Modernizing Employment and Skills Training Services in Ontario
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Page</th>
<th>Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>Foreword</td>
</tr>
<tr>
<td>4</td>
<td>Behind the Numbers</td>
</tr>
<tr>
<td>10</td>
<td>Current System Shortcomings</td>
</tr>
<tr>
<td>12</td>
<td>Opportunity to Improve Employment Outcomes</td>
</tr>
<tr>
<td>14</td>
<td>Guiding Principles</td>
</tr>
<tr>
<td>16</td>
<td>Recommendations</td>
</tr>
<tr>
<td>24</td>
<td>References</td>
</tr>
<tr>
<td>26</td>
<td>Acknowledgments</td>
</tr>
</tbody>
</table>
The skills mismatch between existing talent pools and available jobs poses a significant threat to Ontario’s economic growth and business success. There is a growing number of people who are not able to secure sustainable employment and build career pathways with economic mobility to support themselves and their families. This represents a missed opportunity to fully utilize the rich human potential in our province.

The Ontario government’s modernization of skills training and employment services system presents an opportunity to better align the skills and talent needs of business, workers, and job seekers. It will be a complex undertaking, considering the current system components and fragmentation, and the unique local economies across the province. In the context of a rapidly-changing economy, it is more important than ever that our systems are set up to expand our talent pool and maximize economic opportunity for all Ontarians.

As the government begins this important work, our three partner organizations recognize the complexity that lays ahead and welcome the desire of the government to support alignment and better outcomes for Ontario workers, business, and our economy. We offer input on the longer-term system transformation outcomes, as well as insights on the more immediate renewal priorities of the government. Our contribution begins with a set of guiding principles—overarching themes that should underpin the renewal of the employment and training services system. It concludes with a series of more specific, action-oriented recommendations for the government’s consideration, informed by both examples of excellence within the province, and promising practices from other jurisdictions.

Best practices for workforce strategies that support sustainable and quality outcomes for people and business rely on sector and region-specific partnerships with multiple employers, as well as scalable approaches that respond to the local needs and challenges of employers and workers. This can include aligning regional industry trends through partnerships with local education programs in the K-12, post-secondary, and other training systems. Critical to enabling local flexibility are a policy framework and incentives that align resources and activities with desired outcomes. As labour markets are regional, so too should be the programs that address the skill development and connection of talent with jobs. More comprehensive wraparound supports are required to address the needs of individuals with the greatest barriers to employment, including counselling, housing, and childcare.

We believe that inclusive and effective talent development is critical to the competitiveness of our economy, and the health and prosperity of our communities. Workforce development has the opportunity to align with and complement regional economic development strategies to drive inclusive and sustainable regional growth.

Our input should be viewed as a starting point—the beginning of constructive and collaborative discussion to support the objective of designing a better employment services system for the Greater Toronto Area (GTA) and all of Ontario.

Jan De Silva
President & CEO
Toronto Region Board of Trade

Daniele Zanotti
President & CEO
United Way Greater Toronto

Sandy Houston
President & CEO
Metcalf Foundation
Canada’s economy is in a strong position. Economic expansion has been broad-based, with strong job creation, investment, and exports across sectors and communities. The Toronto Region is driving much of that growth as the largest economic zone in Canada, generating one fifth of the national GDP and more than half of Ontario’s GDP. The region has been able to expand and modernize traditional sectors, such as financial services and agri-food, at the same time that it is building rapidly developing new tech industries, such as citytech and cleantech. In 2017, Toronto created more tech jobs than the San Francisco Bay Area, Seattle, and Washington combined.

Overall, Ontario has added more than 800,000 jobs since the recessionary low of 2009. The majority of net new jobs have been full-time and in the private sector, with the unemployment rate hovering below 6% since July 2017. While the Greater Toronto Area (GTA) has been the economic engine behind that historic performance, other regions in Ontario are also growing and experiencing unemployment rates below 5%.

There are significant regional differences in how communities across Ontario are experiencing this tight labour market, but two overwhelmingly consistent trends occur: there are jobs without people, and people without jobs.
Businesses across the province and in nearly all industry sectors report that finding, recruiting, and retaining talent with the right skills is one of their top challenges and a significant barrier to their growth. For many companies, chronic labour shortages and high turnover is putting business operations and expansion at risk. The consistent shortage of staff is also adding pressure to employees, negatively impacting morale, productivity, quality control, increasing absenteeism and the risk of health and safety issues, among others. In Bank of Canada’s Business Outlook Survey, firms reported one of the highest levels of labour shortages since the 2009 recession, with job vacancies totalling 550,000 across the nation.6

The tight labour market is under further pressure by an aging workforce, declining workforce participation rate, stagnating wages, and a rapid growth in technology-oriented proficiencies.7 In addition to the increase of complexity in new and existing jobs and the demand for higher skilled talent, many businesses also report being unable to fill entry level positions or those that require minimal or no credentials. Labour shortages are continuously identified as a primary risk to business growth, sustainability and regional competitiveness.

In a dense urban region like Toronto, a shortage of affordable housing and long commute times can exacerbate the challenges for businesses to attract the right talent. On the other hand, other parts of the province, especially rural and northern communities, have insufficient population numbers to support their job market, experiencing a faster declining participation rate.

**Quick Stats**

62% of employers would provide the technical training needed for the job, as long as the candidate is the right fit and has soft skills.8

The costs associated with employee turnover, including interviewing, hiring, training, reduced productivity, and lost opportunity costs, are:

- **For entry-level employees:** 30-50% of their annual salary to replace them.
- **For mid-level employees:** 150% of their annual salary to replace them.
- **For high-level or highly specialized employee:** 400% of their annual salary to replace them.8
Despite the low unemployment rate and employers demand for talent at every level, there is a segment of the population that is not participating in the labour market or is underemployed within it. That group includes those in receipt of social assistance, employment insurance, people with disabilities and workplace injuries, part-time and contract workers, and immigrants whose credentials and experience are not recognized, despite their entry to Canada being tied explicitly to their in-demand skills.

There is a further dichotomy within Toronto region’s workforce. Canada continues to rank first among OECD countries in the proportion of college and university graduates. But while 53% of GTA’s labour force have completed post-secondary education, another 42% have only a high school diploma or less. Further 15% of both Canadian-born residents and immigrants lack the basic literacy skills and another 22% the basic numeracy skills to make them successful in the workplace. Employers are increasingly prioritizing these essential skills in their recruitment process, in addition to soft skills like communication, willingness to learn, time management, teamwork, conflict resolution, and adaptability.
The disparity between the demand for talent and underutilized human capital, represents a significant lost opportunity and cost to the economy, but also a chance for practical and strategic changes to the employment and skills training system.

We know from consultations and surveys with job seekers and employers that the current tools and practices are not adequately connecting people looking for jobs with businesses looking for talent. Job seekers, including individuals who are recent arrivals to Canada and those who have been unemployed for long periods of time, confirm what we already know - people want a job; the opportunity to apply their skills; support their families; and build a sustainable and rewarding career.

Resolving this disconnect will help sustain our momentum of economic growth, ensure economic gains are inclusive and better distributed within our communities, reduce poverty, and increase our tax base to help fund priority investments. Finding solutions to poverty through better access to employment can help resolve some of GTA’s major challenges, including the rise of income inequality and child poverty.17

Studies by the Brookfield Institute, RBC, McKinsey, Institute for Competitiveness and Prosperity, PwC, Toronto Financial International18 and many others, corroborate that new jobs will require increasingly complex skills. As technology changes, job functions and roles will also change, demanding an ever more nimble and adaptive workforce and skills training system. As the nature of work and business operations change more rapidly, the necessity to upskill and retrain more effectively and quickly becomes ever more important.

Anticipated automation and increased immigration levels to supplement an aging workforce only amplify the need for better labour force connections, skills matching and upskilling, and mid-career retraining. A recent survey indicated that a third of all workers have anxiety about the future of their jobs due to automation.19 Research shows that raising the basic literacy and numeracy levels an additional 1% would lead to a 3% return on GDP. As well, focusing on workers with the lowest literacy and numeracy skills, who are at greater risk of automation, will have a greater impact than focusing on workers with higher skill levels.20

As the nature of work and business operations change more rapidly, the necessity to upskill and retrain more effectively and quickly, becomes ever more important.
Labour force participation rates for Ontario adults are among the lowest in Canada

Quick Stats

Up to 60% of Canadian employees experience skill mismatches - they have either higher skills or lower skills than their job demands.\(^\text{21}\)

The OECD finds 35% of the skills required for jobs across industries will change by 2020.\(^\text{22}\)

Between 1993 and 2015, per employee spending (in constant dollars) on workplace training in Canada declined by 37% from $1,207 per employee to $800 respectively.\(^\text{23}\)

Canadian organizations spent 1.41% of their annual payroll on training activities in 2014-2015, with highly educated workers far more likely to receive training. Workers in lower wage occupations, older workers, those with less education, non-unionized workers, and women are less likely to receive employer-sponsored training.\(^\text{24}\)

Most employers report an average one-time cost of $500, or none at all, to accommodate employees with disabilities.\(^\text{25}\)

Source: Statistics Canada & FAO.
The provincial government invests more than $1.2 billion every year in skills development and employment services. Despite this significant investment, Ontario’s workforce system is layered and fragmented, making it challenging to navigate for both businesses and job seekers. The opportunity for a more effective and streamlined system sits across three parallel employment service programs delivered under the umbrellas of Employment Ontario, Ontario Works and Ontario Disability Support Program (ODSP).

Reports including the 2012 Drummond Report, the 2016 and 2018 Auditor General Reports, the 2017 Ontario Centre for Workforce Innovation Report, and the 2012 Lankin and Sheikh Review of Social Assistance in Ontario26 have published in-depth analyses of the current system’s shortcomings, echoed by the experiences of job seekers and employers. The system is largely unresponsive to the local needs of employers and a changing economy, rarely tracking or incentivizing long-term employment outcomes, labour mobility, or appropriate wraparound services that ensure people are supported to retain and advance in their employment.

The majority of existing programs track outputs, such as the number of people served, and short-term outcomes, such as immediate employment attainment. It does not assess if the service was able to connect people to employment that they could not obtain on their own or whether they retain their employment. ODSP is the exception from the three, incentivizing performance outcomes for up to 3 years. For the most part, current service design does not effectively address structural barriers and challenges such as the availability of appropriate skills training, connections between education and training systems and industry at scale, the delivery of flexible wraparound supports, and labour mobility, among others. Additionally, as these three programs are administered separately, local communities and economies are not benefitting from optimized and targeted resources and are forced to work with three different systems. The current system also does not incentivize or reward flexibility or innovation in service delivery or collaboration among system actors, including service providers, employers, and trainers.

The majority of existing programs track outputs, such as the number of people served, and short-term outcomes, such as immediate employment attainment. It does not assess if the service was able to connect people to employment that they could not obtain on their own or whether they retain their employment. ODSP is the exception from the three, incentivizing performance outcomes for up to 3 years. For the most part, current service design does not effectively address structural barriers and challenges such as the availability of appropriate skills training, connections between education and training systems and industry at scale, the delivery of flexible wraparound supports, and labour mobility, among others. Additionally, as these three programs are administered separately, local communities and economies are not benefitting from optimized and targeted resources and are forced to work with three different systems. The current system also does not incentivize or reward flexibility or innovation in service delivery or collaboration among system actors, including service providers, employers, and trainers.

CURRENT SYSTEM SHORTCOMINGS

QUICK STATS

Overall, half of those who leave Ontario Works return, with four out of five returning within a year.28

Only 1% of people in receipt of social assistance re-enter the workforce in a given month. 29

Less than half of those who begin an apprenticeship program in Ontario complete it.30

Only 38% of Employment Ontario clients were employed full-time at program completion, and only 14% had found employment in their field.31

Only 35% of Second Career clients were employed at program completion, but only 17% were employed full-time, and only 10% were in their field. 32
EMPLOYMENT ONTARIO offers a suite of programs to provide employment and training services to job seekers and employers, apprenticeship training to students seeking certification and employment in a skilled trade, and literacy and numeracy skills to people who lack basic education necessary for employment. These programs are funded by the Ministry of Training, Colleges and Universities, and the majority are delivered by third-party agencies.

- **Employment Services** offers resources, supports and services to individuals and employers, such as assistance with job searches, training and upgrading, apprenticeships, and employer and community support programs.
- **Second Career** is a program for laid-off unemployed workers for which skills training is the most appropriate intervention to transition them into high-skill, demand occupations in the local labour market.
- **Canada-Ontario Job Grant** provides opportunities for employers to invest in their workforce with direct financial support for employee training.
- **Ontario Literacy and Basic Skills** program helps adults to develop and apply communication, numeracy, interpersonal and digital skills.

ONTARIO WORKS helps people in temporary financial need find employment through employment services, such as job search support, employment placement, self-employment development, and financial assistance, such as basic needs and shelter. This program is funded by the Ministry of Children, Community and Social Services.

ONTARIO DISABILITY SUPPORT PROGRAM (ODSP) employment supports help people with disabilities increase their economic independence. Employment supports provide funding to third party service providers who are responsible for placing and retaining employment supports for clients. This program is funded by the Ministry of Children, Community and Social Services.

Among the largest shortcomings of the current system is that it generally funds training services that are too often not connected to industry and employer feedback, hiring needs, or business operations. With few exceptions, the policy guidelines and design of these programs do not create the capacity or flexibility to calibrate interventions to high-demand industries or occupations. Similarly, program guidelines and resource allocation do not currently support partnership development, needs assessments, or innovative solution design to more effectively meet the needs of specific industries and job seekers and workers, especially those with more complex needs.

Additionally, current services delivered through these three programs and the associated skills training programs, such as Second Career, Canada-Ontario Job Grant, and Literacy and Basic Skills, do not target or effectively serve incumbent workers, including mid-career and lower-skilled workers, missing the opportunity to proactively support the upskilling of lower skilled workers and those at risk of automation, displacement, and layoff. This is a significant gap considering that mid-career workers, typically between 35-54 years of age, make up 87% of the Canadian labour force.

Collectively, this represents a lost opportunity for all stakeholders: government, tax payers, business, and most importantly the individuals who are struggling to gain a permanent foothold in the labour market and build their careers and economic self-sufficiency.
The provincial government has signaled an extensive overhaul of employment services, social assistance reforms, apprenticeships, and education programs, with the goals of driving improved employment outcomes, better aligning the skills and training system with the needs of business, and streamlining system integration of service delivery.

A significant step in this process is to streamline and integrate services currently offered through Ontario Works, ODSP and Employment Ontario. This integration will be followed by decentralization through new regional service system managers (SSMs). The government has indicated that the system changes will be implemented gradually, starting with three SSM prototypes in Fall 2019. The modernization of the system will also include a refreshed Labour Market Information website to help learners and job seekers explore career options, with integration to the Canada Job Bank for job searches.

This is a challenging but much-needed undertaking. Together, we have the opportunity to create a nimbl e and more responsive workforce system designed to support people with diverse needs, meet the needs of industry, and develop new approaches to build the talent of our workforce and support inclusive economic development.
Together, we have the opportunity to create a more nimble and responsive workforce system designed to support people with diverse needs.

The opportunity is significant to create the system Ontario needs and ensure that the province and its residents are able to capture the economic benefits of the new economy and retain our competitive advantage. Building on previous work by the Toronto Region Board of Trade34, Metcalf Foundation35, and United Way Greater Toronto36, we see many opportunities for the government to build on its direction and enhance the current system to better serve people and businesses, and create more value for the economy.

The following six guiding principles and seven recommendations build on effective practices from Ontario and other jurisdictions, offering an inclusive path forward for the government’s consideration as it takes on this transformational system change. The underpinning assumption is that with the right supports, partnerships, flexibility and incentives, and the effective integration of employment services, there is an opportunity to provide better quality and more responsive services for job seekers, workers, and employers.

- **OCTOBER 2018**
  Provincial government announced phased dissolution of the Ontario College of Trades and launched a **review of the apprenticeship system** to “create a more modern, outcomes-focused system”.

- **NOVEMBER 2018**
  Provincial government committed to “social assistance reforms” that will restore dignity, encourage employment, and empower the province’s most vulnerable to break free from the poverty cycle”.

- **FEBRUARY 2019**
  Provincial government announced its intention to “transform its employment services” to help more people find and keep quality jobs and increase the number of businesses finding the right workers with the right skills”.

- **APRIL 2019**
  New microcredentials pilot and increased emphasis on employment outcomes from educational programs was announced in the 2019 Ontario Budget.

- **MAY 2019**
  Provincial government launched a **review of the Workplace Safety and Insurance Board (WSIB)** to “ensure workers and their families remain supported and protected in the workplace”.

The opportunity is significant to create the system Ontario needs and ensure that the province and its residents are able to capture the economic benefits of the new economy and retain our competitive advantage. Building on previous work by the Toronto Region Board of Trade34, Metcalf Foundation35, and United Way Greater Toronto36, we see many opportunities for the government to build on its direction and enhance the current system to better serve people and businesses, and create more value for the economy.

The following six guiding principles and seven recommendations build on effective practices from Ontario and other jurisdictions, offering an inclusive path forward for the government’s consideration as it takes on this transformational system change. The underpinning assumption is that with the right supports, partnerships, flexibility and incentives, and the effective integration of employment services, there is an opportunity to provide better quality and more responsive services for job seekers, workers, and employers.
GUIDING PRINCIPLES

1 Establish a “demand-driven” system

A 21st century workforce development system must align skills training, including technical, essential and soft skills, relocation opportunities and employment programs for workers with industry demand for talent. The system must be nimble enough to respond to the changing needs of industry.

2 Double-down on high growth sectors

Focus efforts on industry sectors and communities with strong long-term employment prospects, aligned with regional economic development planning. This includes exploring mechanisms to incentivize and support labour mobility across the province and encourage people to locate to communities with growing jobs. Of particular importance should be sectors and communities that provide family-sustaining wages, and opportunities for building on-ramps and career pathways for people who are currently disadvantaged in the labour market.
Incentivize innovation and continuous improvement and align resources with impact objectives and long-term outcomes

Employment services system architecture, programs and funding models should encourage innovation, pilot and test creative solutions, and align funding with the objective of employment quality, retention, economic mobility and impact on regional economic development priorities. The new system design should measure outcomes rather than outputs, incentivize and reward innovation and strong performance. KPIs and guideline development should be consulted on and reported publicly. SSMs should be required to develop continuous improvement plans working in partnership with industry and system partners, and report publicly on outcomes, learning, and continuous improvement plans.
Support new Service System Managers with regional labour market information

Integrating employment programs under new SSM to be more responsive to regional conditions and a rapidly changing economy will enable more nimble responses to workforce planning. This approach recognizes differences in regional economies across the province and better aligns with the needs of industry sectors and the economic activities that drive them.

In order to realize their potential, the new SSM should work with industry, labour, academic, and NGO partners to better equip themselves with real-time, reliable labour market information to match local in-demand labour and skill needs, track and respond to sectoral projections, and tailor services to support responsive, as well as proactive labour market planning and talent development. Providing SSM and end users with quality labour market information will be critical to ensure that the new system and service delivery is able to fulfill its potential to align and prepare the labour market with current and future jobs, and support the alignment of human capital and economic development planning.

As there are regional disparities among communities with very low levels of unemployment and those with higher levels, labour mobility strategies and incentives to support newcomers and other Ontarians to locate to communities with in-demand jobs will support inclusive regional growth. Through regional partnerships, the province should ensure that quality data is available across Ontario, and also incentivize innovation regarding the use of data to better facilitate workforce planning, outcomes and labour mobility across regions.
Develop Partnerships with local industry employers

Training and employment interventions and programs designed in partnership with industry employers, based on needs, operations and trends support the potential for best outcomes for job seekers, workers and businesses, both in the short-term and long-term. That includes wages, mobility, retention and a positive impact on business operations and costs. Critical to the success of workforce programs is having a credible intermediary coordinate and design solutions on behalf of industry and workforce needs. Combined with regional labour market information, SSM can partner with industry sector intermediaries to support the development of new talent pipelines and incumbent worker skill development initiatives.

Actively including employers to develop customized and relevant solutions is an alternative to funding existing off-the-shelf training, including Second Career, where employers are not involved in the candidate recruitment and training selection process, training standard and integration of programs with hiring cycles, expectations, and others. This approach has been successful in Ontario and other jurisdictions, especially for job seekers with significant barriers to employment, such as persons with disabilities. 38

Employers and industry groups should be supported to participate in training and education delivery through the use of work-based learning opportunities and on-the-job training delivered by industry employers. Such methods can serve to further align and increase the value of the training intervention, provide relevant experience for training participants, and serve as a mechanism to effectively assess a candidate’s fit for a workplace.
Profile: Ontario Electrical League: supporting Ontario Youth

The Ontario Electrical League (OEL) is the industry association representing 400 small and medium sized electrical contractors in Ontario. In order to build a talent pipeline and future workforce of electricians, the OEL supported the development of a charity, Support Ontario Youth (SOY), which has a mandate to increase the number of apprentices entering and completing an apprenticeship in the skilled trades. OEL promotes apprenticeship to its business members and SOY provides support to apprentices and companies to develop the next generation of electricians.

Since the fall of 2018, SOY and OEL recruited and registered 60 apprentices with a total of 60 employers, including 22 new companies who are hiring apprentices for the very first time. Recruiting and training apprentices is critical to the labour supply of electricians in Ontario, and small contractors are a significant part of the industry. Through their role as a group apprenticeship sponsor, SOY is able to remove administrative burden from the employers and also address structural issues such as the fact that many specialized firms cannot employ a first year apprentice, and other more general builders have a higher need for entry level apprentices. SOY plays a coordinating role to connect the apprentice to employers based on their specific needs in order to ensure that the apprentice receives the necessary experience and hours to complete their apprenticeship.

SOY’s goal is to recruit 500 new employers to train apprentices in multiple skilled trades in order to train up to 2000 new apprentices by the end of 2023. SOY is currently developing a new childcare pilot, which will provide childcare during extended hours for trades workers with young children who are required to work outside of the hours of regular childcare centres.

Profile: ACCES Employment - financial services connections

ACCES Employment (ACCES) is a non-profit Employment Ontario service organization with 6 service locations across the GTA, serving 3,400 people a year. ACCES has been delivering Bridge Training Programs for the last 14 years. Bridge Training Programs target internationally trained professionals and provide contextual industry specific training, including business English and industry specific certification, to support the transition of internationally trained professionals into Canadian in-demand positions that align with their previous experience and education. These programs target occupations such as: IT, Cybersecurity, Engineering, Human Resources, Hospitality, Construction Trades, Supply Chain, Healthcare, and Financial Services, among others.

For example, Financial Services Connections (FSC) is a 4 week program where participants receive industry certification specific to their financial services background, such as Canadian Investment Funds Course (CIFC) or Certified Anti-Money Laundering Specialist (CAMs), as well as a Certificate of Completion in Workplace Communications in Canada from Ryerson University, enabling candidates to upgrade their business English and network with financial services employers. Following placement, ACCES provides sector specific business and language coaches to support troubleshooting issues that may arise regarding workplace culture and communication.

In 2018 over 88% of FSC participants secured employment commensurate with their experience, in positions such as Business Account Manager, Banking Advisor, Business Analyst, and Senior Anti Money Laundering (AML) Investigator. ACCES partners with many businesses, including all of Canada’s top 5 banks (TD, RBC, BMO, CIBC and Scotiabank), to recruit from this program. ACCES also offers workplace English upgrading for incumbent workers, online services, and pre-arrival services. In 2019 ACCES will support over 2,500 people in 15 sector-specific bridge training programs.

Group sponsors of apprentices are another example of sector intermediaries. The group sponsor plays a central coordination role that supports recruitment, registration, training and completion of apprentices on behalf of many companies. These approaches alleviate the burden on small and medium-sized enterprises and can increase the supply and completion of apprentices by removing structural barriers in the apprenticeship system/workplace. This approach should be promoted regionally and provincially and supported through resources for centralized coordinating capacity for each group sponsor.

Building on its red tape reduction work, the province should remove unnecessary red tape associated with participating in training programs and partnerships. As well, the government should increase capacity for partnership development among employers, trainers and other agencies to plan and design workforce programs. Administrative burden can be a deterrent to utilize programs and can disproportionately absorb a lot of valuable capacity.

RECOMMENDATIONS
Provide flexible and continuous wraparound support following employment placement

Individuals with the greatest needs and barriers to employment often face challenges that are not addressed solely through traditional employment and training solutions. In many cases, there are mental health and emotional challenges, as well as challenges that are caused by experiences of poverty and trauma, housing and domestic instability, among others. These challenges are often addressed as part of a workforce intervention, but are not always eliminated when a person secures employment. This is reflected in the high rate of return to social assistance among those who leave the system.

Providing flexibility as part of the service delivery model to offer on-going support and follow-up for individuals and employers as needed will support employment sustainability for the individual, employers, and the system.

Effective and innovative approaches to address retention often include strategies embedded in the workplace that serve to address workplace challenges through partnership with the employers, and support new entrants with ad hoc counselling when needed. Other strategies include on-going alumni services, including mentorship that can also be linked to further skill development and lifelong learning. Providing longer-term retention services are also tied to incentivizing and tracking sustainable outcomes. Providing flexibility in service delivery that allows for customization and innovation is critical to supporting sustainable outcomes for the individual, business and economy. Such an approach will also support the development of an evidence-base regarding the effectiveness of service interventions.

Profile: Building Up

Building Up is a non-profit social enterprise business operating in the water retrofit and renovation industry in Toronto since 2014. As part of their business model Building Up works with high rise, residential and commercial clients to provide water efficiency retrofits, as well as general labour and general contracting services. However, Building Up’s primary business is actually training and preparing people with employment barriers for jobs and careers in Toronto’s construction industry. To date, Building Up has trained 215 people. Approximately, 40% were in receipt of Ontario Works or ODSP prior to joining Building Up.

Training participants are assessed based on their existing skills and competencies and receive training that is customized and aligned with their skill gaps based on the needs of the construction industry. For example, if people only need upgrading in a certain area their training is shorter, where others will need a longer duration of training and preparation. Building Up successfully transitions 89% of participants into employment outside of the company with an 85% retention rate. Over 50% of Building Up participants are referred directly into apprenticeships. Building Up provides hands-on training in construction, contextualized soft-skills training and coaching, academic upgrading and preparation to support people for the specific requirements of the trade they are pursuing, as well as embedded counselling and case management within the programs, and following employment placement. A percentage participate in training supported by the provincial pre-apprenticeship program. Building Up works with participants for up to five years and is able to offer employment within the social enterprise if someone is laid off from a construction job due to low seniority or seasonality in the industry.

Profile: NPower Canada

Established in Canada in 2014, NPower Canada launches low-income, diverse young adults ages 18-29 into digital careers through 15 weeks of no-cost skills training, industry certification, and direct job placement. Employers such as Accenture, Cisco, IBM, RBC and TELUS inform the design of NPower Canada’s program to align with industry needs. To date, 85% of NPower Canada alumni have secured employment and/or are enrolled in post-secondary education. Graduates have been placed into roles such as Junior Software Developer, Help Desk Analyst and Service Technician. 38% of program participants were in receipt of social assistance prior to joining NPower Canada. Over 80% of alumni remain employed in digital roles at 12 and 24 months post-hire. NPower Canada also offers embedded soft skills training and counselling services in the programs and five years of alumni career laddering services. NPower is expected to train 590 youth in 2019.
Encourage innovative approaches to serve the most vulnerable

Job seekers with the most difficulty finding employment are often experiencing a myriad of challenges. These challenges can include, but are not limited to, a lack of recent or recognized work history or international credentials, a lack of social connections and networks, stigma and a lack of awareness regarding disability, emotional, mental health challenges and general issues related to poverty, including transportation, housing, and childcare access. However, in many cases the circumstances at play are akin to the iceberg under the waterline and are not visible immediately. Service providers and SSMs should be required to develop solutions to support sustainable employment for those with diverse needs. This approach should track and financially incent long-term outcomes and seek to build a better understanding of ‘what works’ in addressing these challenges.

As individuals are more likely to secure and retain employment when the intervention is based on industry needs, employers should be educated and supported on the true cost and types of accommodations that may be required. For example, services that target job seekers with disabilities and support disability talent inclusion can also be integrated into industry workforce strategies. Disability inclusion initiatives are often more effective when aligned to the operations and needs of specific employers and industries and customized to compliment operations. Such approaches enable companies to re-frame the lens on accommodation and potential of employing people with disabilities, dispelling myths about the associated cost and limitations. Programs that allow for flexible and responsive design enable creative and often effective workforce interventions that support disability inclusion, employment, and business operations.

In order to serve job seekers with complex employment challenges, proactive community outreach should be supported to engage individuals not currently connected to or aware of available services. Although efforts should be made to breakdown systemic barriers and offer as much support in finding and retaining employment, SSMs also need to recognize that not all individuals are able to participate in traditional work at a given time as a result of their disabilities or other challenges. As such, it cannot be expected that all individuals will participate in employment if they are unable to.

Profile: Hospitality Workers Training Centre

The Hospitality Workers Training Centre (HWTC) was established in 2004 in response to the SARS crisis in Toronto that resulted in the lay-off of hundreds of workers. Since then, HWTC has developed new entrant and incumbent training pathways based on a partnership with hotel and food service sector employers and the hospitality workers’ union. HWTC trains unemployed people, including those in receipt of Ontario Works and ODSP for in-demand positions with partnering hotels and food service companies.

HWTC uses a model of applied, hands-on training, often delivered with industry employers, which allows for customization to support training for individuals with unique learning needs, including disabilities. For example, HWTC trains individuals who are Deaf for various positions by initially using an interpreter, but then work with the companies to develop simple communication systems like an iPhone or tablet and pre-printed communications for customers to support sustainable workplace accommodation.

HWTC also provides case management and counselling within training and in post-hire services for as long as they are required by the individual. Since 2016, HWTC has trained 414 new entrants, 25% identified as persons with disabilities. The average employment rate of these placement is 76%.

#4
Target training resources to incumbent and mid-career workers

Upskilling strategies that support currently employed workers with the objective of mitigating the chance of layoff, supporting upward mobility, or developing the workforce to support greater industry competitiveness are much more effective when developed with employers. Considerations related to worker skill levels, schedules, geography, motivation, and skills recognition contribute to successful uptake and impact of the training intervention on the individual and the business. For example, customizing curriculum that integrates business operations, KPIs, and new industry trends will make the training more relevant for the individual and the business.

Integrating essential skills into occupation or industry specific skills training is another effective practice in supporting incumbent workers to enhance occupational skills, as well as increase literacy, numeracy and digital skills. With the increased use of technology, and more complex job requirements across sectors and occupations, these skills are increasingly necessary for workers to adapt and remain competitive. Developing this curriculum and implementation plan with industry employers, with engagement from the workforce will support greater success in uptake, learning outcomes and potential wage gains, employment retention and advancement pathways. Delivering training in the workplace and at convenient times will also influence success.

Programs, including Canada Ontario Job Grant and Second Career should be modernized to support training designed and delivered in partnership with businesses, labour, non-profits, colleges, among others, to support mid-career shifts and upskilling for in-demand positions. Providing training through micro-credentials as part of a career pathway can support skill development and advancement of incumbent workers based on industry trends and operations in a way that enhances productivity, retention, skills, credentials, professionalization, and wages of the workforce across an industry. This training should not be developed independent from industry and should be offered as part of a regional sector strategy with buy-in, customization and implementation support from multiple local employers, and informed by the experience and current skill levels of the workforce. Such training can be developed and delivered in partnership with education and training providers, but curriculum, implementation and evaluation should be informed heavily by multiple industry employers.

As part of the modernization of employment and skills training programs, the government should review the funding model and incentives to enable colleges to deliver short-term and part-time programming that support the needs of industry and incumbent workers.

Profile: Excellence in Manufacturing Consortium - manufacturing essentials certification

The Excellence in Manufacturing Consortium (EMC) is a non-profit organization dedicated to helping manufacturers grow and become more competitive at home and around the world. In 2018 EMC launched a pilot of the Manufacturing Essential Certification (MEC), a new training model to increase literacy, essential and soft skills of employees in the manufacturing sector and to help manufacturing firms increase productivity and competitiveness. The pilot launched in Ontario initially training approximately 500 people. EMC is currently scaling this program across the country in six provinces.

The certification targets supervisory and production occupations. The supervisory training leverages effective practices and resources from Harvard Business Publishing. The production training is based on principles of lean manufacturing and requires employees to identify process improvement initiatives within their businesses working in teams, while also building their essential skills.
Align with infrastructure and workforce investments

Devolving employment services to a more local or regional level provides the opportunity to align workforce resources more deliberately with regional economic development plans. Aligning public investments in infrastructure and services with workforce programming will support an increase of the ROI on the initial public investment, as it will also create access to jobs and skills training for local residents where needed. This is about creating training and employment opportunities where the jobs are located and an opportunity for all local players - employers, service providers, government, and academic institutions - to work together for most effective and sustainable employment outcomes. This is complementary to Community Benefit Agreements, as it ties regional investment in infrastructure to investments in local people through access to employment and training opportunities.

Aligning and designing training with the needs of industry, regional development and job projections will support customized workforce programs and the development of local talent pipelines. For example, the development of large scheduled infrastructure projects should be linked with the skill development of local residents at scale. Partnering with employers from the onset will help to remove barriers like the time it takes to train a new talent pool, by integrating training with on-the-job experience.

Large public infrastructure and service investments should involve an assessment of workforce needs and identify opportunities to support a talent pipeline or incumbent worker skill development. Identified opportunities should create connection with appropriate local institutions in order to design and deliver solutions that meet the needs of industry and local residents. This is an opportunity to create multiple returns on public investments and support inclusive economic development.

Profile: Eglinton Crosstown Community Benefits Framework

The Eglinton Crosstown LRT is the largest transit expansion in Toronto’s history. Once completed, this 19-kilometre rapid transit corridor will add 25 stations that connect people and businesses across Toronto in underserved areas covering some of Toronto’s lowest income neighbourhoods, with high rates of youth unemployment. Part of the project is a Community Benefits Agreement (CBA), a legally-binding contract to ensure local residents are getting jobs and paid training, while local businesses are able to provide goods and services, among other benefits.

A Community Benefits Framework ties together a formal partnership between Metrolinx, Crosslinx, United Way Greater Toronto, the Toronto Community Benefits Network (a community-labour alliance), and the provincial and municipal governments. Through the framework, close to 200 people have been hired from local communities in construction, professional, administrative and technical jobs, and more than $6 million spent on purchasing from local small businesses. Partners are adding important components to the traditional workforce development process by ensuring outreach efforts are in place for communities not traditionally represented in the trades. Industry-responsive assessment and wrap around supports are also being provided to job seekers so that they can join training programs, get the certifications needed and start their new careers working.

Invest in capacity building, technical assistance and document learning about what works

The Province should invest in capacity building among SSMs, service providers and employers to build conceptual and applied expertise across the province. Targeted capacity building and technical assistance are often coupled with large scale program implementation and reform in order to build institutional, staff and system capacity. Capacity building can include areas such as program design, implementation, user experience and client service, continuous improvement, impact measurement and data integrity. Dedicated resources and efforts should be allocated to capacity building and used to inform iterative improvement of system transformation plans. This should be coupled with documentation and publication of what works related to program design, delivery and outcomes to build capacity of the field and scale impact.
REFERENCES


3. Ontario Employment Report: January to March, 2019

4. The OECD considers full employment between 4-6%.


ACKNOWLEDGEMENTS

This report was written by Danielle Olsen and Raly Chakarova with advisement by Pedro Barata, Nation Cheong, Adriana Beemans, Marcy Burchfield, and supporting research from Vickey Simovic. It was designed by Lisa Davison Design.

We thank the service providers and 250 businesses that shared their experiences and insights into improving the system. We greatly appreciate the generous contribution of JPMorgan Chase, which made this important endeavor possible.
The Toronto Region Board of Trade works on behalf of our Members to make Toronto, North America’s fourth-largest commercial centre, one of the most competitive and sought-after business regions in the world. Learn more at bot.com and follow us @TorontoRBOT.

Metcalf Foundation
The mission of The George Cedric Metcalf Charitable Foundation is to enhance the effectiveness of people and organizations working together to help Canadians imagine and build a just, healthy, and creative society.

United Way Greater Toronto
At United Way Greater Toronto, our mission is to meet urgent human needs and improve social conditions by mobilizing the community’s volunteer and financial resources in a common cause of caring across Peel, Toronto and York Region. We believe that our greatest strength is our ability to bring people together, from all walks of life, to build a better region.

JPMorgan Chase & Co.
JPMorgan Chase & Co. is a leader in investment banking, financial services for consumers and small businesses, commercial banking, financial transaction processing, and asset management. The firm’s model for corporate responsibility impact focuses on four strategic drivers of inclusive growth: jobs and skills, small business expansion, financial health and neighborhood revitalization. Learn more at www.jpmorganchase.com.