningful, sustainable long-term employment; and to assist employers to develop the skilled workers they need to maintain and expand their businesses and contribute to the growth of the province. (Workplace Essential Skills Saskatchewan (WESS) Initiative – Program Guidelines).

The projects are intended to provide an alternative method of obtaining foundational skills beside adult basic education. The project methodology also tries to recognize that many employers will know that they have a skill shortage in the future and existing workforce but do not have the tools to assess or describe the issue.

## **6.3 Manitoba – A Framework and Strategy for Developing the Manitoba Labour Market - Focus on Immigration**

In 1998, Manitoba assumed responsibility for settlement services from the federal government in addition to an expanded role to recruit and nominate skilled immigrants through the Provincial Nominee Class of the federal program. The Canada-Manitoba Immigration Agreement set a course for the province to respond proactively to immigrant settlement including development of supports for labour market integration. Immigration was seen as one important component of labour market, economic and population growth as well as strengthening cultural diversity and communities.

The Manitoba government is currently developing a broad-based policy framework to bring economic development, labour market planning, education, and research and innovation together in a strategy called Addressing Challenges and Creating Opportunities. The new policy framework focuses on attraction to and expansion of the labour market, developing and enhancing skills, and informing and innovating in the labour market. The framework is intended to act as a vehicle to engage industry, labour, educational institutions and other stakeholders in discussions to clarify roles and responsibilities of all partners in the labour market including the provincial

government. (Addressing Challenges, Creating Opportunities A Framework and Strategy for Developing Manitoba's Labour Market, Draft Document, May 2009). It is intended to focus on longer-term challenges/issues but is able to incorporate shorter term pressures.

An integrated approach for immigrants is a key part of this plan and is presented as a specific example of how an integrated labour market plan is being used to shape planning for a target group. The plan for labour market services for immigrants is integrated across three government departments including Competitiveness, Training and Trade (CTT), Advanced Education and Literacy (AEL), and Labour and Immigration (LI). Labour market integration of international immigrants is a key priority of the provincial strategy.

The labour market plan for immigrants focuses on strategic policy linkages between departments and coordinated services for immigrants at the local level. It begins with the Labour and Immigration mandate to design and deliver settlement services through the Manitoba Settlement Strategy. This framework guides work with international immigrants as they plan and prepare to immigrate, as they arrive in Manitoba, and as they enter into employment opportunities and live in communities. Employment supports are a priority so that immigrants get early access to employment and qualifications recognition supports as well as connections to existing services. Through cooperation across Departments it also helps existing services become more accessible to a diverse population. Key principles, outcomes and service areas are outlined in the strategy. Services include pre-arrival information, centralized initial information and orientation, centralized assessment and referral, settlement and community supports and employment supports, and specialized settlement programs. A strategy for Adult English as an Additional Language training provides further supports for immigrants' labour market integration. Language training for specific occupations, in the workplace and associated with employment or qualifications recognition training is a major component. The settlement framework and service mix is supported by ongoing stakeholder consultation, program advisory committees involving the recipients of the services and support for training and professional development activities for service providers. Services are monitored to identify emerging trends and issues. ([www.immigratemanitoba.com/browse/regionalcommunities/settlement\\_strategy.html](http://www.immigratemanitoba.com/browse/regionalcommunities/settlement_strategy.html)).

#### **6.4 Ontario – Job Connect**

Job Connect, now part of Employment Ontario, was established in 1997 to assist those at risk of continued or long-term unemployment (i.e. non-EI eligible) to form an attachment to the labour market. The program is delivered through non-profit organizations or colleges. Service contracts are signed between the government and these third parties to deliver services to a defined client group for agreed to outcomes and for established funding levels. The program was driven by an economic growth

agenda, labour market demands, increased need for public accountability and a need for different and improved services. It was informed by policy goals linking economic and social objectives, a strong focus on employment outcomes and increased accountability. This project description applies to the program before implementation of the LMA. Full implementation the program will necessitate program modifications or changes.

At implementation of the program, there were 132 points of service across the province. Some organizations deliver more than one service in more than one location under a single contract.

The Job Connect program has three components; access to resources and information about training, the labour market and employment opportunities; specific supports for job searches; and placement into employment, including on-the-job training.

The program design targets sustainability and continuous improvement by stressing organizational capacity (i.e. measuring, planning, resourcing, and communicating). It also introduced the Ministry of Training, Colleges and Universities Decision Model which outlines a relationship between performance, organizational capacity and funding. Success is defined for service providers through a service delivery standard which weights effectiveness (50 per cent), customer service (30 per cent) and efficiency (20 per cent).

## **6.5 Quebec – Emploi-Quebec**

Quebec has chosen to profile the public employment services within Emploi-Québec, the agency that stemmed from a massive re-organization of public employment service provision, an undertaking carried out with labour market partners further to the Canada-Québec Labour Market Development Agreement (LMDA), entered into in 1997.

The creation of Emploi-Québec in 1998 enabled consolidation of the hundred-or-so manpower programs and measures scattered throughout various government departments and agencies into a little over 10 measures and directorates. It also made it possible to blend the three co-existing networks that provided employability development and job entry measures in Québec into a single entity. The pre-existing programs have been merged into one toolbox containing a small number of programs that included leeway for customizing them to Québec's changing labour market needs. Updating of these programs is carried out by the Department's central units and the Commission des partenaires du marché du travail.

Public employment services are composed of province-wide central units, 17 regional directorates, and 145 local directorates, for a total of some 4,500 full-time equivalent employees, 90% of them in the regions or in local employment centres.

The following universal services are offered to individuals and businesses; initial reception and assessment so as to determine individuals' labour market needs; labour market information; and placement services.

The specialized services are offered to individuals. Examples of the services include, assessment of needs and development of an customized action plan, career counselling, training activities, job shadowing, wage subsidies, and job preparedness. Specialized services are also offered to businesses. Examples include assistance with recruitment, retention, progressive management of human resources and managing cultural diversity, and workforce training.

### **6.6 Nova Scotia – One Journey Work and Learn**

One Journey Work and Learn is a partnership between the Departments of Community Services and Labour and Workforce Development, and industry and community. The purpose of the project is to provide opportunities for skill development and direct employment to Income Assistance/Employment Insurance recipients, and the unemployed or the underemployed. The opportunity for skills development and employment is tied to industry shortages where there is a real chance for the individual to attach to the labour market. The partnership began in 1999 with an identified labour shortage in the hospitality sector. Between 2003 and 2009, the program has successfully completed 35 projects in the following sectors: hospitality, flooring installation, automotive, continuing care, service sector, call centres, residential workers and short/long haul trucking. Numbers of the projects are offered outside the Halifax Regional Municipality. The province plans to expand the model throughout Nova Scotia.

Each project begins with an identification of a skill shortage – when a shortage is identified a partnership project team is formed and an industry skills needs assessment is completed to assist in the establishment of position criteria. Potential candidates are referred and selected. They receive an industry orientation to ensure the candidate is interested and committed to the training and employment opportunity. Potential candidates then attend a job maintenance workshop to provide them with basic employment skills. Candidates are interviewed by a panel chaired by industry representatives and selected for an individual skills assessment which becomes the basis for a customized essential skills training plan. Once the plan is completed, the participant proceeds to employment or further industry training before employment. A critical element of the program is that the job offer is made by industry and is made before the participant enters the program. Development of essential skills is woven throughout the plan for the candidate. (One Journey Work and Learn: A Guide for Regional Project Teams in Nova Scotia, Draft).

### **6.7 Newfoundland – Bridging the Gap: From Education to Employment**

Bridging the Gap: From Education to Employment (BTG) is a provincial labour market program that connects employers, communities, education institutions and

individuals that have barriers to employment. Local partnerships are formed at the community level with private sector employers, labour groups, educational providers, not-for-profit groups and government. These local partnerships are called Community Learning Networks (CLN); their purpose is to ensure community involvement at the beginning of a project and throughout the project.

Businesses are chosen for each project through a complete assessment and selection process. Businesses must be facing a challenge in recruiting skilled and qualified workers; a successful business applicant can be in a start-up or expansion phase. Individuals participating in the program are typically receiving employment insurance benefits from the federal government or social assistance benefits from the province. Other individuals may be chosen where community or business requirements dictate.

A BTG project must: provide 40 weeks of workplace essential skills learning using a combination of classroom and workplace based learning; partner with an education provider who will be responsible to customize the skill sets that are required for the workplace; assess the workplace skills required; provide mentorship, coaching and support; provide partnership opportunities for the business to participate in the assessment and selection of participants; and provide sustainable employment opportunities for between 8 and 15 participants.

Random North Development Association, a non-profit corporation, is responsible for delivery of the BTG projects in its economic development zone (rural Newfoundland) as well as managing the program across the province. Management includes the development of program policy and direction as well as approval of projects. RNDA does not receive any core grant funding for its administration but relies on project funding. Their single focus is on meeting and managing the supply and demand of the labour market.

RNDA may deliver a project or may sub-contract with a local service provider. The sub-contractor will oversee the project and pay a local counselor/facilitator.

## **6.8 Prince Edward Island – Workplace Resources**

Prince Edward Island (PEI) has chosen to profile a program previously offered between the province and the federal government. PEI recently implemented the Labour Market Development Agreement (October 5, 2009 implementation date) so this program and relationship will not be in place although services provided by the program will continue to be performed under new LMDA and LMA programs.

Workplace Resources was intended to assist unemployed islanders meet their short and long-term employment objectives. Employment Officers located in Employment centres in O’Leary, Summerside, Charlottetown and Montague assisted individuals to seek and find employment. An initial needs assessment was carried out based on four employability dimensions of: career decision-making, skills enhancement, job search skills and employment maintenance.

Based on the needs assessment, a Return to Work Action plan was developed by the employment officer in collaboration with the client, focusing on their short/ long term objectives in relation to securing employment. Where the Return to Work Action Plan involved more than a job search, a referral would have been made to an external service provider to access other services whether it is career assessment, counseling services, skills development funding, etc. If applicable, short-term employment may have also been sought. A follow-up was required 12 weeks after completion of the action plan activities to capture employment results.

As part of the Return to Work Action Plan, clients were marketed to potential employers. As well, employment officers worked with businesses to gain a better understanding of their employment needs. Private sector employers who met the program criteria along with eligible clients could be approved for a wage subsidy with the intent that the individual would be hired in a suitable position on a full time basis.

A program agreement between the federal government (The Canada Employment Insurance Commission) and provincial government (Prince Edward Island Business Development Inc.) established the program parameters and responsibilities of the partners.

## **6.9 Yukon Territory – Community Training Fund**

The Community Training Fund (CTF) was created almost 10 years ago. It is the Yukon government's main method of intervening in the labour market. The program is solely designed to respond to the supply side of the labour market by providing funding to training projects and to individuals. It does not provide or arrange training, plan training or coordinate training. (Source: Evaluation of the Yukon Community Training Funds, 2009: i, 5).

The fund is approximately \$1.5M annually. Roughly one third is distributed to twelve sectoral and community societies; one third is distributed to Yukon College (the post secondary institution in the territory) for shorter term courses; and one third is distributed to non-government organizations that provide programs in areas not covered by the college (i.e. people with mental disabilities).

Government chose to establish non-profit societies and sectoral committees in communities in the Yukon for the purpose of distributing training funds. The decision was based on the principle that people in the local communities understood and knew the labour market in the local community and would be in the best position to make decisions with regard to an individual's access to training for the local job market. The societies/committees are responsible for allocating funds to individuals to purchase training. It is based on an individual approach to identifying those who are not working and identifying the opportunities for work through knowledge of the employers in the community.

Written guidelines are provided to groups outlining the goals of the CTF and the goals of the Advanced Education Branch. Eligible programs have to meet both sets of goals.

The guidelines require applicants to outline the history and capacity of the applicant organization, the problem to be addressed and the anticipated outcomes, the experience of the organization in dealing with the target group, the total budget and contact information. Outcomes or performance measures can include number of individuals served, target populations to be served, employment opportunities or expectations or other impacts defined by the applicant. In-kind resources or financial support must be identified as well as community supports or local government or other partners. Applicants are also required to define measures of success and to include a monitoring plan.

## **7 Thematic Analysis of Program/Project Studies**

The purpose of this section is to provide a thematic analysis of the program/project studies using the dimensions of the literature described above and using the data gathered during the interviews with government officials. It should be remembered that the size, type and dimensions of the project studies gathered during this work vary widely so that definitive comparisons about provincial and territorial practice should be made cautiously.

### **7.1 Program Design and Client Eligibility**

The OECD literature describes the locus of responsibility for program design as a fundamental characteristic of flexibility. As already noted, the LMDA provides a menu of program options from which provinces/territories may choose program interventions. The LMA is more flexible in the range of possible intervention options. In many of the studies, the program or project has been started through provincial funds and supported through LMA or LMDA funding. Where a province plans to expand an already successful provincially funded program using federal funds, the flexibility of program design requirements in the agreements does matter. In some cases, concerns were expressed with the transition from sole provincial funding to combined federal/provincial funding arrangements. In these cases, the accountability and flexibility arrangements have not always matched.

Not surprisingly, in all the studies, the province or territory is responsible for the high level program design. However, the degree of detail to which the province or territory outlines the program framework and client eligibility varies between the examples.

The trend is to provide a program framework that outlines the general process for the intervention with the client and/or the process and conditions for funding proposals. BladeRunners (British Columbia) and the Workplace Essential Skills pilots (Saskatchewan) are instructive examples. British Columbia outlines a foundation model for involvement with the client and a funding process for each project. Saskatchewan gives very high level direction on the program outcomes for each project along with a funding application process that requires the community



applicant to detail the nature of the intervention. Eligible costs are defined but flexibility is given on a case-by-case basis. How to reach the program objectives and outcomes is left to the community organization.

Yukon used a similar approach in its example. Nova Scotia also follows this practice.

The example provided by Newfoundland stood out in this area. The decisions about program design had been delegated to a community organization that was not only responsible for the delivering the program in their geographic area of responsibility but also for developing policy and program guidelines for the rest of the province.

Manitoba's approach is also interesting in this context. The policy framework is an effort to rationalize and direct the efforts of three departments through establishing similar and shared objectives. The impact of developing a coherent policy framework between provincial departments to guide decision-making at the provincial and local level is not clear as yet. Implementation will be critical. As decisions are shaped to meet the shared objectives of the policy framework and are implemented at the community level, the effect at the local level may be experienced as greater accountability and less flexibility.

Size of the program or project study appears to make a difference with regard to the degree of flexibility allowed for program design. In the case of the large public employment services, the program project studies suggest that the province is more prescriptive; this is not surprising because the size of the program requires a more robust and clearly defined design framework, and can rely less on personal relationships. In these cases, the program design itself has to incorporate opportunities for local feedback and flexibility. Ontario's Job Connect is an example of how the planning process is sufficiently forward looking, such that opportunities are built in for local agencies to influence program priorities or responses. Quebec also has built a more robust planning structure involving significant partnerships at the regional and sectoral levels.

As programs mature and move past pilot stages or into delivery in more locations, there is often a strong tendency to formalize the program design with more documentation or direction from the province. British Columbia and Nova Scotia are examples. British Columbia is in the process of expanding BladeRunners to other sectors of the economy and to other locations. Nova Scotia is also expanding the One Journey model across the province. It started in 1999 in the hospitality industry and has expanded into other sectors. The challenge in both expansions will be to capture the flexibility of a model that is currently working and using typical program delivery approaches (i.e. frameworks, program and policy descriptions) translate the success from one industry and a geographic location to the new industries, in new locations with new partners.

One recurring theme is that flexibility and accountability comes with experience and time. As program expertise develops, so does knowledge of clients and local

employers. The dialogue between program funders and delivery agents yields innovations that make programs better and also builds trust relationships between delivery agent and program funders. These relationships allow funders to have greater confidence that providing more flexibility for service providers will not diminish the level of accountability and in some cases may enhance it. In the example below, delivery agents were granted flexibility to enable them to provide specialized service responses to ensure that clients with multiple barriers get and keep jobs.

“In the last few months we’ve been looking at the model. There is a lot of learning. Another model that we’ve brought out is the enhancement model. Delivery agents have to dedicate 60% of money to foundation model. The other 40% can be spent on enhancements. The delivery agent can decide how to best spend the money to give them the most benefit: emergency childcare; extra English lessons; helping clients get a drivers license; getting intensive training to work in creative industries; could be that the work available is in a mine and there is a requirement for more health and safety certifications; or it might be that the client is in a remote location that requires us to place a job coach. We have been meeting with delivery agents to pin this down. Don’t want a huge bureaucratic process. The strength has always been flexibility. The delivery agents know their young people and their local industry.”

The choice of delivery vehicles is a significant factor in program design which contributes to flexibility and accountability. Many of the program studies deliver services through community-based organizations (i.e. non-profit organizations with local boards) or more institutionalized organizations with the potential for strong community relationships (i.e. post-secondary institutions). The flexibility of local organizations in their interactions with critical labour market partners at the local level is a consistent theme in the program studies. British Columbia uses First Nations service providers because of their ability to connect with the hard to serve youth who are the core clients for BladeRunners. Saskatchewan relies heavily on regional colleges and their post-secondary expertise to deliver workplace essential skills. Ontario’s JobConnect is completely delivered through community organizations or colleges. Newfoundland uses a community-based organization with significant economic development ties to design and deliver the Bridging the Gap program. During the interview with the Newfoundland representative, the single focus of the organization on working with communities, individuals and employers was very clear and represents an advantage of this type of delivery vehicle.

The ability to leverage contributions from other partners can be identified as an advantage of a community-based organization. In the experience of the project consultants, these organizations are more likely to obtain financial contributions or in-kind contributions from other partners, than government employees delivering the same service. This is particularly the case when working with the private sector. Even more importantly, these types of organizations can leverage “buy-in” for

employers and other sector partners. Access to jobs and real workplace experience is of significance and in many respects can be more important than financial contributions.

Contributions from partners should have the effect of increasing the local accountability of the community-organization. If real outcomes that meet the needs of a local employer are not being met, the employer is not likely to continue as a partner.

Subcontracting by a community-based organization to an even more locally connected service agent was noted in the British Columbia and Newfoundland examples. In both cases, the interview data suggested there were significant advantages to this practice in that more local expertise with the local economy and local employers was achieved. While this factor may be true, it is also important to link this practice to the observations made below on the informal nature of some accountability practices.

One of the key points of flexibility that was highlighted in the interviews was the issue of access and eligibility. Having access to programming determined by eligibility requirements (such as EI eligibility) is not seen as helpful and requires a duplication of administrative effort. In Ontario, they use a model with 10 indicators and require a client to exhibit at least three of those indicators to be eligible for programming. This is a good example of flexibility without sacrificing accountability. It is worth noting that it took some effort to develop the 10 indicators because they had to be measurable and meaningful. Ontario reports that they were able to accomplish this through working closely with their delivery partners. In Ontario, they used an "...advisory group that had representatives from each of the three types of service providers: adult, youth and colleges. We met with them monthly. Our whole objective was to get ongoing advice and input."

## **7.2 Financial Regimes**

The OECD literature notes a variety of practices with regard to financial flexibility. It also notes that there are substantial accountability requirements on governments because of the use of public funds. The practices of the program studies are consistent with this research. The provincial/territorial program design usually outlines the financial parameters under which local service deliverers operate. Consistent with the observations of the OECD literature, a combination of practices were noted in the program studies, varying from line by line budget requirements to block funding and limitations at the local level in the ability to move funds between budget items.

Movement by the delivery agent of budget funds is identified in the literature as a key characteristics of flexibility. Varying degrees of flexibility were noted in the program studies. The Nova Scotia and Prince Edward Island projects relied on line item budgeting. In the Nova Scotia example, funds could be moved between line items by the project deliverer but permission from the provincial government was usually obtained. PEI's agreement for Workplace Resources allowed movement between line items by no more than 10 per cent of the allocated amount. The JobConnect program

in Ontario allows for funds for staff and operating, and a flow through funds for the purchase of training or work clothes. Service providers are allowed to move funds from operating into flow through funds, but can not move funds in the other direction. Quebec allows for intra-budget transfers in Emploi-Quebec.

Saskatchewan provides a higher degree of flexibility in the financial regime for its Workplace Essential Skills pilots projects by using block funding. Projects apply for block funding up to \$75,000. The applicant designs the budget and is responsible for its ongoing management. The program design requires in-kind contribution from partners equaling 25 per cent or more of the project costs. The province requires the program to report on outcomes and financial status.

Tying individual performance outcomes to financial payment was also noted as an accountability practice. British Columbia's payments to BladeRunners delivery agents is linked to the success of the participants. Agencies delivering the program are only paid when the participant successfully completes the pre-assessment phase and is placed in a job. Seventy-five per cent of participants are expected to be successful – agencies dropping below that target are monitored to improve performance.

Flexibility practices noted in the program studies included:

- multi-year funding – JobConnect in Ontario allows for three year funding agreements (still subject to annual appropriation by the Legislature). Although funding agreements are for three years, contracted agencies have to commit to new or revised standards each year; and
- carry-over of funding – Yukon allows community agencies to carry unexpended funds over fiscal years.
- enhanced program funding – British Columbia provides for enhanced program funding to BladeRunners projects which allow a portion of operational funding to be used for additional needs-based funding beyond the basic program funding. The enhanced funding is used to support particular needs of the client to achieve success. Enhanced child care funding is an example.

### **7.3 Planning Processes and Performance Management**

The planning processes varied widely depending on size of the program study and often with the maturity of the study. More developed planning processes characterize the Ontario and Quebec program/project studies and are worthy of a more detailed description. Ontario's Job Connect is an example of how the tension between accountability and flexibility have been managed in practice. Quebec is an example of large-scale horizontal and vertical planning processes, and connections to regional and sector-based labour markets.

Ontario's Job Connect planning process provides an example of the integration of planning processes, performance management and stakeholder involvement. The process is driven by a provincial framework that has been developed over a number of years with the participation of stakeholder groups. For example, service deliverers

were consulted on the development and continued refinement of client risk profiles to determine client eligibility and to ensure indicators were measurable. The Job Connect Advisory Committee, composed of service providers for adults and youth, and the colleges, acted as an “early warning system” to identify new issues needing a response.

The framework is based on a business planning process driven by the government’s fiscal year. Planning must occur a year in advance. Program or policy changes are approved internally in government by August or September for the following fiscal year. The request for business plans is sent by the province in November advising of policy changes, changes in program standards, or changes in performance measures. Each year, government identifies strategic priorities in the business planning process and requests the service provider to prioritize those areas relevant to their program offerings.

Ontario reported that:

“...in the annual business plan we have a calculation that took all measures, weighted and gave us a standard. The agencies have to exceed or maintain overall service quality but could move around within the categories. They could be high on one but low on another employment outcome... as long as the overall score was ok. They got a monthly report on their score on the six core areas. They had to commit to an improvement plan if they needed to. We didn’t ask them how they were going to change their performance; they just needed to get there. They committed to improvements from actuals.”

The business planning process requires services providers to analyze achievements against commitments and to identify commitments for results in the new fiscal year. Service providers are then expected to develop strategies to achieve these commitments.

The business planning process focuses on the three service areas described above and establishes core measures for these areas as follows:

1. Customer Services –
  - Participant/Employer Customer Satisfaction – usually measured through surveys asking how likely is the participant to recommend the services
  - Service Coordination – usually measured through activity counts based on registration for education, receiving services or participating in other training
2. Effectiveness –
  - Employed – measured by participants who are employed three months
  - Participant profile – described above – participants on average have to have 2 to 3 of the indicators.
3. Efficiency –

- Percent of intake achieved – numbers of intake against commitments

Minimum standards were established in each of these areas and a weighted formula was established against which service providers reported and were measured. A unique feature of the planning process is that it starts with where the service provider is currently performing and then establishes a process for continuous improvement.

Quebec's planning processes are driven by a network between the following partners:

*Commission des partenaires du marché du travail*

The Commission consists of employer and employee representatives, and representatives of the main labour market players. The Commission and the Minister of Employment and Social Solidarity work together to produce an agreed upon performance and accountability agreement, to design workforce and employment policies, to define public employment service strategies and goals, and to determine how the powers of the Commission will be exercised. The Commission and the Minister draft the public employment service component of Emploi-Québec's action plan, which is submitted for approval by the government. The Commission also defines employment measures and services. It also has responsibilities in terms of regulation, action plan follow-up and outcome achievement, the budget, and major projects or wide-ranging economic projects. It examines and approves the annual management report. The Commission is also responsible for sector-based action, the General Framework for Skills Recognition and Development, and administration of legislation to promote workforce skills development and recognition and of its fund. The resources required for these responsibilities are under the jurisdiction of the Commission.

*Ministry of Employment and Social Solidarity*

Emploi-Québec is under the authority of an Associate Deputy Minister who, in turn, is part of the Office of the Deputy Minister. The Associate Deputy Minister is also the Secretary General of the Commission and who, as such, is within the purview of the Commission des partenaires du marché du travail. Along with the Minister, the Associate Deputy is responsible to implement the directions adopted by the Commission.

*Regional councils of labour market partners*

These councils, which have the same composition as the Commission, are leaders in workforce and employment issues critical to regional development. Their mandates are similar to those of the Commission, the difference being that council mandates are applied regionally.

*Sector-based workforce committees*

These committees define the workforce development needs of their sector of economic activity, and produce and implement action plans in response to these

needs. They also help to implement the General Framework for Skills Recognition and Development and to develop, establish and evaluate occupational standards and learning strategies in their respective sectors.

It should be noted that Manitoba has recently established the Manitoba Advisory Council on Workforce Development, composed of representatives from industry through sector councils, labour, post-secondary sectors and senior government representatives. It will play a role in the development and delivery of labour market strategies in the province.

Smaller program studies like those in British Columbia, Saskatchewan, Nova Scotia, Newfoundland and Yukon are characterized by more informal planning processes. The processes are largely reliant on the development of trust relationships between service providers, labour market partners like employers, and government employees. The OECD research notes that leadership and trust are critical elements in balancing flexibility and accountability in practice. In the examples studied, the ability of individuals to work together, to problem solve and to develop creative and accountable solutions within flexible program frameworks is a key driver for success. Accountability is not grounded in sophisticated planning processes but in trust and working relationships. Although there was little evidence of local strategic planning, it is interesting to note that in the program studies examined in this project, performance management is driven by the accountability requirements of the LMDA and the LMA.

#### **7.4 Governance Mechanisms, Partnerships and Local Networks**

Criteria for governance mechanisms or the development of partnerships and networks is not prescribed in detail for many of the program studies, nor are they set out in funding agreements. In many of the interviews, partnership or network approaches were described as essential and the only way to accomplish the desired outcomes. They were often described as “the right thing to do”. Governance mechanisms to manage the operations of the program studies were largely the invention or creation of local delivery agents working with the province or territory. Often the form of the project’s governance mechanism appears to have grown and been determined by what is required locally to deliver the outcomes. These mechanisms often evolved over time as the program study matured and developed. During the Alberta site visit, it was noted that “community follows a crooked path to get to the outcome.”

Most the program studies involved the development of local committees or structures involving multiple labour market partners to oversee the management of the program. Representatives of industry or employers were critical members of these structures. In many cases they played a dual role – to ensure that the program offered was flexible enough to meet their needs and to ensure accountability to their needs. In turn, employers were asked to ensure real employment opportunities and experiences for program participants.

The membership and range of responsibilities of these governance structures varies. In some cases, like the Job Connect Advisory Committee (Ontario), the committee was asked to provide advice on policy and program directions, as well as accountability and performance measures. It was described in the interviews as “...being all about flexibility.” In the case of the Workplace Essential Skills Projects in Saskatchewan, the local partners are responsible to develop their own governance mechanism, develop the initial proposal, define the requirements of the employer, oversee the delivery of the project, make staffing decisions and report on outcomes and financial management. One Journey Work and Learn (Nova Scotia) requires that each funded project establish a community project team with the relevant labour market partners. These partners have the opportunity to design the training that works for them and to shape the delivery of the project. A government representative sits as a member of the project team. Membership in the Community Learning Network (Newfoundland - Bridging the Gap) is left to the partners to determine. Government also sits as a member of the CLN.

## **7.5 Capacity and Intelligence**

The OECD research notes that having talented staff at all levels is critical to successful partnerships. Success usually involves the ability to operate with a degree of individual independence while still operating within an understanding of the direction and goals of the organization. This finding was strongly reinforced in the interviews. Interviewees often mentioned the ability to form relationships with employers, to understand and work within local economic conditions, and to develop relationships with individual clients as critical elements for successful outcomes. British Columbia described that top performers in local agencies may be sent to other agencies experiencing difficulties to assist in problem solving to provide for coaching and mentorship. The experience of the project consultants verifies this finding and suggests that agencies should recruit for this capacity and should mentor developing staff who show potential.

Formal labour market information appeared to be less relevant to many program studies, particularly the smaller programs. It was local labour market “intelligence” that was almost always relied on to shape directions. This type of intelligence and understanding was gathered through spending time with employers and understanding their needs. Labour market intelligence refers to local knowledge of specific employers and their needs, awareness of current and potential economic expansions, as well as areas of potential economic contraction. This kind of knowledge is most likely gained through community involvement and work and building relationships with industry, one employer at a time.

On the issue of the use of LMI at the local level, one interviewee had this to say:

“My belief is that its extremely weak. I have reservations about the ability of people to interpret the information. It works for planning at a regional level but



you need to be knowledgeable about the local requirements. More important is the labour market intelligence – that never hits the data.”

In another province, where the clients have multiple barriers and are difficult to track and work with, the interviewee had this to say:

“We have stat that says that 80% of clients stay employed after 2 years. I’m skeptical because 90% are homeless. The only way that we can gather that information is to hold social events like barbecues, so that data is a bit soft. It is very difficult to know what the outcomes are. Its tough when they don’t have an address.”

## **8 Conclusions**

Canada has taken major steps in decentralizing labour market policy and programs. As described above, the LMDAs formed the basis for a new relationship between the national government and provincial/territorial governments. LMAs took the relationship a step further in recognizing the role of sub-national governments to plan and implement new programs and to engage with groups of clients that are typically hard to serve and in recognizing the federal government’s interests in financially supporting labour market outcomes for clients that are not EI eligible. Both agreements establish national frameworks for labour market interventions with national objectives and priorities, financial regimes, and accountability and performance measures. The best practices for translation of these frameworks to flexible and accountable labour market interventions through practical approaches, horizontal integration, management by objectives and performance management will be covered in this section of the paper. Observations for the consideration of governments are also provided.

### **8.1 Practical Approaches for Flexibility and Accountability**

As discussed earlier in the paper, the program/project studies suggest that provinces and territories are relying on third party agencies to deliver labour market services and in some cases are allowing subcontracting from these providers to even more local agencies (British Columbia and Newfoundland). The prevalence of this practice in the examples clearly suggests that provinces/territories see advantages in this delivery mechanism. Based on the interview results and the experience of the project consultants, third parties can be more flexible in their ability to respond to issues. They are not bound by the obligations of public service hiring practices and have the ability to hire the kind of staff they believe are necessary to do the work. They often have a single focus or business line and can concentrate on quickly developing responses that meet the needs of labour market partners, including clients and industry. In many cases, they are closer to the community of clients they serve and so can connect with the hard to serve groups that are targeted in many of program

studies. Also, they appear to be able to develop detailed understandings of local employer needs and consequently, develop the trust relationships required to deliver effective employment programming. They are able to obtain the kind of “dedication” that is needed to make employment programs work, one client at a time.

Leveraging contributions from other labour market partners is another advantage of this delivery mechanism and its flexibility. Engaging the private sector through obtaining financial and in-kind contributions is far more easily done through community organizations than through government employees.

Various accountability best practices with community organizations can be noted in the studies. Funding agreements that are performance-based can increase the accountability of these agencies. Program frameworks or program foundation documents provide the sense of purpose that is required for agencies and their staff to understand the direction of the government and to determine how they can best make their contribution. To be of the greatest assistance, these directional documents need to provide a clear sense of the objectives the government wants to achieve, a suggested process for development of any intervention and how agencies will be supported and evaluated. As noted previously, the accountability requirements of the LMDAs and LMAs are translated through funding agreements.

Formal strategic planning processes were not being observed in many of the studies where services were being provided through community agencies. Planning was occurring but it could best be described as operational planning. Accountability was ensured through personal relationships and working together with government officials in active problem solving. This approach works best for smaller programs where it is possible to establish and foster personal approaches. Where programs are larger, such as the studies from Ontario and Quebec, personal relationships and active problem solving still matter significantly but cannot be the only approach to accountability. In these cases, more formal accountability processes must be developed but need to incorporate ample opportunity for local labour market partners to participate in planning and to create meaningful governance mechanisms. Ontario’s continuous improvement planning for Job Connect is of particular note in this context.

## **8.2 Forms of Horizontal Integration**

The OECD research suggests that partnerships and networked relationships are critical to integration, but rarely do the partnerships have sufficient policy and program flexibility to make them truly meaningful (OECD, 2009: 28). The information gathered from the interviews, however, is not quite as categorical. All the studies made use of partnerships to plan and deliver services and interventions. In fact, the use of partnerships was not always a requirement in funding arrangements; partnerships were undertaken because it was the right thing to do to achieve the desired labour market outcomes.

Jointly owned and developed policy frameworks are also being used as forms of horizontal integration. In some cases the framework is being developed to guide the actions of provincial government departments (Manitoba) so as to present a coherent set of goals, strategies and actions to community and local partners. As noted earlier, this development could lead to both increased flexibility and accountability at the community level.

Regional and sectoral planning processes are being used in Quebec as a form of horizontal integration. Interestingly, these planning processes also feed vertical planning processes in the province.

### **8.3 Governance Mechanisms, Performance Management and Target Setting**

Many of the program studies use local community or stakeholder governance mechanisms as a method to ensure that both flexibility and accountability measures are incorporated in practice. Community networks often involved employers or representatives of industry; if their needs are not being met, these private sector partners would not take the time to participate and would spend their time in other activities. The form of governance mechanisms appears in many cases to have been developed in accordance with what was needed to “get the job done” and was not overly prescribed by government (Ontario and Saskatchewan).

The LMDAs and LMAs are influencing accountability requirements and performance management at the local level. Information from the interviews, however, suggests that provinces are moving to delivery systems where clients are not identified as EI eligible or non-EI eligible to determine the available service, but are moving to needs based systems that are driven by employment outcomes. In this model employability status is irrelevant in determining the appropriate service response; the needs of the client becomes the major determinant. Interestingly, the agreements are not always viewed as supportive of this direction. Commentary received during some of the interviews suggests that the separate accountability requirements of the two agreements are onerous particularly as provinces and territories implement the agreements. Compliance with the performance requirements of the agreements as currently constructed means a lot of work behind the scenes. The possibility of collapsing the accountability requirements of agreements as far as the legislation permits should be investigated; agreements should mimic a needs based delivery model.

There was little evidence of negotiated target setting in many of the studies. Target setting occurs - Emploi Quebec and Job Connect (Ontario) are examples of programs where targets are set though there did not appear to be a lot of evidence to suggest that the targets were negotiated. Targets were most often included in funding agreements and were a combination of client counts, activity counts and employment outcome measures.

#### **8.4 Final Observations**

There is friction between flexibility and accountability as pointed out in the OECD research. Based on the analysis in this paper, the project consultants suggest that the relationship between flexibility and accountability should not be viewed as simply an inverse relationship. As flexibility increases, it does not necessarily follow that accountability is lessened. In other words, accountability does not necessarily have to be given up in order to ensure flexibility. Arguably, the relationship between the concepts is more complex and nuanced. An example is the LMA where the agreement affords new flexibility to provinces and territories at the same time it moves to measuring real labour market outcomes as opposed to only activity counts. In this instance, it appears that both accountability and flexibility increased.

Further, a fully developed labour market system is going to be made up of a myriad of the program interventions that have been examined in this project - each intervention with varying degrees of accountability and flexibility, and means for achieving these goals. It suggests that there is not necessarily a trade-off between flexibility and accountability and between horizontal and vertical accountability in service delivery relationships. A matrix of flexibility and accountability relationships is created and needs to be sustained in a fully functional labour market system. A matrix relationship is based on both vertical accountabilities in an organization and horizontal accountabilities to peers and colleagues. In these kinds of relationships, roles and responsibilities of individuals must be clearly understood and decision-making processes must be clearly established.

It should also be noted that flexibility and accountability are merely tools to achieve employment outcomes and are not ends to themselves. Flexibility and accountability cannot substitute for decisions about program array or program responsiveness. This observation became very clear during the site visit to New Brunswick where the program deliverers were struggling with a program array that was established at the time of devolution but has remained largely unchanged. The project consultants also found during the interviews and the site visits, the program delivery participants had a difficult time relating to the concepts and had to be engaged in a discussion about the “content” of their work. This suggests these concepts may be more relevant to policy makers and program developers. The OECD research on these concepts in networked relationships is more likely to be relevant to local service providers because it is closer to what they do on a daily basis.

The project consultants suggest that it is most beneficial to understand what the requirements and outcomes for a particular program and then consider how flexibility and accountability are going to best support these outcomes. It is suggested that policy makers and program designers give more recognition to these dimensions of policy planning, and program design to take advantage of both concepts. For example, it is critical to recognize the role of relationships built on trust between local agencies and employers, and the role of trust relationships between government officials and

local agencies. Policy and program designers should recognize when trust relationships are the best route to flexibility or accountability and when these relationships are necessary but not sufficient. British Columbia's BladeRunners is an example of the use of relationships and trust.

Understanding by staff of the nuanced relationships between flexibility and accountability is also an important lesson from the program/project studies. The responsibility of program administration staff and local agency staff to incorporate both of these concepts in their day to day work is critical to success. As noted previously, staff should be recruited for their ability to understand and work within matrix and nuanced relationships or for their ability to develop these skills. Mentorship and coaching are important functions for local agency employers and for governments to ensure staff success.

Best practices dialogues have been used in some jurisdictions to foster discussion between agencies and government. These dialogues can be important as a method to share information and evidence-based knowledge between government and agencies, and between agencies. Forums like this have the potential to avoid some of the OECD concerns with duplication of effort occurring between individual jurisdictions as a result of decentralization.

Further consideration should also be given to the importance of labour market intelligence and how to support it from a national labour market information system. The informal but critical nature of labour market information intelligence needs to be recognized, and formalized systems of labour market information need to support knowledge gained on the ground.

The project consultants suggest that although the OECD research recognizes the role of public accountability by the elected and public servants, the political imperative needs to receive greater recognition as a policy driver. Political imperatives will influence both accountability and flexibility; in the recent economic downturn the current labour market agreement architecture was flexible enough to build on new time-limited funding. Reviews of public spending through legislative or parliamentary officers like the Auditor General or Provincial Auditors can create the political environment where accountability practices must be changed or improved. In this context, flexibility in designing program and financial regimes will take a backseat. The role of the Auditor General and Provincial Auditors cannot be underestimated in driving accountability requirements. It should also be noted that both provincial and federal auditors are more committed to moving past financial audits and are applying new public management theories and value for money audits.

All of the above factors makes management at a national and provincial level ever more difficult. To best support meaningful flexibility and accountability at the service delivery level, the project consultants suggest that government direction should recognize the role of flexibility and accountability in policy and program design, the kind of matrix relationships which are required deliver on employment outcomes.

Direction to local agencies should be at a high level and be focused on real outcome measures.

## **9 Recommendations**

### **9.1 Labour Market Architecture**

Review labour market agreement architecture to determine if agreements can be consolidated and accountability processes can be simplified. The agreements should support the direction that provinces are moving toward -- needs based responses that do not take into account the employment status of the individual. The reviews should take into account the attributes of flexibility and accountability and determine whether the agreements or any new agreement helps support these directions. Consideration should also be given to reviewing the management processes (regional management committees) to determine if these structures add sufficient value to efforts to achieve flexibility and accountability.

Some consideration should be given to assessing where measures of activity may be useful for measuring performance and where it would be preferable to move toward outcomes measures such as employment, length of employment and upgrading of skills.

The relationship with Service Canada was not raised during the interviews; it did not appear to be a large consideration in the discussion of partnerships. This was similar to the site visits. The consultants suggest that in the context of this discussion, a more robust dialogue should occur between F/P/T governments on the role of HRSDC at the regional level and what makes sense to deliver real employment outcomes. Provinces/territories should not view this an opportunity to “limit” the federal presence, but as recognition that the federal government has its own responsibilities for accountability and to shape how the federal government can best support provincial/territorial initiatives.

### **9.2 Labour Market Information**

Formal labour market information services can support provincial and regional planning. It however cannot replace the kind of information that is gathered through local relationships with employers and industry. Recognition and support needs to be given to the value of this kind of information. In one interview, it was noted that the local capacity to interpret formal labour market information was limited and that the real value to local delivery came from the understandings and knowledge that was created by working with employers, one at a time, and with clients, one at a time.

### **9.3 Labour Market Intelligence**

The value of labour market intelligence should be more broadly recognized across the system. Recognizing that value, however, does not necessarily mean organizing and

tracking information gathered through labour market intelligence. Before great effort is expended in organizing this information the question “for what purpose” needs to be asked and answered. From the program/project studies, it is clear that this kind of information is very valuable at an operational level. Before changes are made, the value of this information to service providers should be recognized and any additional processes or structures should be reviewed with regard to the implications to service agencies and their staff.

When governments contract with service providers they should factor into their selection process the ability of a service provider to collect and interpret labour market intelligence. The formalized labour market information system can support this local “intelligence” by producing information that is helpful and understandable to local delivery agents. The information needs to be written and presented in such a fashion that local service providers can understand the regional context for their labour market “intelligence”.

#### **9.4 Evidence Based Decision-Making**

It is essential for program funders and deliverers to make decisions on the basis of evidence. This will allow debates and discussions, inevitable in the relationship between governments and service deliverers, to be focused on problems or issues that are known to exist as opposed to issues that are thought to exist or perceived to exist. In one interview, the interviewee strongly noted the role that information played in helping service delivery agents understand the notions of flexibility and accountability. Initially, service delivery agents thought that flexibility meant that they did not have to be accountable to government. Accountability was reinforced with them, and was explained in the context of providing information. As information was collected and debated between government and the service delivery system, the dialogue between the parties moved from speculation to a rich conversation about how to improve programs and program interventions (Ontario).

#### **9.5 Continuous Improvement**

Policymakers and program developers should include a role for continuous improvement as they are developing programs. Continuous improvement can help develop the notions of flexibility and accountability and how to make them more meaningful on the ground. The Ontario example is instructive in this regard. The Ontario continuous improvement process recognizes where the agency or service delivery agent is currently performing and develops a plan with the agency to improve performance. This process accepts where an agency is at and develop plans to improve its performance and its accountability. Annual labour market plans created by the provinces/territories should also include program evaluation plans.

#### **9.6 Capacity Development**

Remote and small population regions will continue to challenge policymakers and program developers to find ways to develop flexible and accountable program

interventions due to the limited capacity of these regions to deliver labour market programming. A lack of capacity at local levels in small and remote regions can prevent a good model from being expanded. In these cases, governments are going to need to be more flexible and concentrate resources to develop capacity. Some consideration should be given to adapting accountability measures during periods of capacity development.

As pointed out in the OECD research, capacity of staff is an important dimension in flexible and accountable programs. Development of staff should be recognized in funding arrangements. Particularly, if governments wish to increase flexibility in their relationships with community organizations or other third-party institutions, it should be recognized that higher skill sets are going to be required of staff who will be operating in matrix relationships with multiple lines of responsibility. Support and training will sometimes be necessary to ensure that staff are able to exercise discretion and judgment in decision-making and in the development of relationships with employers and economic development authorities. As flexibility increases there is also a tendency to develop "boutique" programs or interventions that meet very specific client needs. In these cases, discretion is left to the service provider to determine what is going to work for highly targeted client group. Staff capacity to manage this discretion is essential for success. System confidence with flexibility increases as staff gain experience and develop capacity.

### **9.7 Contract Flexibility**

As pointed out during a site visit in Alberta, the suddenness of the economic downturn has posed challenges to government public employment services to respond. Officials noted that adding funding to existing agencies to perform new services was often difficult because of contracting requirements. Expedited contracting processes should be developed to assist public employment services to respond quickly to meet sudden and abnormal economic changes. Two approaches that have been used are the use of short-term contracts and adding resources to existing contracts.



## **Annex A – DETAILED PROGRAM/PROJECT STUDY SUMMARIES**

### **Government of British Columbia – BladeRunners**

#### **Labour Market Trends and Issues**

Like many provinces, British Columbia is experiencing the effects of the downturn in the economy and, is experiencing job loss and rising unemployment over the short-term. At the same time, the province is projecting widespread labour and skill shortages over the longer-term as economic conditions improve. These shortages are determined by ageing populations and declining birth rates. Projections for labour shortages suggest the province may experience 335,000 to 375,000 unfilled positions between 2009 and 2018. Interprovincial and international in-migration along with increased participation rates by marginalized job seekers will be required to meet this demand over the long-term. Increased productivity by employers will also be required.

Growth occupations are moving from a strong resource base to a greater focus on services. Regional variations and the strong presence of regional economies also pose issues for longer-term planning. Small business, entrepreneurship and the growth in highly skilled jobs requiring post-secondary education are trends that policy makers will have to contend with in the longer-term. The labour market will be characterized by major adjustments over the next 10 to 15 years. (Challenges and Opportunities – British Columbia’s Labour Market Future – Draft – July 2009).

#### **Project Description**

BladeRunners is targeted to highly marginalized at-risk youth who require on-going support, job preparation and job readiness skills, and work-place training to assist them in overcoming barriers to employment and to attach to the labour market over the long-term.

BladeRunners is a 15 year old project with a 75 per cent success rate in placing participants in employment. It began in 1994/95 with the construction of General Motors Place. Currently the program is delivered on Vancouver Island, the lower mainland, Whistler and Prince George. The provincial government is expanding the existing program across the province. To date, it has focused on positions in the construction sector, but is also expanding to other sectors like the creative industries.

BladeRunners “offers a standardized service delivery model which is flexible to meet community needs and those of its participants. The communities where BladeRunners is delivered have individualized needs which are often influenced by such factors as regional demographics, labour markets, and the needs of the participants that the program serves.” (Source: BladeRunners, Guidelines and Framework Agreement, 2004: 4).

The Foundation Model establishes the framework for the program. Four phases are described as follows:

*Recruitment Phase* – Two major activities characterize this phase: firstly, marketing and liaising with the community and development of the industry relationships and, secondly, screening of participants by assessing their desire to work, their employment status and referring non-successful participants to other programs.

*Job Ready Phase* – Lasting approximately 2 weeks, the participant focuses firstly on development of life skills (estimated at 35 hours) consisting of time management, financial management, anger management and workplace and cultural awareness. Secondly, the participant focuses on job readiness training, specifically health and safety certification, occupational first aid and WorkSafeBC awareness. The final element is placement readiness training in which training specific to the individual worksite is provided to the participant.

*Placement Phase* – Lasting 8 to 16 weeks, the participant works on a job site for wages at or above minimum wage. The program provides 24 hour, seven day a week support services to the youth for the first 8 to 16 weeks of employment. This service is intended to help the youth both inside and outside the worksite; youth often encounter issues outside the worksite after hours. These support services are provided by a job coach. The coach can advocate for the client, resolve problems and support the participant's workplace supervisor.

*Career Phase* – Over a 24 month period the participant is provided at least 20 hours of career development services and is monitored for career progress at six months and 12 months. (BladeRunners Foundation Model).

The Foundation Model is being reviewed because some industries need longer training and more preparation time for the participant. The plan is to move to a principle-based approach and outline issues that the primary contractor will have to consider as they develop their networks. It is hoped that a new foundation model will be developed for each industry as the program expands.

## **Budget**

The program is currently delivered through provincial funding and was originally built on a matched funding model. The original budget was \$800,000 funded provincially, which will be supplemented through funding from the Labour Market Agreement. The network of service providers have significant local networks who can access other sources of funding (i.e. federal government, where possible under the terms of labour market agreements and private sector). In one example, the employer had been making financial contributions for the job coach. Private sector contributions are more difficult in the current economic environment. Small contributions may come from other partners at the local level (i.e. \$20,000 or less).

Delivery agents are only paid when the participant gets through the pre-employment phase and when they are placed in a job. Agencies that report below 75 per cent of participants not getting through the pre-employment phase and the job placement phase will be monitored to improve performance. On occasion, the province has used top staff from other agencies to assist a struggling agency.

## **Program Design/Eligibility**

The program began with one main contract holder. Recently the government ran an RFP on Vancouver Island and the lower mainland. The existing aboriginal provider won the RFP – they rely on a network of subcontractors to provide the full range of services. In the rest of the province, government relies on individual service delivery agents.

All delivery agents are non-profit organizations.

Funding contracts are structured to match the process that participants go through. Currently, the government is developing an enhancement model where delivery agents can devote 60 per cent of the funding to the Foundation Model described above, while the remaining 40 per cent of the funding can be used for the Enhancement Model which gives the delivery agent the flexibility to determine how best to spend the funds to support the individualized needs of the participant and the industry that they are going to be working in (e.g. emergency child care, extra English language training, assistance with obtaining a driver's license,

### **Planning Processes**

Planning processes are very informal and are based on the creativity of the delivery agents and their knowledge of the clients and the local industry.

### **Collaboration and Partnerships**

Service providers are required to establish close working relationships with employers and business people in order for the program to succeed. The service providers must understand the industry and its requirements. The delivery agent must be able to work with youth who are marginalized, establish relationships with employers and find financial support through other partners. This skill set has been difficult to find in more remote and northern areas.

Collaboration and partnerships are not required as part of the funding contract but are investigated at the time that a Request for Proposal or Request for Qualifications are sent out. The province inquires into the skills of the service delivery agent to work with industry. Without those skills, the project will fail. It is an expectation that service delivery agents will collaborate.

Two committees have been established to guide the program. An Advisory Committee is composed of executive directors of the regional delivery agents; it provides advice and guidance at the provincial level. Regional sub-committees, composed of community stakeholders provide similar supports at the local level. The committees are responsible to ensure that the program follows the provincial guidelines.

### **Management and Governance**

The network of delivery agents are non-profit organizations. Each of the primary contractors may have additional sub-contractors in their area. The primary contractors employ a coordinator for each area. The coordinators do site visits and data collection. The primary contractor in the lower mainland also does service delivery in that area. All staffing decisions are made by the delivery agents which allows them to “mix and match” staff requirement

between the programs that are offered. The province manages the relationship through site visits and through development of relationships.

### **Reporting and Performance Management**

Service providers screen youth coming to the program to ensure they want to participate in the program. Providers are paid on the numbers of young people that succeed by reaching measureable goals, like obtaining safety certifications.

Individual participants are monitored and the delivery agents are required to complete a 90 day evaluation report that contains the employer's perspectives, the participant's perspectives and the coordinator's perspectives. The report is brief and informal.

The province has to be sensitive in managing the data collection requirements and understand the capacity of the service delivery agents and the ability to attract new agents.

There is no negotiation of targets. The province expects a 75 per cent placement rate.

### **Capacity and Labour Market Information**

BladeRunners relies on the capacity of local service delivery agents, their understanding of local industry and their ability to develop relationships with them.

### **Sources**

Interview with British Columbia government official.

BladeRunners Foundation Model

Bladerunners – Guidelines and Framework Agreement 2004

Bladerunners – Progress Report 2006-2008

Challenges and Opportunities – British Columbia's Labour Market Future – Draft – July 2009.

## **Government of Saskatchewan – Workplace Essential Skills**

### **Labour Market Trends and Issues**

Saskatchewan is starting to feel some of the effects of the economic downturn, although the economy is still growing but not at the pace of previous projections. Employment, earnings and populations numbers continue to show growth. Manufacturing shipments, international exports and retail sales are slowing down with recent declines or slower rates of growth. In many economic and employment indicators, however, Saskatchewan is still performing better than other provinces.

Employment insurance claimants have increased in the province – in January 2009 Saskatchewan recorded an 8.5 per cent increase in the number of regular EI claimants. However, in March 2009 Labour Force Survey data indicated Saskatchewan's unemployment rate was the lowest in Canada at 5.2 per cent.

Priorities for the province include: ensuring a skilled workforce to meet existing and future labour market demand; increasing education levels and labour market participation of First Nations and Metis people; supporting increased retention of immigrants to Saskatchewan and ensuring accessibility and affordability of post-secondary education. To address workforce adjustment issues, the province has developed Rapid Response Teams in partnership with Service Canada; these teams respond to employers laying off workers. They propose alternative employment services for displaced workers by more active marketing of jobs, training and education alternatives, and enhancements to SaskJobs.ca (the job posting services operated by the province).

The continued demand for labour in the province still provides opportunities to make progress on the inclusion of disadvantaged groups in the labour market. First Nations, Metis, single parents, recent immigrants, low-income individuals and persons with disabilities are target groups for inclusion under the Labour Market Agreement. (Canada-Saskatchewan Labour Market Agreement 2009/10 Draft Annual Plan and Canada-Saskatchewan Labour Market Development Agreement Draft Annual Plan, 2009/10).

The province is projecting approximately 79,000 job opportunities over the next five years, with most jobs requiring at least high school completion or on-the-job training. (Workplace Essential Skills Saskatchewan (WESS) Initiative – Program Guidelines).

### **Project Description**

Some individuals in Saskatchewan are still experiencing difficulties in finding work or finding permanent work and are under-represented in the labour market. Part of their problem in attaching to the labour market, lies in a lack of workplace essential skills (defined as the nine essential skills identified by HRSDC – reading text, document use, numeracy, writing, oral communication, working with others, thinking skills, computer use and continuous learning.)

The Workplace Essential Skill Saskatchewan (WESS) Initiative was introduced in 2008/09 as a pilot. The objectives of the pilot are to:

- Fully engage Saskatchewan residents in the labour market;
- Support business, industry and training institutions in partnerships to prepare low skilled job seekers and marginalized existing workers to gain and retain meaningful, sustainable long-term employment;
- Assist employers to develop the skilled workers they need to maintain and expand their businesses and contribute to the growth of the province. (Workplace Essential Skills Saskatchewan (WESS) Initiative – Program Guidelines).

The projects provide an alternative method of obtaining foundational skills beside adult basic education. The project methodology also tries to recognize that many employers will know that they have a skill shortage in their current and future workforce but do not have the tools to assess the issue or create solutions on their own.

### **Budget**

WESS will fund up to \$75,000 for each project with a required 25 per cent in-kind contribution from the delivery partners. The program budget is \$510,000 for 2009/10. Funding agreements are built around the program design and performance measures described below.

### **Program Design/Eligibility**

Proposals can be submitted to the province for funding – mandatory conditions for funding include:

- Partnerships built around relationships between industry, an employer and a training institution. A training institution can also include a private vocational school;
- An in-kind contribution from industry and/or community partners equaling 25 per cent or more of the project costs.

Each proposal is reviewed by the province using evaluation criteria that includes pre- and post-application of TOWES (Test of Workplace Essential Skills); identification of the skills required by the employer and the opportunity for full-time ongoing employment; on the job mentoring; use of workplace documents; program modification to address the needs of specific individuals or occupations; use of HRSDC programming standards; and the development of a sustainability plan.

Eligible trainees are defined by the province to include:

- Individuals with function at a level three literacy or less;
- Individuals employed full or part time with the participating employer
- Individuals who are part of other provincial programming ; and/or
- Individuals that are legally entitled to work in Canada.

Eligible costs are defined broadly to include any costs typically associated with a training program. Other costs may be considered on a case by case basis. In considering applications, the province tries to be guided by the needs of the employer and its experience, and to not apply eligibility criteria very strictly.

### **Planning Processes**

Planning processes are not prescribed and left to the individual projects to develop.

The province did require projects to come together for a best practices dialogue which was well-received.

### **Collaboration and Partnerships**

The program is built on a partnership model as described above. In some cases, the projects are being delivered by long-existing partnerships (e.g. Northern Saskatchewan where there is a long-standing northern Aboriginal hiring policy). In other cases, the partnership is newly created to respond to the needs of an emerging industry. In those cases the province usually relies on the post-secondary system to act as the “lead partner”. Large employers may deliver the projects on their own. In these cases, the employer is looking for expertise rather than

financial contributions. A typical partnership would include a post-secondary institution, employer, career and employment centre, tribal councils and where relevant, a sector association.

### **Management and Governance**

The management framework is not spelled out and is left to the project partners to develop. The funding agreement spells out the accountability requirements along with the outcome requirements. All staffing decisions are left to the individual project to manage. Each project has to establish a budget within the overall guidelines. Site visits are carried out by the province.

Problem solving processes are not set out in the agreement and left for the partners to manage. This was a specific decision by the province as they believed the local partners needed the flexibility to manage issues as they arise.

### **Reporting and Performance Management**

Reporting requirements are defined in the project guidelines; reporting templates are provided for participant registration and detailed monthly monitoring reports. An interim report is required that provides a synopsis of activities, the challenges, lessons learned and budget information to that point. A final report must be provided within 30 days of the completion of the project. It must include the number of participants, project outcomes and deliverables, best practices, lessons learned and detailed financial statement. The Labour Market Agreement provides the framework for outcome reporting.

### **Capacity and Labour Market Information**

The projects rely on local level labour market information which relies heavily on the individual knowledge and intelligence of the partners.

### **Sources**

Interview with Saskatchewan government official

Canada-Saskatchewan Labour Market Agreement 2009/10 Draft Annual Plan

Canada-Saskatchewan Labour Market Development Agreement Draft Annual Plan, 2009/10

Workplace Essential Skills Saskatchewan (WESS) Initiative – Program Guidelines

Sample Funding Agreement for WESS Initiative

WESS Initiative Program Templates

## **Government of Manitoba – Addressing Challenges, Creating Opportunities: A Framework and Strategy for Developing the Manitoba Labour Market Focus on Immigration**

### **Labour Market Trends and Issues**

Steady economic growth over the last decade has led to a tightening of the Manitoba labour market. Labour market shortages and skill deficiencies in the new or current labour force are key issues for the province and are being identified by employers as significant issues which are impeding productivity. Ageing of the workforce will further cause issues for the labour market and economy. Growing aboriginal populations with lower educational achievement and lower labour force participation rates will also pose challenges for provincial planning. Supporting the retention of older workers and ensuring smooth transitions for new entrants, along with the transfer of knowledge will be key for labour force stability and creating a foundation for economic growth.

Immigration is at its highest level in the last 50 years with over 13,000 arrivals in 2008. It accounts for more growth than natural population increases. (Addressing Challenges, Creating Opportunities A Framework and Strategy for Developing Manitoba's Labour Market, Draft Document, May 2009: 3). Gaps in language development and some essential skills, failure to recognize foreign education, credentials and work experience create additional challenges for provincial policy-makers.

Inclusion of persons with disabilities, social assistance recipients and working low-wage individuals in provincial responses will also assist in meeting demand for workers over the long-term.

Employers and communities are going to be challenged to develop greater capacity for labour market planning and the use of labour market information, recruitment and retention best practices as well as community and employer assessment of skills and training.

### **Project Description**

In 1998, Manitoba assumed responsibility for settlement services from the federal government in addition to an expanded role to recruit and nominate skilled immigrants through the Provincial Nominee Class. This Canada-Manitoba Immigration Agreement set a course for the province to respond proactively to immigrant settlement including development of supports for labour market integration. Immigration was seen as one important component of labour market, economic and population growth as well as strengthening cultural diversity and communities.

In 2002, the Manitoba government introduced the Action Strategy for Economic Growth. The strategy encompassed many of the elements of a labour market plan including a focus on education and skills, and growing immigration. Building on the progress from the Action Strategy and other labour market, education, immigration and economic strategies, the Manitoba government is currently developing a broad-based policy framework to bring economic development, labour market planning, education, and research and innovation together in a strategy called Addressing Challenges and Creating Opportunities. The new policy framework focuses on attraction and expansion of the labour market, developing and enhancing skills, and informing and innovating in the labour market. The framework is intended to act as a vehicle to engage industry, labour, educational institutions and other stakeholders in discussions to clarify roles and responsibilities of all partners in the labour market including the provincial government. (Addressing Challenges, Creating Opportunities A Framework and Strategy for Developing Manitoba's Labour Market, Draft Document, May



2009). It is intended to focus on longer-term challenges/issues but is able to incorporate shorter term pressures.

An integrated approach for immigrants is a key part of this plan and is presented as a specific example of how an integrated labour market plan is being used to shape planning for a target group. The plan for labour market services for immigrants is integrated across three government departments including Competiveness, Training and Trade (CTT), Advanced Education and Literacy (AEL), and Labour and Immigration (LI). Labour market integration of international immigrants is a key priority of the provincial strategy.

The labour market plan for immigrants focuses on strategic policy linkages between departments and coordinated services for immigrants at the local level. It begins with the Labour and Immigration mandate to design and delivery settlement services through the Manitoba Settlement Strategy This framework guides work with international immigrants as they plan and prepare to immigrate, as they arrive in Manitoba and as they enter into employment opportunities and live in communities. Employment supports are a priority so that immigrants get early access to employment and qualifications recognition supports as well as connections to existing services. Through cooperation across departments it also helps existing services become more accessible to a diverse population. Key principles, outcomes and service areas are outlined in the strategy. Service areas include pre-arrival information, centralized initial information and orientation, centralized assessment and referral, settlement and community supports and employment supports, and specialized settlement programs. A strategy for Adult English as an Additional Language training provides further supports for immigrants' labour market integration. Language training for specific occupations, the workplace and employment or qualifications recognition training is a major component. The settlement framework and service mix is supported by ongoing stakeholder consultation, program advisory committees involving the recipients of the services, and support for training and professional development activities for service providers. Services are monitored to identify emerging trends and issues. (Manitoba Settlement Strategy, Labour and Immigration Website).

The Framework for a Manitoba Strategy on Qualification Recognition establishes seven principles to guide discussions and development of activities in support of qualification recognition. It is intended as a working document that will be used to shape program responses and improve client supports in cooperation with regulators, employers, service providers and post-secondary institutions.

The government passed new legislation in November, 2008 (*The Fair Registration Practices in Regulated Professions Act*) to establish the office of the Fairness Commissioner in overseeing and advising on procedural fairness in registration and assessment of skilled immigrants by professional regulatory bodies. The Act requires regulatory authorities to comply with the Code of Fair Registration Practices. It also requires them to build capacities to improve assessment and recognition practices. The Fairness Commissioner is required to report bi-annually to the minister responsible for the Act.

## **Budget**

As this is a policy framework, there is no separate budget. The framework will be used to evaluate choices and options through the annual budget process.

## **Program Design/Eligibility**

The broad labour market policy framework is designed to address the needs of all Manitobans with specific emphasis on certain target groups, like new immigrants and aboriginal people.

## **Planning Processes**

CTT, as the lead department of the broad labour market strategy, has conducted extensive formal consultation with five key departments (Advanced Education and Literacy; Labour and Immigration; Family Services and Housing; Education; Citizenship and Youth; Aboriginal and Northern Affairs). Input from other departments and stakeholders was collected more informally through normal working relationships. CTT was established in 2006 with the objective of strengthening the program and policy linkages between labour market services for individuals and business and to help formalize relationships between government, industry and labour in the design and development of labour market activities (Addressing Challenges, Creating Opportunities A Framework and Strategy for Developing Manitoba's Labour Market, Draft Document, May 2009: 8).

The full labour market strategy was presented to the new Manitoba Advisory Council on Workforce Development. The council consists of senior representatives from industry (through the province's 17 sector councils), labour, the post-secondary education sector, and the deputy ministers from key provincial departments. Follow-up questionnaires have been sent to council members and the sector councils to obtain feedback on the strategy including what they see as their role in supporting the strategy/development of the labour market. As feedback is received new versions of the framework are being produced. Next steps are currently being considered in terms of how the strategy will be rolled out in the province.

## **Collaboration and Partnerships**

The broad labour market framework outlines a number of foundation principles. One of the principles outlines government's commitment to collaboration and engagement. It acknowledges the varying roles and responsibilities of partners and stakeholders in the province and commits the government to consult with labour market partners on a regular basis and to collaborate on the design, delivery and funding of strategic activities.

## **Management and Governance**

The provincial labour market strategy has been approved by the provincial Cabinet. In June 2008, the province passed legislation to establish the Advisory Council on Workforce Development to gather information and input from industry, labour and other stakeholders on workplace issues like retention, recruitment and productivity. Input from the Council informs planning and programming. (Draft Labour Market Agreement Annual Plan, 2009/10).

## **Reporting and Performance Management**

The broad labour market strategy will be guided by the development of overall indicators to track performance of Manitoba's labour market. A comprehensive set of indicators will be developed and updated regularly.

Consideration is being given to what will be required to sustain the plan, including the short-term context of an economic downturn, coordination amongst the players, consultation with the partners and stakeholders, continual updating of actions, indicators and the form and frequency of public reporting. The Labour Market Development Agreement and the Labour Market Agreement provide a framework for reporting activities and outcomes.

## **Capacity and Labour Market Information**

A further principle outlined in the broad framework is a commitment to informed decision-making by stakeholders and partners. Timely and accurate labour market information and information on program and intervention outcomes will be used to inform future activities and developments.

## **Sources**

Interview with senior Manitoba Government officials

Addressing Challenges, Creating Opportunities – A Framework and Strategy for Developing the Manitoba Labour Market, Slide Deck, March 25, 2009

Framework for a Manitoba Strategy on Qualifications Recognition

*The Fair Registration Practices in Regulated Professions Act*

The Manitoba Settlement Strategy

Draft Labour Market Agreement Annual Plan, 2009/10

## **Government of Ontario – Job Connect**

### **Labour Market Trends and Issues**

In the 2009/10 Labour Market Development Plan, Ontario is identifying the turmoil in the global financial markets and the economic downturn as a major risk for the province and for the labour market. Unemployment is seen to be a risk; although there was some new job creation in the third quarter of 2008, most of the job growth is in part-time jobs. Vulnerable sectors include forestry, manufacturing and tourism raising concerns for continued increases in unemployment and difficulty for individuals previously working in these sectors to find employment.

The turmoil in the economy and the job market means that retraining and skills upgrading are of particular importance to the province. (2009/10 Ontario LMDA Annual Plan). Adjustment services for individuals displaced from the labour market, particularly in the above noted

industries are a priority. Rapid re-employment and training services will be offered to an employer immediately after announcing a layoff. Skills training and second career paths will be priorities for these individuals.

The involvement of local communities is noted as an important element of the provincial strategy. Building on the planning process described below, the province intends on developing Integrated Local Labour Market Planning (ILLMP) processes. Pilots are being started.

“At a mature state, ILLMP will produce:

- A rolling 3-5 year strategic ‘evidence-based’ plan that respects and reflects local/area labour market challenges and opportunities;
- A plan developed, endorsed and supported by community and business leaders, MCTU and other provincial, federal and municipal governments – within a culture of coordination and shared accountability for results;
- A local labour market plan that informs programs and service decisions; contributes to setting of budget priorities; and identifies new program development and design needs.” (2009/10 Ontario LMDA Annual Plan).

### **Project Description**

Job Connect, now part of Employment Ontario, was established in 1997 to assist those at risk of continued or long-term unemployment to form an attachment to the labour market (i.e. non-EI eligible). The program is delivered through non-profit organizations or colleges. Service contracts are signed between the government and these third parties to deliver services to a defined client group for agreed to outcomes and for established funding levels. The program was driven by an economic growth agenda, labour market demands, increased need for public accountability and a need for different and improved services. It was informed by policy goals linking economic and social objectives, a strong focus on employment outcomes and increased accountability. This project description applies to the program before implementation of the Labour Market Agreements. With full implementation the program will be changed and modified.

At implementation of the program, there were 132 points of service. Some organizations deliver more than one service in more than one location under a single contract.

The Job Connect program has three components:

1. Access to resources and information about training, the labour market and employment opportunities;
2. Specific supports for job searches;
3. Placement into employment, including on-the-job training.

The program design targets sustainability and continuous improvement by stressing organizational capacity (i.e. measuring, planning, resourcing, and communicating). It also introduced the Ministry of Training, Colleges and Universities Decision Model which outlines a

relationship between performance, organizational capacity and funding. Success is defined for service providers through a service delivery standard which weights effectiveness (50 per cent), customer service (30 per cent) and efficiency (20 per cent).

### **Budget**

Agreements are for three years but are subject to appropriation by the legislative assembly each year. \$136M is allocated to the program. Sixty to 70 per cent of funds are for operating costs with the balance as flow through funds for the purchase of training or work clothes. Service providers can only spend 10 to 15 per cent on overhead and none on capital.

Budgets contain a line item for staff and operating, and another line for flow through funding. Service providers can move operating funds into flow through funding without approval, but require approval from government to move funding in the other direction.

### **Program Design/Eligibility**

The original program design was done by the province in consultation with stakeholders. The program is targeted specifically to non-EI eligible clients. Prior to the implementation of the LMDA and the LMA, a service provider would not be paid for serving an EI eligible client. With the integration of the federal services, no distinction will be made.

Eligibility was determined at the local level by set profile indicators that were used as proxies for risk. Initial indicators included factors like:

- Less than Grade 12
- Credentials not recognized in Canada;
- Last educated outside of Canada;
- Time out of school/work (more than 6 months);
- English as a second language;
- Never worked;
- Presence of a disability;
- Never worked in Canada;
- Youth between 15 and 19;
- People over 45.

Eligible clients would have to a predetermined number of risk factors present to be eligible.

In the first year of the agreements, government gathered data on the risk levels of the current clients; each year the service providers were required to improve their performance in this area. The profile has to constantly evolve depending on the economic circumstances in the province and the presence of labour.

### **Planning Processes**

The program uses a business planning process based on government's fiscal year and on the assumption that any changes to the program would be implemented on April 1 of that fiscal year. Therefore planning needs to occur a year in advance. The request for business plans

would be sent by the preceding November advising of policy changes, changes in program standards or changes in performance measures. This cycle also means that program or policy changes had to be approved internally in government by August or September for the following fiscal year. Each year, government identifies strategic priorities in the business planning process and requests the service provider to prioritize those areas relevant to their program offerings.

The Job Connect Advisory Committee (described below) acted as an “early warning system” that issues were arising which needed a response to be developed.

Service providers were held accountable to a service coordination measure which meant in practice that they had to develop service protocols with allied agencies.

Implementation of the Labour Market Agreements has meant changes to this planning process.

### **Collaboration and Partnerships**

At the implementation of the program, a Job Connect Advisory Group was established with representatives from each of the three types of service offerers – adult providers, youth providers and colleges. Government staff met with them monthly to get ongoing advice and input on the program. Many discussions were held about flexibility and accountability. Both dimensions were made easier by the provision of information and data. As data and information became more available, the group was able to move beyond “debating notions” and move to evidence-based decision-making. The dialogue became very rich and allowed them to make many program design changes. It also allowed them to make changes across the system when interventions or new practices were working well.

Currently, a service delivery advisory group has been established to assist in the transition to the new Labour Market Agreements.

There were no requirements in the agreements that service providers would collaborate beyond the service coordination measure. Initially a checklist was used wherein the service provider was asked to confirm that the plan was consistent with local training and adjustment boards. These boards are responsible for labour market planning and making recommendations to government.

### **Management and Governance**

Where the service provider was a college, the college board was responsible for oversight. Non-profit organizations are required to have a board. Service providers are responsible for staffing decisions and establishment of human resource policy.

### **Reporting and Performance Management**

The business planning process requires services providers to:

- Analyze achievements against commitments;
- Identify commitments for results in newly commencing fiscal year;

- Develop strategies to achieve these commitments.

The planning process recognizes where the service provider is currently performing and then establishes a process for continuous improvement.

The business planning process focuses on the three service areas described above and establishes core measures for these areas as follows:

4. Customer Services –
  - Participant/Employer Customer Satisfaction – usually measured through surveys asking how likely is the participant to recommend the services
  - Service Coordination – usually measured through activity counts based on registration for education, receiving services or participating in other training
5. Effectiveness –
  - Employed – measured by participants who are employed three months after exit
  - Employability – measured by being employed and/or engaging in education or training that raises employment levels or potential for employment
  - Participant profile – described above – participants on average have to have 2 to 3 of the indicators.
6. Efficiency –
  - Percent of intake achieved – numbers of intake against commitments.

Minimum standards were established in each of these areas and a weighted formula was established against which service providers reported and were measured. Schedule B of the funding agreement sets out the performance commitments the organization is making for that year. Although funding agreements are for three years, contracted agencies have to commit to standards each year.

Service deliverers were consulted on the development and continued refinement of risk profiles to ensure that the indicators were measureable. Six months out of the labour market turned out to not be a good indicator as many of the clients rotated in and out of the labour market over a shorter period of time. As a result of consultation, a new measure was developed that examined job transiency. With economic and labour market changes, the outcome of employment has remained with adjustments to the risk profile.

### **Capacity and Labour Market Information**

A Minister's Award was established to recognize innovation in the system.

Labour market information was provided through the Training and Adjustment Boards. Labour market intelligence was noted as being critical.

### **Sources**

Interview with Ontario Government official

Job Connect and Summer Jobs Service 2006-2007 Business Plan

EMC Briefing Note, Job Connect, December 2001

## **Government of Quebec – Emploi-Quebec**

### **Labour Market Trends and Issues**

Like other provinces, Québec is experiencing the effects of the global downturn. Québec lost 56,000 jobs over four months, starting in December 2008. The unemployment rate reached 8.3% in March 2009, its highest level in three years. The effects of the recession were felt in the majority of industry sectors. The service sector was particularly hard hit since it employs over three workers in four. There are also downward employment trends in agriculture, forestry and mining. Employment levels remain high in construction but below 2008 levels. Employment has stabilized in manufacturing after significant declines in recent years. Further reductions in employment are not being ruled out in the months ahead.

Emploi Québec is also concerned with structural problems in the labour market that will pose challenges for government, employers and individuals. These issues include ageing of the population - the working age population in Québec is growing slowly and is expected to start decreasing in this decade. This phenomena has already begun in some regions of the province. The province is forecasting that the total population that is of working age will fall at one of the fastest rates among the countries of the OECD. Employment rates remain lower than in other provinces due to the province's higher unemployment rates and low labour market participation of older workers. In addition, the province has some of the lowest average hours worked per worker in Canada and North America. Although social assistance rates have declined in the recent past, the province remains concerned that rates will increase because of the recession and that more employable individuals will rely on social assistance.

Companies will be challenged to remain competitive during the economic downturn, and although they will be forced to lay off workers, it will cause a significant dilemma for them as over the long-term they still require a skilled workforce. They will be challenged to find and replace these workers in the future as the projected demographic changes occur. Companies will be challenged to use this time of a reduction in economic activity as an opportunity to enhance basic skills and other skill levels of their employees.

### **Project Description**

Quebec has chosen to profile the public employment services within Emploi-Québec, the agency resulting from a massive re-organization of public employment service provision, an undertaking carried out with labour market partners further to the *Canada-Québec Labour Market Development Agreement (LMDA)*, entered into in 1997.

PES is composed of province-wide central units, 17 regional directorates, and 145 local directorates, for a total of some 4,500 full-time equivalent employees, 90% of them in the regions or in local employment centres.

The following universal services are offered to individuals and businesses:

- Initial reception and assessment so as to determine individuals' labour market needs



- Labour market information
- Placement services.

The specialized services offered to individuals include:

- Production of a customized action plan based on the assessment of needs;
- Career counselling;
- Assistance with active job searching;
- Training activities;
- Exposure to the workplace (e.g. job shadowing);
- Wage subsidies to foster hiring;
- Return-to-Work Supplement;
- Support for self-employment;
- Job-preparedness;
- Interprovincial standards program.

The specialized services offered to businesses relating to human resource management cover:

- Assistance with recruitment;
- Assistance with employee retention, future-oriented management of human resources, management of ethno cultural diversity, schedule arrangement and work time reduction, (i.e. smoothing the way for progressive rather than early retirement);
- Workforce training;
- Skills development and recognition (general framework);
- Regulated apprenticeship and occupational qualification programs;
- Introduction of joint action committees within companies and reclassification assistance committees;
- Financial and technical assistance for recurrent extension of the period of employment of workers in sectors subject to seasonal fluctuations and for solving problems related to part-time or unstable employment.

## **Budget**

Emploi-Québec's full budget is contained within the Fonds de développement du marché du travail (FDMT). The fund, more than \$1 billion a year, consists of funds from the Government of Québec and of federal government contributions under the Labour Market Development Agreement (LMDA) and, more recently and on an ad hoc basis, the Labour Market Agreement (LMA), established to counteract the effects of difficult economic times.

PES also receives some funding from the Commission des partenaires du marché du travail (CPMT), notably, from the Fonds de développement et de reconnaissance des compétences de la main-d'œuvre, that focuses on workforce skills development and recognition.

Within the framework of the budget parameters established by the Conseil du trésor, which determines monetary and human resource levels, resource allocation between the regions and local employment centres is the responsibility of the Associate Deputy Minister. The purpose of the distribution model, which contains an array of socio-economic variables, is

equitable access to full services for individuals and businesses. The performance and accountability agreement make intra-budget transfers possible.

The FDMT is composed of the total of the amounts allocated by the federal government and the provincial government for public employment services. It is established annually on the basis of government budget policy regardless of the programs involved (unless otherwise indicated). Emploi-Québec's leeway is due to the way in which this budget is distributed based on the particular features of a region.

### **Program Design/Eligibility**

The creation of Emploi-Québec in 1998 enabled consolidation of the hundred-or-so manpower programs and measures scattered throughout various government departments and agencies into a little over 10 measures and directorates. It also made it possible to blend the three co-existing networks that provided employability development and job entry measures in Québec into a single entity. The pre-existing programs have been merged into one toolbox containing a small number of programs that included leeway for customizing them to Québec's changing labour market needs. Updating of these programs is carried out by the Department's central units and the Commission des partenaires du marché du travail.

### **Planning Processes**

Partners in planning processes include:

*Commission des partenaires du marché du travail* - The Commission consists of employer and employee representatives, and representatives of the main labour market players. The Commission and the Minister of Employment and Social Solidarity work together to produce an agreed upon performance and accountability agreement, to design workforce and employment policies, to define public employment service strategies and goals, and to determine how the powers of the Commission will be exercised. The Commission and the Minister draft the public employment service component of Emploi-Québec's action plan, which is submitted for approval by the government. The Commission also defines employment measures and services. It also has responsibilities in terms of regulation, action plan follow-up and outcome achievement, the budget, and major projects or wide-ranging economic projects. It examines and approves the annual management report. The Commission is also responsible for sector-based action, the General Framework for Skills Recognition and Development, and administration of the *Act to promote workforce skills development and recognition* and of its fund. The resources required for these responsibilities are under the jurisdiction of the Commission.

*Ministry of Employment and Social Solidarity* - Emploi-Québec is under the authority of an Associate Deputy Minister. The Associate Deputy Minister is also the Secretary General of the Commission and so is responsible to the Commission des partenaires du marché du travail. Along with the Minister, the Associate Deputy is responsible to implement the directions adopted by the Commission.

*Regional councils of labour market partners* - These councils, which have the same composition as the Commission, are leaders in workforce and employment issues critical to

regional development. Their mandates are similar to those of the Commission, the difference being that council mandates are applied regionally.

*Sector-based workforce committees* - These committees define the workforce development needs of their sector of economic activity, and produce and implement action plans in response to these needs. They also help to implement the General Framework for Skills Recognition and Development and to develop, establish and evaluate occupational standards and learning strategies in their respective sectors.

### **Collaboration and Partnerships**

PES success in Québec, as elsewhere, is due in large part to the active contribution of labour market partners. Key partners are described above. Joint work and consultation with partners on policy, strategies, annual PES planning, service provision organization and resource allocation is a key factor in the delivery of public employment services.

### **Management and Governance**

The Minister of Employment and Social Solidarity leads and coordinates government action in the field of the workforce, employment, last-resort financial assistance and social allowances. The Minister drafts and tables policies and measures to bolster employment and the workforce, promote workforce development, increase workforce supply and act with regard to the demand for manpower so as to encourage a balance between job market supply and demand. The Minister and the Commission des partenaires du marché du travail work together to determine which workforce and employment issues can be addressed jointly and the direction to be taken with regard to them. The Minister entrusts the Commission with responsibilities in matters of the workforce, employment, and skills development in the workplace.

As part of Department activities, the Associate Deputy Minister manages Emploi-Québec resources. He or she also ensures consistent development of employment services and their strengthening; preserves and enhances the role and influence of labour market partners in defining and organizing employment services; and enables adaptation of service provision to labour market changes and corporate needs. He or she is responsible for the *Canada-Québec Labour Market Agreement (LMA)*; ensures that the agency earmarks appropriate funds and resources for workforce and employment development; and establishes a monitoring mechanism and submits progress reports on the achievement of objectives to the Commission and the regional councils.

### **Reporting and Performance Management**

The performance and accountability agreement entered into by the Minister, the Deputy Ministers and the Commission des partenaires du marché du travail identifies the basic indicators used to specify the expected outcomes and accountability arising from the commitments made. These indicators include those for which recurrent targets must be set in Emploi-Québec's annual action plans and must cover the main PES components. Except under exceptional circumstances, the indicators, which include the following, do not specify the means to be used to achieve the intended outcome:

- Number of openings reported to the provincial placement service
- Number of new public employment service participants
- Proportion of participants in long-term measures screened as persons at high risk for long-term unemployment
- Number of new basic training participants
- Employment rate of persons who used public employment services
- Number of employed individuals who used public employment services
- Unissued benefits from unemployment compensation plans further to use of public employment services aimed at workplace re-entry
- Number of businesses that used public employment services for the first time.

The targets for a given financial year are based mainly on available resources, outcomes for the preceding period, and job market forecasts. The challenge is to assign these targets equitably among the units by taking into account the specific features of the units' client groups. This can be achieved through periodic contact between the central units and the regional units in order to update the target distribution model. The first step in the annual planning process is the proposal of targets for each region, which then approves the targets or suggests adjustments. Discrepancies between the provincial target and the total for regional targets are allowed.

Emploi-Québec has an intranet site available to all its personnel. The site periodically presents targets, outcomes and rates of achievement. Achievement rate projections are also provided in order to identify the targets at risk for not being realized and/or the regions most concerned.

PES provision is carried out in partnership with more than 500 employability organizations and the education system. Service agreements between Emploi-Québec and these organizations specify expectations in terms of outcomes for the client groups served. These targets must contribute directly to the attainment of Emploi-Québec targets. Targets are negotiated by Emploi-Québec and the organizations based on funding and outcomes reported for preceding periods.

Given partnership between Emploi-Québec and other government departments and agencies, certain administrative agreements are contracted containing clauses concerning achievement of outcomes (e.g. targets with other departments regarding immigrants or people with disabilities).

The Ministère de l'Emploi et de la Solidarité sociale has a unit specifically for program evaluation. Under the *Public Administration Act*, the Department conducts evaluation of its programs and services according to a pre-established schedule spanning several years. The conclusions and courses of action proposed for continuing improvement stemming from evaluations are given widespread internal distribution and discussion and are then released on the Department Web site.

### **Capacity and Labour Market Information**

Emploi-Québec has an online Labour Market Information site used by the general public, its employees, and its partners. It contains a wide range of information on occupations, sectors of

activity, labour market trends, career management, and so forth. It is also a clearinghouse for links with other relevant sites.

Every year, Emploi-Québec invests over 15,000 person-days in training its employees. Whether at the beginning of their employment or when a new activity is introduced, the employees in question are given training and/or information aimed at ensuring that they understand Emploi-Québec services.

### **Sources**

Written interview materials provided by Quebec government officials.

Evolution of the Labour Market – Economic Context and Key Issues, Emploi-Quebec, Annual Plan, Labour Market Agreement

### **Government of Nova Scotia – One Journey Work and Learn Labour Market Trends and Issues**

Like other provinces, Nova Scotia is being challenged with the economic downturn. Unemployment rates have increased since October, 2008 and are expected to continue increasing through 2009 and into 2010. (Canada-Nova Scotia Labour Market Agreement, Annual Implementation Plan 2009-2010). The Annual Implementation Plan identifies the growth industries in Nova Scotia (over the last 22 years) as professional, scientific and technical services; business, building and support services; information, culture and recreation; accommodation and food services; and health care and social assistance. Industries in decline over the same period include: agriculture; forestry, fishing, mining, oil and gas; manufacturing; and public administration.

Labour market policy and development is guided by the province's economic development plan (Opportunities for Sustainable Prosperity) and its social development plan (Weaving the Threads: A Lasting Social Framework). Both plans have a strong focus on building a skilled workforce. The theme of building a skilled workforce is also found in the strategic plans of a number of departments. A Skills Nova Scotia Framework has been developed; a Poverty Reduction Working Group has been established. A Strategic Training and Transition Fund has been established to support targeted groups under the LMA, to assist with workforce adjustment issues and to position employers to develop a labour force with the right skills for new and emerging business opportunities and future growth. (Canada-Nova Scotia Labour Market Agreement, Annual Implementation Plan 2009-2010).

### **Project Description**

One Journey Work and Learn is a partnership between the Departments of Community Services and Labour and Workforce Development, industry and community. The program provides opportunities for skill development and direct employment to Income Assistance/Employment Insurance recipients, and the unemployed or the underemployed. The opportunity for skills development and employment is tied to industry shortages where there is a real chance to attach to the labour market. The partnership began in 1999 with an identified labour shortage in the hospitality sector. Between 2003 and 2009, the program has

successfully completed 35 projects in the following sectors: hospitality, flooring installation, automotive, continuing care, service sector, call centres, residential workers and short/long haul trucking. Numbers of the projects are offered outside the Halifax Regional Municipality. The province plans to expand the model throughout Nova Scotia.

The model is based on the following conditions:

- Industry must identify the skill shortage and must agree to offer employment opportunities to eligible candidates and to employ all successful candidates;
- All stakeholders must be committed and active participants in the project;
- Participation by clients must be voluntary;
- Income assistance clients must have completed an employability assessment and an action plan;
- Essential skills training must be part of every project;
- Clients must have liability coverage while in job shadowing or training;
- Any apprenticeship courses must be approved by government;
- Projects must be evaluated.

Each project begins with an identification of a skill shortage – when a shortage is identified a partnership project team is formed and an industry skills needs assessment is completed to assist in the establishment of position criteria. Potential candidates are referred and selected. They receive an industry orientation to ensure the candidate is interested and committed to the training and employment opportunity. Potential candidates then attend a job maintenance workshop to provide them with basic employment skills. Candidates are interviewed by a panel chaired by industry representatives and selected for an individual skills assessment which becomes the basis for a customized essential skills training plan. Once the plan is completed, the participant proceeds to employment or further industry training before employment. A job offer is made by industry and must be made before the participant enters the program. Development of essential skills is woven throughout the plan for the candidate. (One Journey Work and Learn: A Guide for Regional Project Teams in Nova Scotia, Draft).

### **Budget**

The budget for the program uses provincial funding, Labour Development Agreement funding and Labour Market Agreement funding. New funding through the Omnibus Agreements is also being used.

The size of the program has varied depending on the identified need and the funds available.

Funding agreements with community delivery agents establish the terms and conditions for the project. The project budget is established by line item – delivery agents have the ability to move funds between line items but usually ask the permission of the government before moving funds. Funding may spread over fiscal years.

A lead agency at the community level will hold the project funds. Typically the lead agency is a community-based organization or a non-profit and generally is not a education partner like a college.

### **Program Design/Eligibility**

The program and eligibility criteria are determined by the province and set out in the program parameters and the funding agreement.

The project partners determine staffing complements at the project level and are responsible for hiring.

### **Planning Processes**

The program has an industry steering committee that meets once a month with the two department members who give advice on emerging industry partners.

Planning processes are very fluid. Government determines the issues it wants to target and then works with industries who have identified skill shortages.

### **Collaboration and Partnerships**

The program is based on a partnership model between two departments of government and industry. Industry plays a key role in defining skill shortages and hiring participants. Government's initial role is to ensure that the job offer is real and that it will result in employment for successful participants. Collaboration is required as part of the program design.

### **Management and Governance**

The program is managed by the Department of Labour and Workforce Development through a staff position located at the Community Services Department.

Each project is managed by a community-based organization or agency, or potentially by a sector council. The project is required to establish a project team that has all the stakeholders as members. The industry partners have the opportunity in the project team to design the training that works best for them and to shape the delivery of the project overall. A government representative sits as a member of the project team.

### **Reporting and Performance Management**

Funding agreements require that 80 per cent of the participants will successfully complete the intervention. It also sets out a number of outcomes that the successful participant will be able to demonstrate. The Department of Labour and Workforce Development does follow up with participants at three and 12 month intervals on completion of the intervention.

Reporting requirements are established in the funding agreements and generally follow the requirements of the LMDA and LMA. Participants are expected to register on a provincial website at the beginning of the project and to complete the on-line survey at completion of the project.

## **Capacity and Labour Market Information**

The program relies less on formal labour market information and more on informal labour market intelligence.

### **Sources**

Interview with Nova Scotia government official.

One Journey Work and Learn: A Guide for Regional Project Teams in Nova Scotia, Draft Funding Agreement (Letter of Offer) template

Canada-Nova Scotia Labour Market Agreement, Annual Implementation Plan 2009-2010

## **Government of Newfoundland – Bridging the Gap: From Education to Employment**

### **Labour Market Trends and Issues**

Newfoundland has been experiencing record growth in the past several years. Employment levels reached record levels in 2008 and the unemployment level was the lowest it had been in 25 years. Overall labour market conditions have tightened in the five years prior to 2008 as employment growth has outpaced labour force growth. (Canada-Newfoundland and Labrador Labour Market Agreement, 2009-10 Annual Plan). However, since 2008, Newfoundland, like other provinces/territories, is experiencing increased unemployment rates. Recent pulp and paper plant closures and slow-downs in the fishing and mining industry are indications that the province is not immune from the downturn affecting other parts of the country.

The province remains optimistic about future large scale developments in mining and processing and oil field development. Further economic diversification remains a priority for the government. Medium to long-term labour shortages are still being predicted because of workforce demographics and population decline. Out-migration has been a significant issue for the province – in the last 20 years the province has experienced a net loss of 80,000 people and 80 per cent of those leaving the province are between 15 and 29 years old. Skill levels and education levels remain a concern for the future. Other challenges include workforce adjustments being made by primary resource industries; employers who have limited human resource planning capacity and under-represented and marginalized groups who are not participating in the labour market at the needed levels. (Canada-Newfoundland and Labrador Labour Market Agreement, 2009-10 Annual Plan).

### **Project Description**

Bridging the Gap: From Education to Employment (BTG) is a provincial labour market program that connects employers, communities, education institutions and individuals that



have barriers to employment. Local partnerships are formed at the community level with private sector employers, labour groups, educational providers, not-for-profit groups and government. These local partnerships are called Community Learning Networks (CLN); their purpose is to ensure community involvement at the beginning of a project and throughout the project.

Businesses are chosen for each project through a complete assessment and selection process. Businesses must be facing a challenge in recruiting skilled and qualified workers; a successful business applicant can be in a start-up or expansion phase.

Individuals participating in the program are typically receiving employment insurance benefits from the federal government or social assistance benefits from the province. Other individuals may be chosen where community or business requirements dictate.

A BTG project must:

- Provide 40 weeks of workplace essential skills learning using a combination of classroom and workplace based learning;
- Partner with an education provider who will be responsible to customize the skill sets that are required for the workplace;
- Assess the workplace skills required using TOWES (Testing of Workplace Essential Skills) and WILM (Workplace Informal Learning Matrix) to establish a benchmark before commencement of the project;
- Provide mentorship, coaching and support from the Community Learning Network;
- Provide partnership opportunities for the business to participate in the assessment and selection of participants;
- Provide sustainable employment opportunities for between 8 and 15 participants.

Random North Development Association, a non-profit corporation, is responsible for delivery of the BTG projects in its economic development zone (rural Newfoundland) as well as managing the program across the province. Management includes the development of program policy and direction as well as approval of projects. RNDA does not receive any core grant funding for its administration but relies on project funding. Their single focus is on meeting and managing the supply and demand of the labour market.

RNDA may deliver a project or may sub-contract with a local service provider. The sub-contractor will oversee the project and pay a local counselor/facilitator.

### **Budget**

Budget requirements are broken down by line items for both the RNDA and local sub-contractors. Permission is requested from the provincial or federal partner to move money between line items.

Currently funding comes from the province and from the federal government which necessitates separate reporting requirements depending on client eligibility. With implementation of the fully devolved LMDA (November) it is expected that these requirements will be significantly simplified.

A contract between RNDA and the employer is entered into. The contract ensures the employer's ongoing involvement in the project, contribution whether financial or in-kind and sustainable employment for the project participants.

Budget requirements per project will vary depending on the size of the project but typically is in the range of \$250,000.

### **Program Design/Eligibility**

The development of the BTG model has evolved over time and has responded to the changing local economies. It started with the collapse of the cod fishery in the early 90's and has since expanded into other sectors. The workplace component of each project is customized to the employer's needs.

Eligible businesses must apply for a BTG project. They must supply a business plan, the requirements of the proposed project, the need for the project along with expected outcomes, and the business commitment and contributions to the project. All applications are reviewed by a BTG Business Review Team using a criteria/eligibility checklist. The review team consists of representatives from two provincial departments (Human Resources, Labour and Employment; Innovation, Trade and Rural Development) and RNDA. Multiple businesses can come together to make an application (e.g. Tourism).

Individual clients are usually EI eligible or receiving assistance. The model has been expanded to include displaced workers. Each individual learner must complete a contract that outlines the training requirements, attendance requirements, responsibility for transportation, appropriate dress, completion of assignments and participation in assessments and consult with a BTG counselor and facilitator as required.

### **Planning Processes**

Each project must have a Community Learning Network established which is responsible for the overall management of the project. The typical partners are described above but new or additional partners is left to the community to determine. The provincial government sits as a member of the CLN. The counselor/facilitator is hired for each project and is responsible for case management and facilitation of the CLN.

There is a provincial planning team that supports the development and implementation of the program at the provincial level.

### **Collaboration and Partnerships**

Collaboration and partnerships are fundamental to the program design. It is financially rewarded. Partners come to the table because of the link to their mandate. Engagement of partners from the outset of each project is fundamental and results in strong relationships.

## **Management and Governance**

RNDA is governed by a board of directors as are the local sub-contractors. Each is responsible for hiring and staffing although a provincial government representative will likely participate in the hiring panel.

RNDA has an overall project manager that oversees all projects and acts as a liaison and support person.

## **Reporting and Performance Management**

RNDA has to report quarterly as required by the provincial Poverty Reduction Strategy. RNDA must report on employment outcomes of participants. Requirements are determined by the province.

## **Capacity and Labour Market Information**

Labour market information is gathered locally through relationships between economic development zones and other partners and is characterized as local labour market intelligence.

## **Sources**

Interview with official from Random North Development Association

Bridging the Gap: From Education to Employment Call for Applications (2009-2010)

BTG Application Checklist

BTG Private Sector Evaluation Matrix

Participant/Learner Contract

Random North Development Association Bridging the Gap Partnership Agreement

College of the North Atlantic Contract Training Agreement Relating to Non-EI Eligible Participants

Bridging the Gap from Education to Employment Services Agreement

Random North Development Association Bridging the Gap Non-Government Organization Partnership Agreement

Bridging the Gap, Employment Agreement

Canada-Newfoundland and Labrador Labour Market Agreement, 2009-10 Annual Plan

## **Government of Prince Edward Island – Workplace Resources**

### **Labour Market Trends and Issues**

Labour market trends on PEI are in a state of flux. The traditional industries of agriculture, fishing, and tourism, which have been the mainstay of the Island economy, are unfortunately changing downward as it relates to employment. In the past several years there has been a major shift in thinking towards technology, bioscience, alternate energy, as well as a redefining of the trades. The establishment of the Dept. of Innovation and Advanced Learning and the transfer of a number of federal employment programs from Service Canada to the province are resulting in significant rethinking of the roles and responsibilities of the province in the area of training and the emerging workforce on PEI. Coupled with this, is a major influx of immigrants to PEI, which is providing significant challenges to the Island labour force.

### **Project Description**

Prince Edward Island (PEI) has chosen to profile a program previously offered between the province and the federal government. PEI recently implemented the Labour Market Development Agreement (October 5, 2009 implementation date) so this program and relationship will not be in place although services provided by the program will continue to be performed as part of the new LMDA and LMA programs.

Workplace Resources was intended to assist unemployed islanders meet their short and long-term employment objectives. Employment Officers located in Employment centres in O’Leary, Summerside, Charlottetown and Montague assisted individuals to seek and find employment. An initial needs assessment was carried out based on four employability dimensions of: career decision-making, skills enhancement, job search skills and employment maintenance.

Based on the needs assessment, a Return to Work Action plan was developed by the employment officer in collaboration with the client, focusing on their short/ long term objectives in relation to securing employment. Where the Return to Work Action Plan involved more than a job search, a referral would have been made to an external service provider to access other services whether it is career assessment, counseling services, skills development funding, etc. If applicable, short-term employment may have also been sought. A follow-up was required 12 weeks after completion of the action plan activities to capture employment results.

As part of the Return to Work Action Plan, clients were marketed to potential employers. As well, employment officers worked with businesses to gain a better understanding of their employment needs. Private sector employers who met the program criteria along with eligible clients could be approved for a wage subsidy with the intent that the individual would be hired in a suitable position on a full time basis.

A program agreement between the federal government (The Canada Employment Insurance Commission) and provincial government (Prince Edward Island Business Development Inc.) established the program parameters and responsibilities of the partners.

## **Budget**

The program was cost-shared with HRSDC with 80 per cent of the funding coming from the federal government and other 20 per cent coming from the provincial government. The total federal contribution for 2009/10 year was approximately \$129,754. The budget was broken down into line items including activity related costs and staffing costs. The agreement allowed the province to vary expenditures by line item by no more than 10 per cent of the allocated amount.

## **Program Design/Eligibility**

Eligible clients included both employment insurance eligible and non-employment insurance eligible individuals who are unemployed, job ready and legally entitled to work in Canada. Program design is described above and is detailed in the project agreement.

## **Planning Processes**

The agreement did not specify any planning processes.

## **Collaboration and Partnerships**

An external service provider joint management committee has been established to coordinate resources to prevent duplication and provide an understanding of respective roles and responsibilities and to ensure the effective and efficient delivery of employment assistance services.

## **Management and Governance**

Workplace Resources employees were hired on employment contracts but were subject to the rules and regulations of the PEI public service. Although they were not considered employees of the provincial government, they were subject to the direction of the provincial government.

## **Reporting and Performance Management**

The agreement specifies the number of individuals that would be served. Numbers of referrals were tracked as well as the number of people employed. Monthly reports were submitted including numbers of referrals received, numbers of needs assessments, and referrals to external agencies made; action plan completed and numbers of clients placed in employment or education.

## **Capacity and Labour Market Information**

Labour market information was gathered through a process that relied primarily on relationships that were established between the business community and the employment officers.

## **Sources**

Interview with PEI government official.

## **Government of the Yukon – Community Training Funds**

### **Labour Market Trends and Issues**

Yukon is very small (approximately 32,000 at December 2007), with the large part of the population based in Whitehorse, approximately 75 per cent. (Source: Government of Yukon Website [www.gov.yk.ca/aboutyukon/index.html](http://www.gov.yk.ca/aboutyukon/index.html)). In 2007, aboriginal people represented over 23 per cent of the labour force but the participation rate is estimated at 57.7 per cent, almost 20 per cent lower than Yukon's rate. Yukon has just signed a Labour Market Development Agreement and a Labour Market Agreement and is in the process of implementation of both agreements.

The government has released a Labour Market Framework for Yukon. The framework is driven by a number of factors including:

- Private Sector Staff Recruitment – Between 2006 and 2007, greater numbers of private sector firms were reporting increased vacancies, from 18 per cent to nearly one third, with the greatest demand in the area of sales and services followed by skilled trades and labourers.
- Increased Competition for Workers – In June, 2008, Yukon's unemployment rate was 5 per cent, while the western provinces all were reporting unemployment rates of under 5 per cent. The western regional demand for workers has created a significant competition for workers.
- Unique Needs of Business and Industry Sectors – Economic development is largely resource-based and tourism-based; therefore labour market demand is cyclical in nature.
- Public Sector – The public sector is a major employer in Yukon, constituting about 35 per cent of the job market. It is ageing with almost 39 per cent of the workforce over 50 years of age.
- Labour Market Information – Even with the information that currently exists, there is a lack of information for employers, policy makers and individuals. (A Labour Market Framework for Yukon).

The Framework targets strategy development and actions in four areas or pillars: a training and development; recruitment; retention; and labour market information. Five new strategies will further define these pillars. The strategies include a comprehensive skills and trades training strategy; an immigration strategy; a national recruitment strategy; an employee retention strategy; and a labour market information strategy.

### **Project Description**

The Community Training Fund (CTF) was created almost 10 years ago. It is the Yukon government's main method of intervening in the labour market. The program is solely designed to respond to the supply side of the labour market by providing funding to training projects and to individuals. It does not provide or arrange training, plan training or

coordinate training. (Source: Evaluation of the Yukon Community Training Funds, 2009: i and 5).

The fund is approximately \$1.5M annually and is distributed roughly one third to twelve sectoral and community societies; one third to Yukon College (the post secondary institution in the territory) for shorter term courses; and one third to non-government organizations that provide programs in areas not covered by the college (i.e. people with mental disabilities).

Government chose to establish non-profit societies and sectoral committees in communities in the Yukon for the purpose of distributing training funds. The decision was based on the principle that people in the local communities understood and knew the labour market in the local community and would be in the best position to make decisions with regard to an individual's access to training for the local job market. The societies/committees are responsible for allocating funds to individuals to purchase training. It is based on an individual approach to identifying those who are not working and identifying the opportunities for work through knowledge of the employers in the community.

Written guidelines are provided to groups outlining the goals of the CTF and the goals of the Advanced Education Branch. Eligible programs have to meet both sets of goals. The guidelines require applicants to outline the history and capacity of the applicant organization, the problem to be addressed and the anticipated outcomes, the experience of the organization in dealing with the target group, the total budget and contact information. Outcomes or performance measures can include number of individuals served, target populations to be served, employment opportunities or expectations or other impacts defined by the applicant. In-kind resources or financial support must be identified as well as community supports or local government or other partners. Applicants are also required to define measures of success and to include a monitoring plan.

All funds used in the project are from territorial resources.

### **Budget**

Budget detail is requested in the application, including all funding sources. Proposed revenue and expense lines are required, including instructor's wages, mandatory wage related costs, participant's training allowances, materials, travel, accommodations, room rental etc. Administrative costs are not to exceed 15 per cent of the CTF contribution. A list of ineligible activities is also provided. Examples include professional development, conferences, student fees or union dues, purchase of capital items. Employees of any level of government including First Nations Government are not eligible for this funding.

There is no specific formula for distribution; approvals are based on the proposal.

Societies that have received funds in the past and who have not been able to use the funds, have permission to carry funds over fiscal years;

Funds are often used to leverage other funding sources and funding commitments are for a maximum of three years.

### **Program Design/Eligibility**

The program design is solely the purview of the territorial government. Program eligibility is very broad; only degree granting programs are prohibited. The focus is on interventions that will get the individual into the workforce quickly. Examples provided include first aid training, access to the tourism industry, to heavy equipment operator courses. There is no criteria to be unemployed; program would allow the underemployed to also participate. Do not generally focus on the employers and interventions there as they are mostly focused on the supply side.

### **Planning Processes**

A plan is requested from the society but there is no formal strategic planning process for the societies. The plan requested will ask for very general information like who is accessing the funding and where the funding will generally be used. The individuals on each society board represent interested groups involved in training in the community. They come to the table already aware of the courses or projects that they would like to see run in the community. They would be aware of the costs of the project and would be aware of other sources of funding and would be able to leverage other funds. It is hoped that the Labour Market Strategy will be used as a basis for more local planning.

There is a contribution agreement for each agency and in some circumstances there are agreements for multi-year funding.

### **Collaboration and Partnerships**

Collaboration and partnerships are described as a basis for doing business in a small jurisdiction. The proposal assessment process requires the applicant to outline the relationships and partnerships at the local level.

### **Management and Governance**

According to the recent evaluation, there are twelve societies/committees who are receiving funding. There are a number of sectoral groups (Tourism Industry Association, Cultural Industries Training Fund, Heritage Training Fund, Environmental Training Fund, Community Training Trust Society and six community committees or societies. (Source: Evaluation of the Yukon Community Training Funds, 2009: A3).

The funding agreements for community funding arrangements (Schedule C) outline operating procedures for the committee or society approved. Details include mandate of committee, composition of the committee, committee processes, workplan requirements and eligible training costs and reporting requirements of the Chair to the committee. Funding agreements for project funding are similar but require a detailed budget by line item.

Committees or society boards are responsible for overall governance. They do not have staff but in some cases may have an administrator. Much of the work is done on a volunteer basis and are minimally required to meet twice a year.



Annual reports are required. Monitoring is done throughout the year. Government staff act as a resource person to assist, support and problem-solve throughout the year.

A training outcome report is required as outlined in the contribution agreement. It is a training activity report outlining how many individuals participated, how many completed the intervention, demographics of the participant (i.e. First Nations, Youth 15 -29, Older Worker 55 -64, Male, Female). The training completion report is required in order to receive further funding. The staff support person stays in touch throughout the year to ensure that the society is on top of the requirements.

### **Reporting and Performance Management**

Funding agreements require interim and final narrative reports. Frequency of reporting depends on the type of project. The funding agreement requires a description of the training fund and a work plan

Most of the societies are based on an annual target. In the past, some of the projects report semi-annually.

Targets are not negotiated.

### **Capacity and Labour Market Information**

Labour market information is of assistance, but are mostly people are using labour market intelligence gathered through local knowledge.

### **Sources**

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Sample Transfer Payment Agreement for Project Funding

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