



# Federal-Provincial/Territorial Consultations on the Labour Market Transfer Agreements – What We Heard Summary Report

Social Research and Demonstration Corporation

Submitted to the Forum of Labour Market Ministers

September 2016



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## Glossary of acronyms

ASETS	Aboriginal Skills and Employment Training Strategy
CJG	Canada Job Grant
CJFA	Canada Job Fund Agreement
EI	Employment Insurance
ES	Essential Skills
HR	Human Resources
LES	Literacy and Essential Skills
LMA	Labour Market Agreement
LMI	Labour Market Information
LMAPD	Labour Market Agreement for Persons with Disabilities
LMDA	Labour Market Development Agreement
LMTA	Labour Market Transfer Agreements
NGO	Non-Governmental Organization
P/T	Province / Territory
PSE	Post-secondary Education
SME	Small- to Medium-sized Enterprise
TIOW	Targeted Initiative for Older Workers

## What We Heard: Executive Summary

Employment and skills training programming and services in Canada are supported and delivered by both federal and provincial/territorial governments. The federal government provides funding to provinces and territories through four major bilateral transfer agreements referred to collectively as labour market transfer agreements (LMTAs).

With a 2016 federal budget announcement of funding increases for LMTAs, the Federal, Provincial and Territorial Labour Market Ministers launched broad-based stakeholder consultations with the objective of ensuring that the Agreements are responding effectively to labour market priorities. More than 20 federal or provincial/territorial roundtables were held, and more than 70 written submissions received from a range of stakeholders.

A summary of the input received from the 700+ organizations and individuals who participated in the consultations is presented in this report. All are to be commended for taking the time to reflect on their opinions, experiences and share their knowledge. It is important to note that “**What We Heard**” summarizes their collective input; the 90+ individual roundtable reports and submissions contain much more detailed information than can be included in a high-level summary.

The main findings contained in this report include:

- Stakeholders felt that employment and skills training programs should aim to develop a workforce that is educated, empowered, adaptable, and productive. This involves two main components: helping the unemployed gain employment, and increasing the skills of vulnerable workers.
- Today’s labour market requires a wide range of skills. Having the technical skills necessary to fulfill occupational tasks is a priority for employers; foundational skills are necessary for all – to improve job transition and retention, and provide the capacity to navigate a dynamic labour market.
- Employers play a key role, both in providing training opportunities for jobseekers and employees, and reinforcing skill acquisition in the workplace. Small- and medium-sized enterprises may be hampered in this role by a lack of administrative capacity to create a workplace culture of learning.
- Programs and services should be demand-led. A widely-held opinion of stakeholders is that employment and skills training programs should be driven by labour market demand and employers’ needs. Moreover, programs need to take a long term view of the labour market to ensure responsiveness.
- The needs of vulnerable populations must be served, and are unique from one another. There was widespread acknowledgement of the need to provide pre-employment training, particularly for those with multiple barriers. There was a perceived lack of capacity in the current programs to deliver services adequately tailored to the needs of vulnerable groups.

- Program awareness and accessibility is limited in some groups. Navigating a complex system with a wide range of programs, eligibility criteria, and providers may hinder individuals', employers', and service providers' understanding of what is being offered by whom. Moreover, it can be difficult to differentiate the program streams offered by federal, provincial and territorial governments.
- Flexibility in programs and services is essential to meeting client and employer needs. Current programs lack the flexibility required to serve the needs of a diverse Canadian workforce. Program and service adaptability is improved through alternative modes of delivery.
- LMDA restrictions around EI eligibility leave many Canadians unable to access benefits or programs, including those most in need. This concern was expressed among a wide range of stakeholders, who suggested a number of changes in the agreements to address this.
- Improvements are needed in the production and dissemination of LMI. The current state of LMI is fragmented, with gaps in the quality and availability of data on labour demand and supply, as well as outcomes of employment and skills training programs. A government-led collaboration in which multiple stakeholders contribute to the production of LMI could improve the quality, comprehensiveness, and timeliness of the information available.
- Innovation in programming should be evidence-based, which will require improved information and data systems. Stakeholders supported development of a strategic, comprehensive, and collaborative approach that builds on existing data sources and integrates new ones. Centres of excellence were viewed as an innovative way of supporting research on best practices and innovation in the employment sector. These centres respond to the needs of the skilled labour market, while also developing programs for individuals further from the labour market. As well, they can play a role in linking employers to priority job seekers such as persons with disabilities.

# 1. Introduction

## 1.1 Background

Employment and skills training programming and services in Canada are supported and delivered by both federal and provincial/territorial (P/T) governments. The federal government provides funding to P/Ts through four major bilateral transfer agreements:

- Labour Market Development Agreements (LMDA): Employment Benefits enable current and former Employment Insurance (EI) recipients to gain skills and work experience through a combination of interventions such as training and wage subsidies. They also support provision of employment assistance services, such as employment counselling and job search assistance for all unemployed Canadians;
- Canada Job Fund Agreements (CJFA): Support programming for unemployed as well as low-skilled workers to maintain or find a new job. Funding is also provided to employers to support training of new hires and existing workers under the Canada Job Grant (CJG) program (with the exception of Québec<sup>1</sup>);
- Labour Market Agreements for Persons with Disabilities (LMAPD): Cost-shared agreements that support programs and services to improve the employment situation of Canadians with disabilities by enhancing employability and/or increasing available employment opportunities;
- Targeted Initiative for Older Workers (TIOW): Cost-shared initiative designed to help unemployed older workers living in small, vulnerable communities of 250,000 or less by providing them with the skills and training they need to improve their employability and reintegrate into the labour market.

Provincial/Territorial governments are responsible for the design and delivery of programs and services in their jurisdiction. Funding increases for the labour market transfer agreements (LMTAs) were announced in the 2016 Federal Budget. In June 2016 the Forum of Labour Market Ministers (FLMM) announced the launch of broad-based consultations with the objective of ensuring that LMTAs are relevant, flexible, and responsive to current and emerging labour market needs and priorities.

This report summarizes findings from the stakeholder consultations conducted during the summer 2016.

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<sup>1</sup> Given the specific labour market partnership system in Quebec and the various measures that Quebec has already established to encourage and support employer participation in workforce training, the Canada-Québec Agreement does not include the implementation of the CJG.



## 1.2 Process

The FLMM prepared a discussion paper and template to facilitate collection and review of information from the consultations. The latter include both pan-Canadian and provincial/territorial-led consultations with organizations representing employers, jobseekers, students, service providers, groups under-represented in the labour market, postsecondary and training institutions, think tanks, and individuals. As well, open invitations for online input were made, resulting in submissions from a range of stakeholders including service providers, educational institutions, advocacy groups, associations, and individuals. In total, summary reports were received from over 20 roundtables, and over 70 written submissions were received. Collectively, they represent input from over 700 organizations across Canada.

The Social Research and Demonstration Corporation (SRDC) was contracted by the FLMM to produce a summary of findings from these consultations, based on the submissions and consultation reports received.

SRDC reviewed all documents and summarized the content according to the three areas of the discussion paper used in the roundtables and publicly available to all organizations and individuals wishing to contribute: IMPACT, INNOVATE, and INFORM. NVivo software was used to support data management and review.

## 2. Impact (what do we need to do now)

The first theme of the consultations focused on the *impact* of employment and skills training programs. As described in the June 2016 FLMM discussion paper,<sup>2</sup> evaluation findings demonstrate that programs and services funded under the LMTAs have been effective in meeting labour market objectives. At the same time, however, there is opportunity to build on what is working well to strengthen the effectiveness of these agreements in responding to varying labour market needs across the country.

Under this theme, participants were asked to respond to questions addressing four topics:

- Objectives of employment and skills training programs;
- Flexibility in meeting the needs of a diverse workforce;
- Program awareness and access; and
- Employment and skills training needs.

Highlights of these discussions are presented below.

### 2.1 Objectives of employment and skills training programs

#### 2.1.1 A demand-led approach for workforce development

Stakeholders felt that employment and skills training programs should aim to develop a workforce that is educated, empowered, adaptable, and productive. This involves two main components: helping the unemployed gain employment, and increasing the skills of vulnerable workers. Rapidly changing labour market conditions dictate that these programs continue to help Canadians sustain employment by providing them with the supports and services needed throughout their careers, in order to develop a skilled workforce that is responsive to current labour market conditions and adaptable to future needs.

Some stakeholders expressed more specific objectives for employment and skills training programs: to prepare and connect individuals with jobs; to fill current and future market needs; to encourage business growth; to permit individuals to support themselves through earned income; and to prevent labour shortages.

A widely-held opinion of stakeholders was that employment and skills training programs should be driven by labour market demand and employers' needs. Moreover, programs need to take a long-term view of the labour market to ensure responsiveness to changing labour market conditions and proactively address future needs. At the same

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<sup>2</sup> Discussion paper: F-P/T Consultations on the Labour Market Transfer Agreements, June 2016. Available at <http://www.flmm-fmmt.ca/english/View.asp?x=909>.

time, the need for programs and services to respond to individual needs was recognized, and is discussed in more detail in subsequent sections of this report.

Many stakeholders stressed that in order to meet labour market demand, employment and skills training programs must be evidence-based in terms of using labour market information (LMI), and should reflect community-level demographics. A holistic approach to the design and delivery of programs and services that involves coordination of stakeholders and availability of a full range of programs and wrap-around supports<sup>3</sup> was offered as a way of ensuring programs reach their intended objectives.

## 2.1.2 The need to develop a wide range of skills

In addition to the occupational or technical training necessary to meet specific employer and market demand, stakeholders cited the importance of offering training for a range of skills that are needed throughout the economy. Primarily, these were described as essential skills, foundational skills, or “soft” skills. Moreover, stakeholders talked about the importance of providing both short-term training and longer-term options to develop such skills.

### 2.1.2.1 *Essential/foundational/soft skills*

Essential skills include reading, numeracy, writing, communication, critical thinking, working with others, continuous learning, and problem solving. Other skills were noted to support employability: being able to negotiate, make decisions, work as part of a team, conduct themselves appropriately in the workplace and to self-manage. Language training was also mentioned as a skill that should be offered through employment training programs.

Training in foundational, or soft skills was described as essential to ensure the Canadian workforce has the transferable skills required in a dynamic labour market. Foundational skills were also noted as providing individuals with the capacity to navigate the labour market and compete for jobs, as well as enabling workers to thrive in their jobs and progress in their careers.

### 2.1.2.2 *Technological skills*

Although technological competencies are included in most definitions of essential skills, some stakeholders placed particular emphasis on technological skills. A number of them discussed the importance of providing basic technology training to prepare the workforce for the ever-increasing use of technology in

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<sup>3</sup> Wrap-around supports refer to services such as social services, child care, and transportation assistance, which enable individuals to consistently participate in and benefit from programming.

the workplace. Up-to-date IT and computer skills are in demand among employers and are prerequisites for many jobs.

### 2.1.2.3 *Technical skills and trades*

Stakeholders in a number of jurisdictions mentioned that an increase in trades training would be beneficial. Moreover, some suggested that industry might be willing to provide technical training, while governments could focus on other skills development and employment programs.

### 2.1.3 To whom should programs be targeted?

When asked to reflect on whom employment and skills training programs should target, participants seemed divided into two groups. One group believed programs should be aimed at everyone in need. Inclusivity of programs was defined as ensuring the needs of people of all ages and at any stage of work life are met. Making sure programs are available to anyone in need - including individuals who are not eligible for EI - was seen as key by this group.

The other group of participants, while not denying that programs should be available to jobseekers and workers more broadly, thought employment and skills training programs should be targeted to vulnerable and/or under-represented groups. This group of participants saw value in investing in those individuals who are further away from the labour market, especially since they are often not part of the EI system and therefore have less access to supports and services.

## 2.2 Program flexibility

Stakeholders were asked whether current employment and skills training programs are flexible enough to respond to the needs of a diverse workforce, including vulnerable workers who may need particular supports. They were further asked to identify program features that are working well in this regard, and how under-represented groups can best be supported.

### 2.2.1 The need for flexibility and adaptability

The majority of responses indicated that current programs lack the flexibility required to serve the needs of vulnerable groups within Canada's diverse workforce. Program restrictions primarily impact workers, but also affect employers, service providers, and educational institutions. Eligibility restrictions affect a range of clients; lack of flexibility in access and programming impacts some vulnerable groups more than others.

The delivery of employment and skills training programs should be adaptable to the context and needs of individuals and employers. Alternative modes of delivery

discussed include online training, distance learning, blended learning,<sup>4</sup> community-based programming, non-traditional workshops, and experiential work opportunities.<sup>5</sup> Although adaptable delivery modes are useful to all, they were considered a necessity in rural and remote regions, and the provision of today's programs should aim to meet this objective. One stakeholder specifically remarked that online training must be recognized as a valid alternative to face-to-face training under the LMTAs.

It was also suggested that employers can play a role in offering flexibility to improve access to training. For example, employers could access funds to develop and deliver skills training in-house and/or to cover wages of employees while they are in training. It was suggested that eligibility criteria for LMDAs to be expanded to allow for these employer initiatives.

Restrictions around EI eligibility were cited as a concern by the majority of stakeholders; as described by some stakeholders, they pose a “significant barrier” to vulnerable groups especially. A public policy advocacy group described how the former LMAs were beneficial in providing innovative programming for Indigenous people, and were more inclusive in providing supports for single parents, youth, and new immigrants. Participants to the pan-Canadian Labour roundtable also expressed this concern, citing the small portion of transfer funds accessible to non-EI eligible clients. It is important to note that an opposing view was also expressed at that same consultation, that is, that programs “ought to be for those who paid into the system”.

Many stakeholders noted that take-up of the Canada Job Grant favours employed persons and shifts focus away from the unemployed, who are generally lower-skilled and likely vulnerable to lower participation in the labour force.

## 2.2.2 Programs need to address workplace readiness

In virtually all jurisdictions, workplace readiness and the need for pre-employment or wraparound services was identified as a concern. This was the case across many stakeholder groups including governments, foundations, associations, and service providers.

There was widespread acknowledgement of the need to provide pre-employment training, particularly for those with multiple barriers. As expressed by one service provider, individuals often come to them with very complex life histories and multiple barriers to employment. It is difficult to address these issues within current programming, and while individuals may experience some short-term success, they are often unable to sustain it without having addressed more significant underlying issues.

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<sup>4</sup> Blended learning refers to training programs delivered both online and in person.

<sup>5</sup> Such as apprenticeships, internships and other learning-by-doing programs.

For service providers, current programs are seen as limiting their ability to provide wrap-around supports to those who need them to overcome barriers before they can engage in or finish employment training. These service providers need flexibility to address issues that prevent individuals from getting and keeping a job (e.g., lack of transportation or a driver's licence, criminal records clearing, housing, addiction treatment, childcare).

### 2.2.3. How do we better support Indigenous people?

There was widespread concern amongst stakeholders about meeting the training needs of Indigenous people, many of whom are facing multiple barriers. They are typically served in fewer numbers than the non-Indigenous population, and several stakeholders said the EI eligibility restrictions under the current LMDA transfers render many Indigenous persons ineligible. Current programs do not address the systematic issues faced by urban Indigenous people; only a small amount of Aboriginal Skills and Employment Training Strategy (ASETS) funding is allocated to urban/rural-off-reserve populations.

Stakeholders also noted that more culturally-appropriate and flexible programs and services are needed to address the employment and training barriers faced by Indigenous people of all backgrounds. Indigenous values and views should be brought into program delivery, and employers encouraged to have culturally-sensitive workplaces where people of all backgrounds can feel comfortable and valued.

### 2.2.4 How do we support vulnerable groups?

Stakeholders identified many groups as being under-represented in the labour force, facing challenges to full participation in the labour market, and vulnerable to precarious employment. Among these are recent immigrants, youth (particularly male), older workers, women, refugees, people with physical and mental health-related disabilities, those living in rural and remote areas, and official language minority communities.

Several stakeholders suggested there is a lack of capacity in current programs to deliver services tailored to the unique needs of under-represented groups. Capacity was also mentioned as an issue in terms of ability for sharing information across P/Ts, in order to maximize impacts and establish programs specifically targeting sector-specific barriers to under-represented groups.

In terms of features that work well for vulnerable populations, one industry association described a demand-side service delivery approach that provides unemployed people with the specific supports they need to join and continue in the workforce. For recent immigrants, for example, this approach might include language training; for vulnerable workers, it might involve travel support to get to and from work. In this approach, a review of needs is carried out at time of acceptance, and then a customized, flexible program is crafted that is responsive to individual needs. Another stakeholder stated

that liaison/job coaching after employment is an important support for helping vulnerable workers transition to the workplace and resolve issues on the job.

The promotion of long-term work relationships between employers and vulnerable workers was suggested to be especially important. Programs should provide incentives that create longer-term employer investments in training, because with short-term subsidies and work programs, employers only have the incentive to hire for the life of the program, and then they can disengage.

A number of stakeholders pointed out the key role that employers play in the development of cultural competencies in their workplaces, and creating welcoming environments for a diverse workforce.

Some of the input regarding specific groups is highlighted below.

#### *2.2.4.1 People with physical or mental health-related disabilities*

According to a non-governmental organization (NGO) in the health field, people with mental health-related disabilities have lower levels of educational attainment overall than those without disability, placing them at a disadvantage in the labour market. Another reported that people with disabilities who have post-secondary education are facing similarly high unemployment rates as those without higher education. Both scenarios underscore the point that many people with physical or mental health conditions may be in need of the types of employment supports offered by LMDA programs, yet cannot access them due to EI eligibility rules.

The LMADP was recognized for offering a range of supports, and more flexibility in programming for eligible clients. Suggestions for improvement included greater focus on work accommodations/adaptive technology, more engagement of employers to include persons with disabilities in their workforce, and more direct involvement of persons with disabilities in LMAPD discussions.

Several respondents highlighted the need to break down stereotypes and reduce stigma associated with people with physical and mental disabilities in the workplace. One stakeholder noted that some persons with disabilities may need flexible programming with supports for a pathway to employment, rather than a specific timeline. Service providers attending a pan-Canadian roundtable suggested that programming needs to include support for employer capacity for hiring persons with disabilities – specifically, for hiring, onboarding, and learning to engage these employees. Other stakeholders suggested that programs should be flexible to cover the cost of any workplace accommodations, as these should not be borne by employers.

#### 2.2.4.2 Youth

Many stakeholders noted that a major stumbling block for youth entering the workforce is lack of experience. Small- to medium-sized enterprises in particular are not in a position to take a chance on recent graduates and absorb the additional time and costs required to orient them to the workforce in general. An industry association specifically suggested more opportunities for youth to “earn while they learn” in employer-sponsored work programs that can foster early attachment to the labour force. One stakeholder cited wage subsidies as being particularly important for youth entering the labour force.

Stakeholders felt there is a need for flexibility in communicating with youth through technological means that may resonate more with them than traditional forms of communication.

#### 2.2.4.3 Recent immigrants

A municipality reported that despite over 50 per cent of newcomers arriving with PSE credentials, many require supports for overcoming barriers to employment. As well, some may need entry-level employment to build employability skills and jobs to ladder into. Current programming is not flexible for this group – they have difficulty accessing services and having their skills recognized.

A number of stakeholders felt that newcomers benefit from bridging programs, and suggest that cultural adaptation and awareness programs are needed for employers, employees and colleagues in order for successful workplace integration.

#### 2.2.4.4 Older workers

Among workers in both the private and public sectors dislocated due to technological change, downsizing and other factors, many are older workers (aged 45+). Shifts in skills required for jobs in today’s economy have created a larger proportion of older workers who are unemployed and requiring (re)training. Stakeholders described how older workers are often subject to ageism in the workplace, such as being viewed by employers to be a financial burden.

Governments were called upon to break down these stereotypes, and to hold accountable employers who hire older workers for a few months to obtain wage subsidies, then let them go. Older workers may need flexibility in training to compensate for current-day skills (e.g. technology) they may not have developed when younger.



Several respondents - including an academic expert and a labour association, among others - credited the Targeted Initiative for Older Workers (TIOW) for providing employment services leading to positive outcomes for this population. However, some suggested that at \$25 million a year, TIOW funding is not sufficient and should be increased significantly. Eligibility should also be expanded beyond the upper age of 64, as it was felt that older workers offer great value to the workforce. Employers fearing increased health care costs for older workers should be made aware that some of those costs (e.g., for prescriptions and physiotherapy) are covered for people 65+, which means that actual costs are not much higher, if at all.

#### *2.2.4.5 Rural and remote dwellers*

People living in rural and remote communities were also cited as being disadvantaged in terms of job prospects, and needing more flexible supports. One example provided was having programs cover transportation costs for workers to move according to market conditions, the assumption being that it is not manageable for employers to cover these costs, especially in difficult economic times.

It was also suggested that government investment in broadband technology is needed to aid delivery of training in these areas. As noted by a stakeholder group from a more remote northern area, broadband access is important to allow for similar job skills training to be available in remote areas. High-speed internet helps mitigate labour market distortion created by differences in access to training due to geography.

#### *2.2.4.6 Women*

Several stakeholders included women amongst the vulnerable groups needing more flexibility and more comprehensive supports than what is offered in current employment and training programs, particularly to address child care needs and overcome discrimination in the workplace.

A national NGO called for LMTAs to support gender-specific programs for women, as key to bridging them into the workforce, particularly for those returning after experiences of violence. Some stakeholders noted that maternity leave improvements are needed to reflect child care requirements as well as the physical demands of job needs and their consequences for the health of the mother.

## 2.3 Program awareness and accessibility

### 2.3.1 Limited awareness and service gaps for some groups

Many respondents to the consultations stated that jobseekers and employers are not fully aware of the range of available employment and training programs and services. Others commented that there is a lack of awareness in the general population, as well, since people usually only seek out information on available programs when the need arises. Some felt that EI-eligible jobseekers may be better informed about program availability than others because of the formal application process in which they are involved.

Promotion and awareness of programs is obscured by the different names for programs across jurisdictions. Moreover, several stakeholders mentioned that the ways information about programs is communicated may not be as effective as intended. Passive communication such as posters or online information may not work well with multi-barriered individuals. In addition, service providers often do not have the funds to promote their programs to the general public.

Another barrier discussed was that of negative perceptions about employment and skills training programs. The process of applying to programs was considered too cumbersome to be worthwhile by some individuals and service providers. A lack of understanding of eligibility criteria was also highlighted as a barrier.

Geographic inaccessibility is compounded for individuals who lack access to the internet because most program resource material is online. Itinerant or distance services were suggested as alternatives for remote or rural communities.

Challenges accessing training and employment services can be more acute for individuals with disabilities, the working poor, youth, Indigenous people, immigrants, members of official language minority communities,<sup>6</sup> Canadians living in rural areas, and older workers, and those without internet connectivity. In other words, some people with greater needs may be less aware of and able to access programs. Targeting outreach and promotion of programs to these groups and providing information to organizations accessed by these groups were suggested as potential solutions.<sup>7</sup>

It may also be difficult for employers to know which programs and services are available to help them fulfill their needs. Others mentioned that even if employers are aware of programs, they may not be aware of eligibility criteria.

Stakeholders described service gaps resulting from demand exceeding supply for some programs. As a result, individuals may be turned away from training opportunities.

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<sup>6</sup> English-speakers in Quebec and French-speakers outside of Quebec.

<sup>7</sup> For example, ODSP for people with disabilities, Indigenous community organizations for Indigenous people.

Another gap was identified in providing support for people at transition points such as moving from training to employment, or adjusting to employment. Moreover, as noted here and in other parts of the discussions, service gaps exist for people who are not eligible for EI since LMDA benefits and measures are only available to EI eligible clients.

It is important to note that a few stakeholders did not identify service gaps, but stated that programs are accessible and available for those who need them.

### 2.3.2 Improving awareness and accessibility

Several barriers to awareness and accessibility were noted by stakeholders, along with potential solutions.

In particular, career centres must be responsive to client needs in their career planning activities; having trained staff to explain labour market information (LMI) and available options is critical for service providers. Additional investments in case management and labour market navigation would be helpful for those who require more intensive employment support.

A coordinated and proactive approach to outreach and promotion efforts needs to be established to promote available programs to potential clients, as well as employers and service providers. Social media may be a useful channel to increase awareness of programs. A few stakeholders also mentioned the need for funding the promotion of programs. Outreach and promotion efforts may also serve to redress negative program perceptions. Alternatively, rebranding of programs was mentioned as a way of improving client perceptions.

Lack of accessibility to childcare, eldercare, and transportation were also mentioned as important barriers to program access. Addressing these barriers was seen as critical to program availability and the goal of sustainable employment. Provision of affordable childcare and subsidies for transportation could improve access.

Stakeholders suggested a number of specific approaches to improve program and service accessibility:

- Align employment and skills training programs with other supports, and coordinate them across levels of government (particularly for multi-barriered clients);
- ‘One-stop shops’, which integrate multiple agencies under one roof, act as hubs for industry, jobseekers, and workers to easily access information on programs, and refer jobseekers to available services in their communities. Stakeholders in a more remote area emphasized the importance of including supports such as housing and

social assistance in an integrated model, along with employment programs and services;<sup>8</sup>

- Support sharing of information from various sources and agencies, and house the consolidated information on an online platform; and
- Having a provincial or regional coordinating body to ensure services and programs are available where needed.

## 2.4 Employment and skills training needs

Responses to the question of skills sought by employers ranged across the board from lower- to higher-skill training, and from general to more specialized skills. The variation in responses reflects different stakeholder perspectives, association with particular industries or populations, regional economic conditions, perceived skill gaps and other characteristics of the Canadian or local labour force. As an illustration of the range of opinions, the automotive industry was mentioned as facing challenges in sourcing labour with adequate technical skills, while one of the gaps cited for workers in the fishing industry was social or self-care skills.

### 2.4.1 The importance of identifying market needs

Most respondents referred to the need for training to be demand- or employer-driven; the system should be geared to filling market demand, not training for hypothetical jobs. The German apprenticeship system was cited in one submission as a good example of how to align training with market needs. Several pointed out that the Canada Job Grant (CJG) model is de facto one means of promoting a demand-based approach, by virtue of garnering employer financial commitment to training.

Regardless of the type of training – from basic to occupational – many stakeholders clearly supported the idea of employers and governments working together to identify needs, set up training programs, and ensure that curricula and structure are relevant to the workplace. Some emphasized the role of the K-12 and post-secondary education systems, and service providers, in this process as well.

There is a need to collect outcome data at the individual and company level to better understand the type of training needed and which programs and services are effective in the short- and longer-term. Employers need accurate and up to date information on job-seekers and their skills, not only for filling vacancies, but also for identifying skill gaps. They then need to communicate their current and forecasted needs to governments and industry associations.

Regardless of how market needs are determined, it was noted by respondents that supports - such as matching, hiring and placement processes - are critical to successful

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<sup>8</sup> One-stop/integrated models of various types exist in a number of P/Ts and are viewed as being more efficient than the multiple points of service.

employment and skills training programs. Several contributors underscored the need for data that can link employers wanting to hire Indigenous people, for example, to available jobs.

#### *2.4.1.1 Gaps in literacy, numeracy, and other essential skills*

Literacy and numeracy were often described as being an issue, and not exclusively for lower-skilled Canadians. Sometimes deficits do not come to light until employees are established in their positions, preventing employees from meeting the full expectations of their employers, and hindering job advancement.

Many referred to gaps in essential skills including problem-solving, communication, working with others, interpersonal skills, and critical thinking. Equally or more often cited were characteristics such as motivation, strong ethics, attitude, dependability, and punctuality, referred to by some respondents as “soft skills”. As a broad category, these types of skills are seen as being prerequisite to learning technical skills, yet there were many respondents who expressed concern that secondary and PSE graduates do not possess the soft skills and essential skills that are most important to employers.

Literacy and numeracy, as well as “soft skills” such as reliability and initiative, are considered by some to be critical for integrating new hires into a workplace. In an example of how stakeholder views may differ (although not necessarily oppose), a national union offered a somewhat different perspective, calling for expansion of “meaningful, long-term training programs rather than focusing on employability or other ‘soft skills’ training that many workers neither want nor need”.

Although often included among the list of “essential skills”, respondents who mentioned information and communication technology (ICT) or digital skills tended to refer to them separately. Discussion at one of the provincial roundtables included the need for post-secondary training institutions to place increased focus on technology in their program design. A northern region noted that technological advances create a need to ensure that training is aligned with industry practices, where, for example, knowing how to operate 3D printers is becoming increasingly in demand.

Distinct from literacy, English or French workplace language skills were cited as being important for immigrants and those working in minority language settings. This was noted particularly for immigrants in professional or technical occupations, and who are likely to be facing additional challenges of credential recognition. Similarly, the lack of bilingual language skills among workers in the tourism industry, in customer service occupations, and many higher-level government jobs presents a need for English and French language training. The

need for language training in Indigenous languages was also noted as a training need in northern or remote regions.

#### *2.4.1.2 The need for occupational and technical skills*

Technical skills necessary to fulfill occupational tasks are naturally a priority for employers, as pointed out by several respondents. Occupational forecasting is essential for making direct links to training that will meet demands for skilled workers. Sector-specific training programs were viewed as being beneficial both to employers and workers. Several respondents called for standardized training curricula to promote mobility of the workforce, so that trained workers can fill site-specific seasonal or project-related labour demand. On the other hand, some referred to the need for industry-specific flexible programming, as needs are perceived to vary considerably from one to the next.

### 2.4.2 Employer role

In terms of the employer role in skills training for their workforce, several themes emerged from the consultations, as summarized below.

#### *2.4.2.1 Employers should engage in all stages of training*

Employers need to be engaged at all steps in the process, from identifying needs to assessing outcomes. Some stakeholders felt that employers play a central role in identifying their labour market needs, and that they must share their respective labour requirements with government and/or industry organizations and play a role in better articulating the current and anticipated labour and skills demand in their industry or region or province. It was suggested that employers must be involved in training – although not necessarily to deliver it since they may not have capacity to do so – as they have a vested interest in it to ensure sustainability and employee retention.

#### *2.4.2.2 The need for a workplace culture that supports learning*

Many stakeholders emphasized the importance of having a workplace culture that promotes training and fosters lifelong learning. As well, employers can reinforce training by providing opportunities for subsequent training to build on skills, and allowing and encouraging employees to make use of new skills in their work activities. Specific actions that employers can take include on-site skill development, workplace education, co-ops, shadowing, bursaries, and paid work experience. A learning work culture also reduces stigma around barriers such as mental health issues such that employees are more comfortable accessing the supports they need to continue to flourish in the workplace. As summed up in one submission, “employers should view their employees as an asset, and see training as an investment in that asset”. At the same time, it was

frequently noted that supporting a learning culture can be very difficult for small enterprises, which typically would not have anyone to replace workers while they are in training.

#### *2.4.2.3 Increase investments in training*

According to several stakeholders, Canada does not compare favourably with other OECD countries in terms of investments in employee training, and initiatives are required to increase training investments. Stakeholders called upon employers to support and participate in cost-sharing programs with government, such as the CJG.

Many stakeholders noted that especially for SMEs, HR management is difficult given limited resources and diverse demands. They emphasized the importance of employers having adequate internal HR capacity to identify their needs, support training, and develop ongoing training plans for employees. Collaboration with sector councils and industry associations was suggested as a way of accessing some of the needed supports, and identifying in-demand skills.

### 2.4.3 Government role

#### *2.4.3.1 Increase awareness*

According to most stakeholders, governments play a key role in the development and dissemination of good LMI; they should ensure that LMI is relevant and readily available to employers and industry to help them identify current and forecasted skill gaps. Government sets the direction of workplace education and readiness, and should promote better awareness of the skills required in the job market and the training opportunities available to develop these skills. Equally, they must increase employer awareness of the benefits associated with employee skill development, to address what some service providers described as challenges in demonstrating the return on investment in training. Further, many stakeholders felt that governments at all levels could better engage business and industry as part of developing strategy, policy and programs.

#### *2.4.3.2 Quality assurance*

Government must also ensure that objectives are fulfilled by funded parties. As one stakeholder put it, government plays a critical role in quality assurance service and oversight: developing standards and research that ensure that programs align with needs, ensuring that learners have appropriate supports, and that programs are compliant with regulatory considerations and principles.

### *2.4.3.3 Increase supports for employers*

As previously noted, SMEs generally lack the time, HR capacity and funding needed to support identification of training needs, assessment of outcomes, and delivery of training itself. Many respondents viewed government as being responsible for providing more financial support for these functions. As well, many respondents cited ongoing and increased need for government investment/subsidies for apprenticeships, internships and wage supports. An example provided by an industry association is that while most of the larger employers in their sector are already engaged in workforce development, the majority of firms are small or micro-businesses without adequate resources, and certainty of workload, to take on a full-time apprentice. Government needs to help create a financial environment whereby smaller employers can actively participate in apprenticeship training; this might be accomplished by using LMDA funding to offset employer costs.

It was also suggested that in order to adequately fund the development of literacy and essential skills (LES) training that is responsive to business needs, governments need to increase investments.

### *2.4.3.4 Make continuous improvements in policy and process*

A number of respondents from seasonal industries felt strongly that the government should change EI eligibility restrictions to recognize the need for flexible hiring and work arrangements – such as contract, part time, piece work and job sharing – in a volatile or seasonal business environment. At present, workers can be penalized in terms of EI eligibility, which affects employers' ability to attract qualified workers. This can also contribute to difficulties in forecasting skill gaps, since qualified labour may be present but not able to work without jeopardizing EI, in effect creating a perceived skill shortage.

One stakeholder pointed out that for businesses with training expertise and proprietary knowledge, in-house training is a priority, yet they are restricted in their ability to do so under the CJG.

Service providers at the pan-Canadian roundtables commented that the concept of work “placement” may be outdated, as it is foreign to employers looking for skilled and dedicated career employees. On a related note, wage subsidies were criticized for encouraging short term placements that often result in the individual being laid off when the subsidy ends. This leads to discouragement for the individuals, in turn leading to the potential need for additional supports, delayed re-entry to labour force and increases in EI receipt or early receipt of pension. Several providers felt strongly that wage subsidies should not be used.

Input from one roundtable suggested that governments can reinforce the culture of learning through legislation as well. For example, Québec's “loi du 1%”



requires employers which pay more than \$2 million per year in salaries to invest at least 1% in employee training and development.

### **3. Innovate (future needs)**

To adapt and respond to a changing labour market, innovative ideas and practices will be required. The FLMM consultation discussion paper suggests that research and pilot projects will need to be further encouraged and invested in, and makes the point that only one of the four major agreements provides for funding to be dedicated to innovation and research activities. The need to find ways to share best practices, new ideas, and lessons learned from these activities was also underscored.

Stakeholders were asked about innovative approaches and partnerships that could be used to address emerging issues in the labour market, and how to improve the responsiveness of training and employment programs. Their responses are summarized below.

#### **3.1 Innovative approaches and partnerships**

Overall, stakeholders held the view that needs and issues in the labour market can best be addressed through evidence-based practices and through innovations in partnerships and collaboration. They highlighted several concrete innovative approaches, summarized below.

##### **3.1.1 Evidence-based practices**

Stakeholders pointed out that innovation should be evidence-based, requiring improved information and data systems. Current data collection and reporting systems were described as cumbersome and inadequate by some stakeholders. These shortcomings highlight the need for development of strategic, comprehensive, and collaborative approaches that build on existing data sources and integrate new ones. One stakeholder emphasized a need for long-term and rigorous evaluation using counterfactual analysis to determine what is working, and for whom.

Many stakeholders – including service providers, industry associations, policy advocates and experts – stated that research and pilot projects are necessary to develop the evidence base for policies, programs, and funding decisions. Projects such as UPSKILL and the ESDC literacy and essential skills social finance projects were cited as good examples of outcome-based pilots that can help determine new approaches and incentives for training low skilled workers or unemployed Canadians.

In discussions about supporting evidence-based innovation, centres of excellence – such as those in existence or development in several provinces – were mentioned as an innovative way of supporting research on best practices and innovation in the employment sector. These centres respond to the needs of the skilled labour market as well as developing programs for individuals further from the labour market. They can play a role in linking employers to priority job seekers such as persons with disabilities.

Stakeholders described how sharing of best and promising practices, and supporting communities in replicating successful programs, is part of their mandates. Several stakeholders mentioned that such sharing of lessons learned through research and pilot

projects is essential for adoption of best practices in the sector. It was suggested that centres should be funded in every province and territory.

### 3.1.2 Innovation in partnerships and collaboration

Throughout the consultations, respondents strongly supported the notion that collaboration and partnerships are needed to deliver innovative and responsive programs. They described innovation in partnerships in terms of:

- Formalized partnerships between employers and service providers, to improve employment and training opportunities for clients and to better meet the workforce requirements of employers;
- Partnerships among academics, employers, industry, and levels of government to foster innovation and test new approaches; and
- Greater collaboration between the non-profit sector and governments.

One example provided of an innovative partnership was the one between the Canadian Federation of Nurses Unions (CFNU) and the federal Ministry of Indigenous and Northern Affairs. These two bodies collaborated to form the Canadian Indigenous Nurses Association, with the aim of increasing the number of Indigenous persons in nursing.

### 3.1.3 Social enterprises, community benefit agreements, and social finance

Stakeholders across the majority of jurisdictions named social enterprises as an innovative approach to engage vulnerable and marginalized populations in the labour market. Social enterprises were defined as organizations with a social purpose, which also aim to be profitable. Social enterprises have the potential to provide work experience, skills training, and opportunities for employees' individual growth, while also contributing to community development.

Stakeholders pointed out that this type of organization can be more flexible in accommodating individuals with special needs than traditional businesses. Others described how partnerships can be created between social enterprises and community organizations or businesses to increase employment opportunities and to offer wraparound supports to help individuals facing multiple barriers to employment.

Social enterprises can be found in diverse sectors of the economy such as tourism and the service industry. A social enterprise that employs people living with a mental health diagnosis was given as an example of a successful approach to address the high unemployment rates of this population and to provide them with opportunities for social interaction and feeling valued.

The social enterprise market is seen to be growing but is currently limited by demand and capacity. It was suggested that for this market be further developed as a viable

labour market entry for vulnerable populations, flexibility in LMTA funding is needed to support this innovative approach.

Community benefit agreements were also mentioned by stakeholders as an innovative approach to employing vulnerable populations. These are described as agreements negotiated between a coalition of community organizations and a real estate or infrastructure developer, with a focus on hiring and recruitment from the community.

Social finance approaches, whereby private investors engage in projects aimed at solving societal challenges, were also raised as a potential innovative approach by a pan-Canadian roundtable of employers.

### 3.1.4 Early career planning and skills development

In the K-to-12 education system, there is increased recognition that career planning courses are critical to meet labour market and individual needs. Elements that participants felt were important included:

- Partnerships among high schools, PSE institutions, and employers to better prepare youth for the workforce;
- Discussions of LMI in high schools;
- Inclusion of work practicums, co-op programs, or part-time jobs as part of the curriculum in both high school and postsecondary education, to allow students to test out various careers; and
- Early career counselling.

Many stakeholders emphasized that career planning must start early to develop a workforce that will support economic growth. One stakeholder referred to the importance of a “culture of education” that should be established in early childhood and championed by community leaders, as a foundation for effective skills development. Stakeholders at one roundtable suggested that projects in which students work with businesses to solve a real-life problem or issue could be an innovative way of introducing students to the workplace, and one that benefits both students and businesses. Such programs are sometimes referred to as “capstone” projects.

### 3.1.5 Mentoring

Many stakeholders considered mentoring to be an innovative approach to provide additional supports to jobseekers and workers in their career development (i.e., prior to and during employment). Mentoring initiatives already exist in many forms across Canada as stand-alone programs or components of other approaches.

Stakeholders noted that mentoring leads to positive outcomes for mentees and, to a lesser extent, mentors. People with disabilities, newcomers to Canada, internationally-trained workers, students, and Indigenous youth were specifically mentioned as target

groups for mentoring. Several stakeholders pointed out the value in having older workers train younger workers on job-specific skills. Providing mentorship opportunities could also improve attraction and retention of workers in struggling industries or remote communities. Also mentioned as a potential innovation was business-to-business mentoring.

### 3.1.6 Apprenticeships

Apprenticeship programs are regulated by individual provinces and territories, but are eligible for federal funding under both the LMDAs and CJFAs. Provinces and Territories are able to leverage LMDA funding for registered apprenticeship programs as part of their skills development programming. Apprenticeship supports are also eligible for funding under the employer-sponsored training component of the Job Fund Agreements.

Stakeholders from educational institutions and industry associations suggested innovation or modernization of apprenticeship programming to increase completion rates, expand the workforce, and better meet the needs of individuals and employers. Suggestions for improving apprenticeships included:

- Provide more financial support to encourage program completion;
- Develop apprenticeships specifically designed for vulnerable groups;
- Offer greater flexibility in the structure of apprenticeship programs;
- Develop apprenticeship-type programs in other fields,<sup>9</sup> providing modular education and laddered credentialing to promote upskilling and reskilling for industry demands; and
- Form provincial or regional agencies responsible for overseeing apprenticeships.

On the latter point, examples of such agencies can be found across Canada. In some P/Ts, industry-led agencies are responsible for managing trades and certifications, involving many stakeholders. In another jurisdiction, a sectoral employer apprenticeship consortium was established to provide a pool of skilled workers to the community.

### 3.1.7 Entrepreneurship programs

Stakeholders from several provincial/territorial roundtables highlighted the importance of entrepreneurship programs, especially in rural and northern regions. They felt strongly that to maximize their benefits, these programs need to be supported

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<sup>9</sup> Health care was proposed as a good candidate for this type of programming, to respond to geographic/regional needs, the needs of an aging population requiring care, and an aging workforce.

by community initiatives and skills training programs. As stated by stakeholders at one roundtable, investments in entrepreneurship programs benefit both individual entrepreneurs and communities in terms of future employment opportunities. Incubator models that offer up-front and ongoing support by successful entrepreneurs and industry leaders were also seen as innovative. Mentoring was often considered complementary to these programs.

Entrepreneurship programs were also seen as offering an alternative to traditional employment, especially to groups for which traditional employment may not be the best fit (e.g., people living with a mental health diagnosis). Several stakeholders pointed out that these programs must be open to non-EI eligible clients.

### 3.1.8 Recognition of skills

A pan-Canadian certification system was proposed by a few stakeholders as an innovative approach to labour market development. Such a system would recognize foundational skills and qualifications, allowing individuals to demonstrate their transferable skills to employers.

### 3.1.9 Dedicated funding for innovation

Throughout discussions on innovation, stakeholders commented on the need to earmark LMTA funding to evaluate the impact of promising employment and training practices. This funding would have to be flexible to allow organizations to invest in programs that meet the needs of their communities. A Canadian literacy organization also noted that funding should support partnerships among sector-based stakeholders to foster sector-relevant innovation.

## 3.2 Increasing responsiveness

When asked how employment and skills training programs could be more responsive, stakeholders generally responded by elaborating on some of the points covered elsewhere in the discussion (and in this report). This section presents their suggestions in more detail.

### 3.2.1 Removing or reducing LMTA restrictions

There was strong and widespread desire to reduce or remove EI eligibility restrictions on LMDA and other transfer funds. As discussed previously, stakeholders believed these restrictions prevent access to much-needed programs and services by clients who need them most. It was frequently pointed out that the requirement for EI eligibility for much of the LMTA funds limits ability to provide services to those just entering the labour force for the first time, such as youth and new immigrants, as well as the long-term unemployed.

To allow more flexibility to serve clients, stakeholders in one jurisdiction proposed to regroup funding allocated for the Canada Job Fund Agreement (CJFA), the Labour

Market Agreements for Persons with Disabilities (LMAPD) and the Targeted Initiative for Older Workers (TIOW) into one single agreement. As well, it was suggested that in order to avoid duplication and increase program complementarity when applicable, funds for federal programs targeted at the same clientele, such as the Youth Employment Strategy and the Opportunities Fund for Persons with Disabilities be included in the LMTAs.

There was also a call to expand the uses of EI funds to other purposes. A suggestion from many service providers, industry associations and others was to introduce a labour mobility benefit. Essentially, this benefit would advance the last two weeks of an EI claim to the beginning of workers' claims, to cover costs associated with moving to a region where their skills are in demand. Many respondents also proposed that LMDA funding be used to offset employer costs of apprenticeship training.

Targeted funding for youth, disabled persons, older workers and Indigenous peoples was viewed as a positive development, but the program rules are considered too stringent, with too many strings attached. For instance, it was mentioned that the Targeted Initiative for Older Workers (TIOW) should increase its age limit above 64, to respond to needs of older Canadians who can and wish to continue to be productive workers.

Take-up of the Canada Job Grant was seen to favour employed persons, shifting the focus away from unemployed, who are generally lower-skilled and more likely to be vulnerable to having less participation in the labour force. One stakeholder suggested that because the Canada Job Grant accounts for a significant portion of the CJFA, it should be scrapped in favour of programs targeting unemployed.

Other specific suggestions regarding the agreements included:

- Extend eligibility for LMDAs to individuals who have been on EI in the past five years (beyond the current three years), as currently exists for maternity or parental benefit claimants;
- Lift restrictions to allow new entrants (e.g., immigrants, refugees, students) to enter skilled trades training programs seeking recruits, for the mutual benefit of clients and employers; and
- Make the duration of LMTAs undetermined, while providing for potential changes to reflect circumstances such as inflation, changes in needs and market conditions, performance indicators, and program evaluation results.

### 3.2.2 Streamlining and simplifying program applications

A number of stakeholders highlighted that program applications and proposals should be easier for businesses to complete. Application processes are time consuming, bureaucratic, and lack agility and flexibility. These issues are particularly acute for SMEs, which typically have limited HR or administrative staff. Streamlining and

simplifying the application process for clients was also mentioned as a necessary change.

Stakeholders also suggested that supports for employers should be coordinated across multiple agreements to maximize returns from funding. The current program silos are not efficient.

### 3.2.3 Responding to jurisdictional and regional differences

A very clear message expressed in consultations from across the country was that the needs of each jurisdiction can be very different from one to another, and that even within a province or territory, needs vary widely. Many stakeholders noted that training needs vary significantly across different industries, as well. For them, this diversity underscores the importance of having a collective voice for provinces and territories that represents the perspectives of all stakeholders, and the importance of recognizing intra-jurisdictional differences. One of the experts consulted in the pan-Canadian consultations echoed this sentiment, strongly criticizing the lack of discussion on rural versus urban employment issues.

### 3.2.4 Supporting continuous program improvements

Given the capacity challenges of SMEs – which constitute the majority of employers – with respect to human resource and administration, there is impetus for better coordination and streamlining of supports offered by provincial/territorial and federal governments. Respondents spoke of ‘breaking down the silos’ across Ministries to avoid confusion and duplication. Overly complex program requirements and processes were cited as reasons for employers not taking advantage of funds, and people not being served. Furthermore, stakeholders described how employers are burdened with the inconvenience of submitting the same information multiple times if they are involved with programs under different contracts. The administrative burden associated with the CJG and wage subsidies were specific examples where processes should be simplified.

Stakeholders commented that there is a need to re-examine the way in which successful outcomes are defined. In particular, performance measurement was seen as too narrowly focused on employment outcomes, and that broader social outcomes should be taken into consideration. In addition, performance outcomes should take into account milestones or incremental improvements. These could be attached to incentive payments for clients or service providers.

Another comment made was that when pilot projects are completed and show positive findings, they should be implemented, not ignored. At the pan-Canadian roundtable with employers, the UPSKILL pilot was recognized as a proven success, but one that did not have much take-up downstream.



### 3.2.5 Multi-year funding to achieve stability and foster innovation

Some participating service providers underscored the need for sustainable, multi-year funding. Funding over the last decade has declined while service providers have been asked to do more – this trend should be reversed, they argued. Multi-year funding is needed for stability and to achieve the flexibility required to respond to individual client needs. Furthermore, it was mentioned that short-term contracts do not incubate innovation; multi-year, core funding is necessary to allow organizations to try innovative approaches.

Several stakeholders also spoke about the need for additional funding to cover administrative services. They pointed to the administrative burden involved in reporting to both the provincial/territorial and federal governments, and supporting separate audits.

## 4. Inform (what do we know)

Accurate and timely information about labour market trends, population changes, stakeholder priorities, and current employment outcomes is crucial for delivering evidence-based employment programs and services in Canada. This labour market information (LMI) helps to inform decisions on funding, program design and service delivery at the federal, provincial/territorial, and local levels, ensuring that employment programs and services are aligned with current labour market realities. A key priority of the FLMM consultations was to explore ways to best support the collection and dissemination of high-quality information relevant to employment and training programs.

This section of the report summarizes stakeholder discussions regarding LMI in three main areas:

- The types of LMI that are most valuable in supporting jobseekers, employers, and workforce development;
- Best ways to engage stakeholders to improve sharing of information; and
- The types of information Canadians need to better understand the outcomes of investments in employment and training programs.

### 4.1 Labour market information (LMI)

Many participants recognized that all Canadian provinces, territories, and the federal government play integral roles in the collection, production, and dissemination of LMI. Many praised the comprehensive LMI websites developed in some P/Ts, but also suggested that these websites could be better utilized to inform decision-making. As well, a number of respondents noted the importance of F-P/T collaboration to produce more current and accessible LMI.

#### 4.1.1 Who uses LMI, and how?

Stakeholders emphasized that LMI is critical for a wide range of stakeholders engaged with the employment and training system. Accurate LMI provides crucial information on the composition, demographics and productivity of the labour force and the quality of the matching process between labour market supply and demand. This information helps support informed decision-making across a broad range of stakeholder groups.

For governments and service providers, LMI provides a crucial input into program design and planning decisions. Accurate information on labour market needs allows governments and providers to target education and training investments more effectively.

For industry groups and employers, LMI can facilitate workforce development planning by providing an overall picture of the composition and skills of the workforce. This information helps employers plan for current and future labour needs by identifying key skills gaps, relevant demographic shifts, or other important trends.

Postsecondary institutions use LMI to learn about what educational and training opportunities offer the best chance of career success. This information can be used to inform program planning decisions and advice to students.

LMI is used by jobseekers, as well as employed Canadians, to understand where opportunities for success lie in today's and tomorrow's labour market and to make informed decisions regarding their education, training, and career pathways. LMI is essential for individuals throughout their careers, but is particularly important when transitioning in or out of a particular career pathway.

Regardless of who is using LMI, participants in the consultations argued that rapidly changing economies and labour markets make it difficult for stakeholders to keep up with the production, dissemination, and use of LMI. Given this, a deliberate and coordinated approach to LMI is needed.

#### 4.1.2 What are the features of “good” LMI?

Participants highlighted that LMI needs to be timely, relevant, accurate, reliable, granular, and accessible.

##### 4.1.2.1 *Timeliness*

LMI needs to be consistently up-to-date and available at appropriate times during planning and decision-making cycles to inform stakeholders' responses in meaningful ways. Currently, most data available are not as up-to-date as needed. Some participants suggested that LMI should be made available more often (i.e., weekly or monthly rather than annually). One stakeholder specifically mentioned that labour supply data are only reported every five years in his/her jurisdiction, whereas training and employment planning require much more timely data.

##### 4.1.2.2 *Relevance*

LMI must also be relevant, providing information pertinent to stakeholders' needs. Some respondents noted a disconnect between the information provided by governments, and the information employers and jobseekers need. Engaging diverse groups of LMI end-users in a discussion about their information needs can help to ensure relevance.

Contributors identified several types of information most relevant for jobseekers. To support career planning, jobseekers should have data on a wide range of available career pathways. This data should include a number of key pieces of information about each career pathway, including education and skills requirements, working conditions, potential employers, opportunities for career advancement, typical earnings growth at entry, and expected earnings growth over time.

In addition, jobseekers can benefit from information on immediate and future labour market trends related to emerging sectors and occupations, in-demand skills, and job vacancies. Some participants suggested that LMI for jobseekers should be available by region, sector/industry, and for specific groups (e.g., members of official language minority communities). Participants also noted that this information should be sensitive to cultural and gender differences.

Employers, on the other hand, require LMI that supports their workforce development needs. Participants identified several sources of information as relevant in this regard:

- General characteristics of the workforce (e.g., number of postsecondary graduates by postsecondary program, number of apprentices, number of recent immigrants and where they are settling, Indigenous workers, number of people with disabilities);
- Jobs available by sector and the types of jobs (e.g., full-time, part-time, contractual, and seasonal);
- Skills and capabilities of the labour force; and
- Information on the movement of workers.

Employers are also interested in information on current and future trends in wages, opportunities and threats faced by different industries, and trends in the demand for skills. As with LMI available for jobseekers, it was proposed that LMI for employers should be available by sector and province/territory.

Stakeholders in more remote areas noted that traditional work activities are often overlooked in data gathering, yet they offer important information with implications for the local labour market. Similarly, indicators used to report on labour market participation in Canada are not always the best fit for rural and remote regions.

#### *4.1.2.3 Accuracy and reliability*

Accurate and reliable LMI is key to supporting planning and sound decision-making. If LMI is not accurate, investments in employment and skills training programs may not reflect the reality of the Canadian labour market. This could result in programs and services that are not aligned with industry needs. For workers and jobseekers, inaccurate LMI may lead to career planning decisions that are not based on sound information about the labour market, resulting in potentially negative employment outcomes. These negative outcomes could also affect service providers, whose performance is often measured by their success in connecting jobseekers to employment.

If LMI is not reliable, it is difficult for stakeholders to make accurate comparisons across regions and over time. The reliability of LMI can be ensured

through the coordination and collaboration of stakeholder groups involved in collecting LMI, ensuring consistent processes and standards for data collection. For example, it is important to ensure that information collected uses common timeframes and defines geographic areas in the same way.

#### 4.1.2.4 Granularity

Many stakeholders emphasized that LMI should be available for local geographic areas as well as at the federal and provincial/territorial level. Local data helps users better understand local needs, and ensures providers can offer supports and services that align with these needs. Understanding the local context is particularly important for smaller and/or remote communities, Indigenous communities, and rural areas, which often face unique labour market challenges. Granular LMI is also an important tool for allowing people – especially youth – to plan careers that will allow them to stay in their communities.

LMI should also be available for different demographic groups, such as people with disabilities, youth, Indigenous people, recent immigrants, and official language minority communities, to support planning and decision-making regarding their unique needs.

#### 4.1.2.5 Accessibility

It was a widely-held belief among stakeholders that to be accessible, LMI must be provided in a format that respects user needs and abilities. Given this, information should be presented using simple and plain language devoid of technical jargon. Presenting data visually using multimedia/web tools are potential strategies for aiding interpretation of information. To increase reach, LMI could be made available in different languages.

Stakeholders made suggestions about online LMI: that it should be sortable and searchable, and users should be able to customize reports; as well, it should be available both as raw data to allow stakeholders to explore trends in the data and generate new insights, and as analysed data that is easily understandable by all.

Given that many intended users of LMI may not always know how to interpret LMI, having LMI specialists within user organizations (such as service provider organizations and educational institutions) was noted as a useful strategy.

### 4.1.3 The need to improve the production and dissemination of LMI

Participants offered several suggestions for improving LMI production and dissemination. Suggestions included developing a coordinated approach to data collection, improving promotion of LMI, and including a broader range of outcomes in measuring the success of employment and training programs.

The current state of LMI availability was described as fragmented, with gaps in the availability of data for labour demand and supply and the outcomes of employment and skills training programs. A collaborative system in which multiple stakeholders contribute to the production of LMI could improve the quality, comprehensiveness, and timeliness of the information available.

Some stakeholders specifically promoted development of a pan-Canadian online portal to access LMI. They described how, in the spirit of collaboration, stakeholders such as employers and sector councils could also use this portal to input LMI. Other potential collaborators in the generation of LMI include provincial career centres and individual employers, although it was recognized that one potential challenge to this approach is the additional burden it would place on employers and other partners.

Government investment in the promotion of LMI was seen as necessary for improvement. Governments could promote the use of LMI by developing a comprehensive communications strategy that outlines how and when information is shared. It was felt to be important that information be shared with all relevant stakeholders including sector councils, chambers of commerce, and businesses. Practically, dissemination could take the form of a national hub for sharing LMI with links to provincial, regional, and local information. Information could also be shared and promoted through partnerships with employers and community organizations.

In terms of LMI data content, some participants felt the definition of success for employment and skills training programs should be expanded to capture a broader range of outcomes and milestones. Current performance measures for these programs tend to focus primarily on employment outcomes. Alternative measures were proposed that capture other dimensions of success such as enrollment in education/training, reductions in use of social assistance, reduced incidence of risk behaviours, life satisfaction, resiliency, and individual well-being (e.g., self-confidence). Some participants felt that focusing strictly on employment outcomes is viewed negatively by many stakeholders, who value the social gains of participation in employment and training program alongside employment outcomes. At the same time, some participants emphasized the need to focus more on outcomes and less on the means by which outcomes are achieved.

Other areas of improvement for LMI noted by stakeholders include updating the National Occupational Classification (NOC) codes to more clearly reflect occupations in sectors such as agriculture. Linking various sources of data, including tax, EI data and post-secondary institutions data, to monitor outcomes for post-secondary graduates was viewed as desirable to enrich LMI. New Zealand was mentioned as a model to follow in that respect.

## 4.2 Engaging stakeholders

Participants were asked to reflect on the best ways to engage stakeholders to improve sharing of information. Responses focused on identification of key stakeholders and specific strategies for successful engagement, as described below.

### 4.2.1 Identifying stakeholders

Identifying relevant stakeholders is crucial for ensuring information is shared with those who are best positioned to use it. A wide range of stakeholders should be engaged, including governments, employers, the non-profit sector and community organizations, educational institutions, and users of supports and services.

Employers' participation is crucial due to their active roles in workforce development and skills training in Canada. Engaging employers can help ensure programs are aligned with their needs, and governments have up-to-date information about the challenges and opportunities facing their industries.

The non-profit sector and community organizations often provide employment and training services and other related services (such as ESL programs). As such, they have important insights into the needs of Canadians that can be used to inform decision-making. The same is true of educational institutions, which play a key role in educating and training the workforce.

Some participants emphasized that it is also important to engage service users, especially vulnerable groups such as people living with mental health issues, people with disabilities, older workers, Indigenous people, and youth. Engagement with associations and organizations representing these groups was proposed as a strategy for obtaining these perspectives and ensuring they inform decision-making.

In addition to engaging specific types of stakeholders, there were several mentions of the need for engagement to have a regional focus, to reflect the realities and challenges faced in regions and to enable sharing about local conditions. This was especially true for participants from more remote or northern regions.

Overall, participants emphasized that engagement of stakeholders needs to be meaningful for all stakeholder groups, meaning that stakeholders are aware of the intent of the engagement ahead of time and have genuine opportunities to influence decisions. Following-up with stakeholders after consultations was also mentioned as an important strategy.

### 4.2.2 Effective approaches

#### 4.2.2.1 Labour market forums

Many participants felt that labour market forums are an effective form of engagement. These are periodic and/or regular regional or provincial/territorial

forums that bring together relevant stakeholders to discuss current and future labour market trends, assess needs and priorities, and generate input on potential strategies. Because these forums involve face-to-face interaction, they are effective in building relationships and trust. A few participants highlighted that based on their experience, these types of forums are successful for sharing information and learning, as well as providing opportunities for partnership and networking.

#### 4.2.2.2 *Leveraging established channels*

Many participants felt that effective stakeholder engagement occurs when well-established channels such as sector-based umbrella organizations, Chambers of Commerce, member associations, and networks, are leveraged. Due to their reach and established distribution channels, leveraging these groups may be a good use of resources to ensure information is widely shared.

#### 4.2.2.3 *Other approaches*

Some participants highlighted other effective ways of engaging stakeholders, including one-on-one visits, learning sessions such as conferences and lunchtime sessions, an active social media presence, small group discussions, and telephone and online surveys.

### 4.3 **Communicating with the public**

The stakeholders consulted recognized that Canadians need to have a better understanding of the value of government investment in employment and skills training programs. They felt it is crucial for the general public to understand where money is being spent (i.e., what types of supports and services are offered and to whom) and how the investments contribute to local economic growth.

Stakeholders highlighted the importance of conducting research and pilot projects to measure the long-term value and outcomes of government investment in programming. They offered several suggestions of ways in which research findings and project results can be communicated to the general public, including developing a website that shares evidence and evaluation results for existing programs; creating provincial/territorial award programs that encourage communities to share their best practices; and generating annual reports that provide a high-level overview of program outcomes and impacts.

#### 4.3.1 **The importance of both quantitative and qualitative information**

Many stakeholders emphasized that both quantitative and qualitative data must be collected and disseminated in order to provide a complete picture of the value of employment and skills training programs. They offered suggestions about the types of information that would best help Canadians understand the value of government investment in employment and skills training programs.



#### 4.3.1.1 Quantitative data

Stakeholders emphasized the need for rigorous return-on-investment (ROI), cost-benefit, and social return-on-investment (SROI) studies of employment and skills training programs. ROI and cost-benefit studies were deemed useful for showing the impact of increased employment and skills training opportunities on the individual and the community, as well as showing reductions in costs to society and increases in tax revenues. SROI studies take into account the broader impacts of programming and attribute a financial value to a social impact that might otherwise be neglected or misunderstood.

Using these approaches, stakeholders felt it would be helpful for Canadians to understand the degree to which programming increases provincial tax revenue, decreases unemployment, and increases employment opportunities. They also noted that more information is needed regarding the reach of employment and training programs, and their potential to benefit multiple stakeholders, including jobseekers, communities, employers, and government.

#### 4.3.1.2 Qualitative data

Qualitative information provides additional detail that puts quantitative information in context. In terms of ways to present qualitative data, the ‘success story’ was lauded as the best approach by many participants. Stakeholders explained that stories of successful Canadians and organizations are most impactful because they showcase the personal impact of investments in employment and skills training programs on individuals and employers. This is especially true for local success stories, because they make outcomes more relatable for individuals of that community.

Success stories also foster a deeper understanding of the ways in which the current labour market and economic realities affect us all because it is easier to connect to a story than to numbers. As stated by stakeholders from a P/T tourism industry, this type of narrative “helps build the labour market narrative one story at a time.” Because of the personal nature of stories, it is important there are a variety of success stories for different groups such as young people, students, job seekers, and people seeking new skills or careers.

#### 4.3.2 Information gaps

Many respondents highlighted that there is room for improvement in sharing information about the results of employment and training investments with the general public. Currently, it can be difficult for many members of the public to understand where investments are made and what they achieve, given that there are four separate LMTA agreements.

There is a need for more evaluations of current employment and training investments and more widespread sharing of evaluation results so that the public has a better understanding of the value-add of the labour market transfers.

Moreover, to increase consistency and interpretability of outcome reporting, stakeholders highlighted that there needs to be pre-determined performance measures that are consistent across program evaluations to allow for proper comparison. Consolidation and coordination of research and evaluation is needed to reduce duplication.



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