



# Working together

Implementing a demand-led employment  
and training system



# Preface

The 2008 credit crisis saw millions of workers around the world suddenly lose their livelihoods. As businesses struggled to finance their daily operations, demand for goods and services dropped dramatically and many soon found themselves unemployed.

Owing to a conservative business culture and a well-regulated banking system, the Canadian economy fared better than most Western industrialized countries. However, the credit crisis pushed the issue of economic growth to the top of the agenda for Canadian business and government leaders alike. Today, as the world economy stabilizes, policy-makers are still preoccupied with economic growth. But there's a growing push on a related issue – job creation. As seen at the February 2014 meeting of G8 finance ministers, policy makers are now focused on stimulating demand to drive higher employment.

But it's not just job creation that is critical to a successful national employment strategy. We have to make sure that our workforce and particularly those who are currently unemployed and facing barriers to work are being trained for the jobs of the future rather than those of the past. Otherwise we risk having serious unemployment, underemployment and productivity issues even in the context of a growing economy.

And frankly that issue is what this paper addresses. Our belief is that Canada's current employment training and social assistance systems are not up to this task. They must be redesigned and implemented in a manner much more responsive to our future workforce development requirements. Employers currently play virtually no role in designing and delivering our employment and training programs and this must change or we will continue to pay a severe price in terms of employment and productivity.

Implementing this approach will present a challenge to the existing system and its stakeholders. However, with the support of business and government leaders, Deloitte and Social Capital Partners believe that this model can be successfully adopted, leading to higher prosperity for more Canadians.

We look forward to working with business and government leaders to make this demand-led model a reality for Canadian employers and jobseekers. Please join us in this important discussion.

**Paul Macmillan**  
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# Executive summary

Canada's approach to training and development needs reform. Billions of dollars are being spent annually on job training and skills development with limited evidence of lasting benefits. Most problematic, employers' talent needs (i.e., actual skills demand) are not formally embedded in the process of determining how or where money is spent, leaving a fundamental disconnect between demand for skills and the investments being made by governments.

## What needs to be improved?

- **Investment model:** Establish Public-Private Partnership models for training and career development investments to ensure that government and employers collaborate on decision-making.
- **Data analysis:** Collect, track, and analyze investment and outcome data at the employer and individual level to better understand what programs and services are working. Use predictive modeling to support forecasting of skills shortages and help direct investments.
- **Evaluation:** Fund and develop employment and training systems based on employment outcomes.
- **Process:** Implement innovations to accelerate job readiness, expedite job placements, strengthen retention and improve system service delivery.
- **Program design:** Launch pilot projects to test assumptions, share learning and refine recommendations while transformational programs and services are being designed.

The goal of these proposed reforms is to help unemployed Canadians find lasting employment more quickly than is currently possible with the majority of existing programs. Government-funded employment programs must shift away from being driven by perceptions of labour supply needs to being driven by actual employer demand.



The current system is operated and funded to supply skills and talent to the labour market. This leads to program administrators and related staff viewing jobseekers as their customers, such that the focus is on what skills and talents the individuals already have. In this model, demand in the labour market – the skills and talents companies actually need – is secondary, resulting in a mismatch between the demand for talent and the supply of job-ready people. By working to explicitly match unemployed talent to current and forecasted demand, thereby treating *employers* and *job seekers* as equally important customers, investments in training and employment services will yield a much greater return.

With bi-lateral labour market funding agreements in the process of being renewed, the time is right for significant reform to the way Canada approaches employment and training services. We recognize that some governments have already begun to take incremental steps toward demand-led systems change. We believe, however, that more can, and must, be done.

#### **What are the benefits of a demand (employer) focused system?**

Adopting a demand-led approach that meets the needs of employers will create significantly more opportunities for population groups overrepresented in unemployment statistics (including those who have challenges accessing the labour market) to access decent and sustainable jobs. To get there, however, collaboration is needed from all levels of government. Each level must be willing to critically examine their current employment and training services and be open to fundamental change.

Shifting the current employment and training support system to one that is demand-led will also have “knock-on” benefits across government. A major challenge commonly experienced by employers has been that job seekers referred through the current system are ill-prepared for their entry or transition back into the workforce. This is often due to a lack of essential skills and knowledge of workplace norms and expectations required to succeed. Results have included both poor job retention and, in too many cases, individuals returning to government programs and assistance.

In contrast, upskilling otherwise barriered job seekers in ways that meet employer needs and streaming them into more suitable and sustainable employment can liberate more individuals from their dependence on publicly funded programs and services, thereby achieving significant taxpayer savings through a positive return on investment for government.

Ultimately, a shift in focus from placing skill sets not necessarily in demand to training people with new skill sets that are in demand is the fundamental change needed to achieve a sustainable and productive labour market in Canada. Additional benefits include:

- Facilitation of recruitment channels to better match individuals receiving government-funded employment services to employers – creating a business case for employers to actively participate in the system.
- Enabling ongoing research for innovative models and global best practices.
- Enhancing responsiveness to local employer needs and the diversity of the labour markets represented in communities.



## A mismatch of supply and demand

# The current environment

Although Canada's post-recession labour market continues to recover at a faster rate than other OECD countries, employment-related challenges threaten Canada's long-term prosperity. <sup>1</sup> Indeed, the country's employment growth in 2014 is on track to be the slowest since 2001, outside of the last recession. <sup>2</sup> This is discouraging news, especially for the nearly 1.4 million out of work Canadians. Even worse is that many businesses are indicating they are unable to locate, hire and retain qualified employees.

According to a 2012 report from CIBC, 30% of businesses indicated they could not find workers with the skills they need – double the rate seen in early 2010.<sup>3</sup> Furthermore, the number of job vacancies has risen by close to 16% over the past year – bringing the vacancy-to-unemployment ratio to its highest level since Statistics Canada started reporting job vacancies.<sup>4</sup> Research from the Canadian Federation of Independent Business also shows that in the first quarter of 2013, 295,000 private sector jobs had gone unfilled for more than four months, representing a long-term vacancy rate of 2.5%; this rate has steadily increased since the middle of 2009.<sup>4</sup>

### **Overview of current Canadian employment and training services**

Canada's existing employment and training services system is represented by a fragmented community of service providers and multiple levels of government involvement, resulting in uneven service and coordination. Although the programs' intended outcomes are clearly articulated – get people back to work – measuring success, ensuring consistency in service delivery and aligning jobseeker needs with available labour market opportunities all prove to be challenging.

The existing environment is also a patchwork of providers often competing for funding and jobseekers with limited ability or incentive to actively engage with employers. The systems do not work to formally understand employers' needs or the supports they require to locate workers and prepare them for lasting employment. A major challenge has been that jobseekers referred through the employment and training system are often ill-prepared for their entry or transition back into the workforce. They lack the essential skills and knowledge of workplace norms and



expectations required to succeed. The result is poor retention and, in many cases, individuals returning to government assistance programs.

The *Federal Employment Insurance Act* governs the majority of funding in this area. However, the provinces also make substantial investments and have responsibility for designing their own models for front-line service delivery. In many provinces, social assistance, labour market and employment programs are not integrated or coordinated. As a result, it is confusing and difficult for individuals and employers to connect.

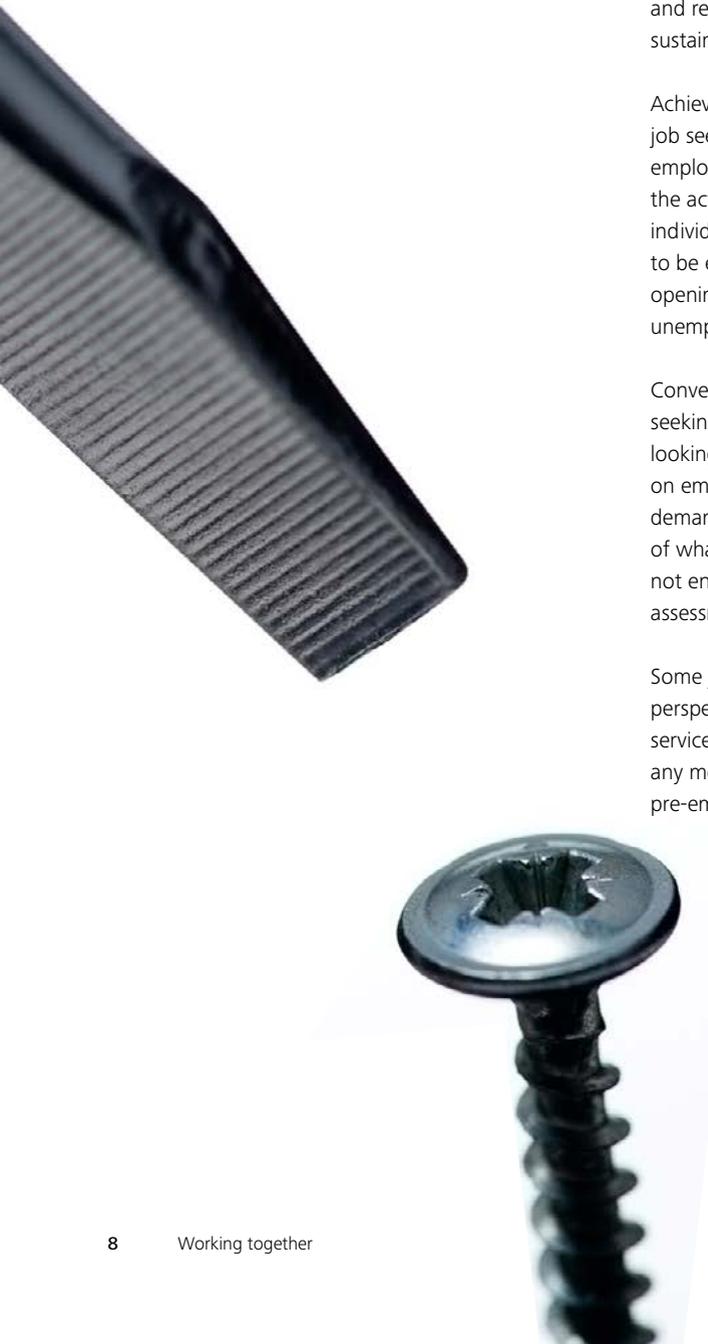
Given that bi-lateral labour market funding agreements are in the process of being renewed and the debate continues around pending employment reforms such as the Canada Job Grant, the time is right for significant reform in the way Canada approaches employment and training services.

#### **Employer-related challenges in the current system**

The issues and challenges in Canada's employment and training system have been documented in many comprehensive studies. In Ontario, for example, the Commission on the Reform of Ontario's Public Services

(Drummond Commission) and the Commission for the Review of Social Assistance in Ontario (Lankin-Sheikh Commission) provide an excellent basis for understanding the current situation. Although the studies are Ontario-focused, similar issues exist in many provinces. Rather than attempt to recap all the issues in the system, this paper will focus on two interconnected challenges related to serving the demand side of the labour market.

**Distance** – The longer an individual is unemployed, the further they are from sustainable attachment to the labour market. For example, an individual's skill base is likely to erode over time, making it increasingly more difficult for the individual to re-enter the workforce as time passes. Or consider the impact of unemployment on youth: significant research has been conducted into the effect of periods of youth unemployment on future earnings and employment status. Overall, findings show that youth who experience unemployment are more likely to experience future periods of unemployment and to have reduced future employment earnings in adulthood. These effects are often called "scarring."<sup>6</sup> Long-term unemployment also results in longer-term dependence on government assistance.

A black comb is positioned diagonally on the left side of the page, pointing towards the bottom right. Below it, a silver screw is shown vertically, pointing upwards. The comb has a textured, ribbed surface. The screw has a Phillips head and a threaded shaft.

**Skills gap** – While the debate around the extent and scope of the skills gap continues, the basic consensus is that there is indeed a skills gap in Canada, largely driven by ongoing Baby Boomer retirements. High unemployment (particularly for youth) means that fewer individuals are developing the skills and human capital Canadian businesses will need to compete and win in domestic and international markets. Investing in the skills training of Canadians will benefit Canada’s economic growth while also preventing the gap from widening and becoming even more significant in the future. Linking skills training to employer demand will provide benefits to employers and individuals alike. Employers will be able to find, develop and retain talent with the right skills; individuals will gain the skills they need for sustainable and fulfilling employment.

Achieving a system that truly meets the needs of Canadian employers and job seekers will require transforming the existing supply-demand interface of employment and training services. Currently, demand is under-represented and the actual needs of the market are not consistently met. For example, low-skilled individuals, who are unattached to employment markets but have the potential to be engaged with limited training/intervention, are not visible to employers with openings in lower skilled jobs. These positions go unfilled while individuals remain unemployed.

Conventional solutions fixate on the supply-side (i.e., the perspective of individuals seeking jobs) rather than the demand-side (i.e., the perspective of employers looking to find talent to meet their needs). Canada is spending billions of dollars on employment and training services to build skills and capabilities that are not in demand in the marketplace. Even though employers have the best understanding of what the market needs now and will need in the future, they are typically not engaged in the design of programs, funding decisions, or the selection and assessment of service delivery partners.

Some jurisdictions are in the early stages of being more responsive to the demand perspective with pilot projects that include employers in design and delivery of services. It is early days for these types of initiatives, though, and they are not by any means including the demand perspective throughout the entire value chain from pre-employment assessment and training through to post-employment supports.

### Social and economic costs of long-term unemployment

The cost of the supply-demand mismatch is substantial. Provinces are requiring an increasing amount of funding for social assistance programs. These program expenditures are growing at two or three times the rate of economic growth in many provinces (see Figure 1). Employment and training are core elements of social assistance programs. But ineffective or inefficient employment programs create a downward spiral that further increases demand for social assistance. For instance, a significant percentage of people on social assistance leave the system only to return in a short period of time. More efficient and demand-driven employment services could lower this return rate and generate significant tax savings for government.<sup>7</sup>

In addition to repeated demand on social assistance and employment and training support, long-term unemployment has an indirect impact on demand for a range of public services. Research on the social determinants of health indicates that unemployment and underemployment take a significant toll on individual health (both physical and mental), which in turn increases costs to the public healthcare system. Likewise, increased risk of drug and alcohol abuse, as well as criminality, imposes public costs that go beyond the provision of health and criminal justice services. These costs provide a further incentive to develop effective programs with a goal of targeting unemployed individuals, including those facing barriers to employment.

Unemployment and labour market challenges represent billions of dollars in lost economic activity

and tax revenue. This results in larger government expenditures for employment and training services that are meant to get people viable work quickly and to reduce the financial and emotional burden for those who are out of work for long periods of time. Federal and provincial transfers to provinces related to employment services grew from \$19.1 billion to

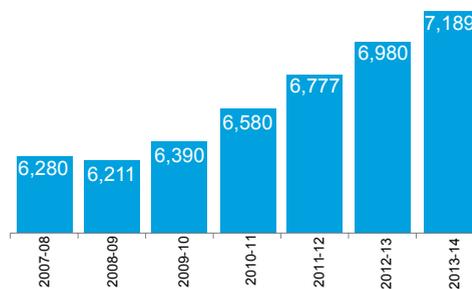


Figure 1: Federal transfers to Provinces and Territories for social assistance and social services (\$M)

\$31.9 billion between 2000 and 2009. Since then, that amount has continued to grow.<sup>8</sup> As of 2013-14, social assistance transfers amounted to \$7.2 billion and that number is anticipated to increase. Given the scale of these expenditures, we ought to expect far greater returns on investment, and we believe that the introduction of a demand-led system will significantly reduce such costs.

The status quo is simply no longer viable, and mere incremental adjustments are insufficient to meet optimal long-term outcomes. Transformation is required. It's time for change.

A solution for better outcomes

# Demand-led employment & training services



## What is a demand-led system?

A demand-led system includes active engagement of employers in employment and training programs to ensure alignment with current and projected job requirements.

Employers must be integrally involved in the design and performance of the employment and training system. That means involvement at each step – from intake to post-hire support – has to be consistently evaluated to inform continuous improvements that deliver successful employment outcomes. The benefit of designing through the lens of labour demand will include obtaining the real time data required to prove the business case to employers that the improved employment and training system is a viable and competitive recruitment channel.

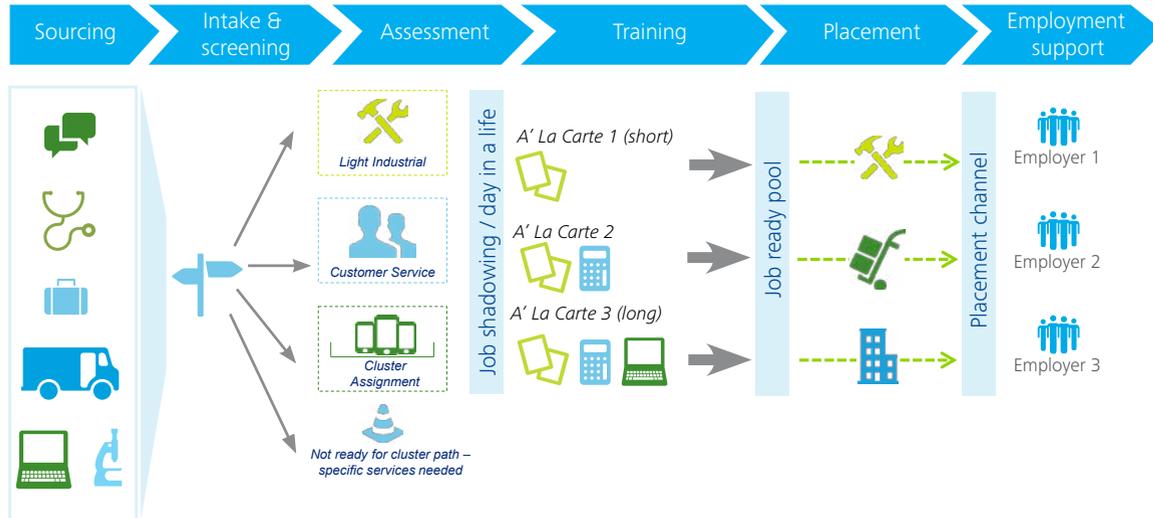
The idea of involving employers in the design of the pre-employment services is

not new. But it has not been embraced in Canada as the basis for systematic change.

Engagement of employers can be firm-, sector- or industry-specific. In fact, what's needed most is a move away from one-size-fits-all approaches. The goal is to create a seamless experience requiring minimal effort for navigation and coordination. Employers' needs should be understood and incorporated throughout the entire value chain (see Figure 2).

This more holistic approach would involve workforce development, economic development, education, health and social services considerations in the design and deployment of training and employment support services. Meaningful and sustainable change will require a significant culture shift across the current funding and service delivery agencies.

## Employer needs



## Guidelines

- Sourcing & intake based on employer input
- Candidates must have enough information to self-select out during intake process
- Screening / selection based on criteria developed with employer input
- Effective assessment of skills as well as personality fit with skills-based cluster and industry
- Employer input into training programs
- Customizability of training modules for candidates of different sectors and skill levels
- Cluster-specific training, followed by industry or position-specific practical training
- Matching based on comprehensive knowledge of employer needs
- One point of contact for employers
- Pre-interview information sessions or networking events to increase effectiveness
- Segmentation of employers based on requirements & needs
- Access to coaching / mentors
- Clear communication channel to employers to manage candidate performance-related issues
- Peer support

## Pre-and post -employment support

Figure 2: demand-led employment system value chain

Viewing the employment services model as a value chain illustrates the intersection points for employers to participate either as drivers of the system or consumers of services. All of the discrete components – from sourcing to performance – offer potential for improvement with the addition of the demand perspective through the guidelines provided in Figure 2.

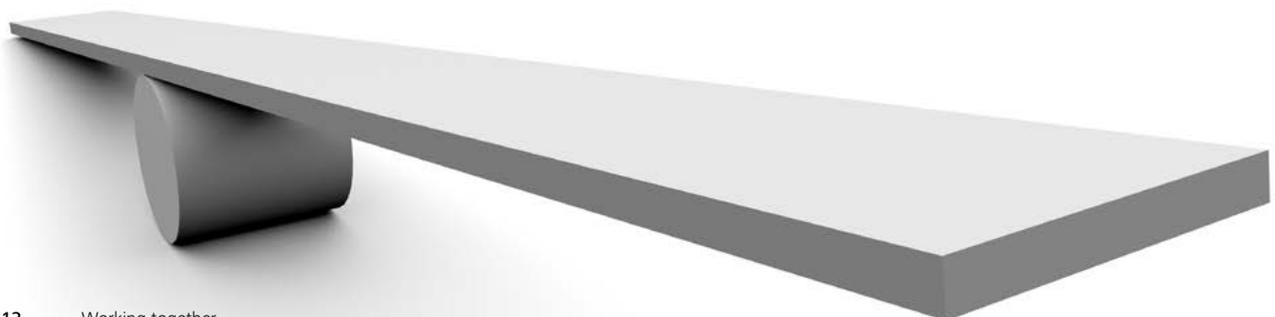
The key is that the value chain is driven by the hiring requirements of employers and integrates employers in the service delivery. The following principles offer guidance on the collaborative integration of employers in employment program service delivery:

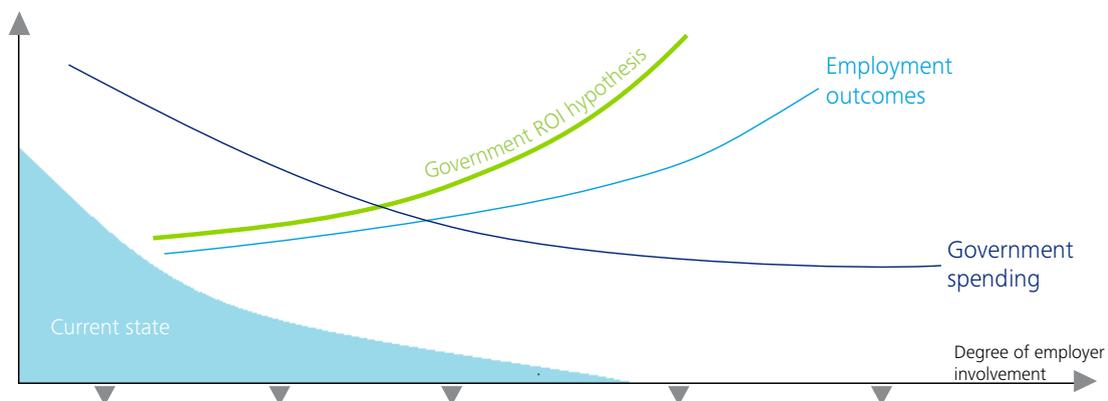
- Design and deliver training and support systems to meet needs of candidates and employers.
- Establish program models based on employers' size, geography, job opportunities and sector.
- Identify transferable solutions that can be scaled across geographies and sectors.
- Collect, track and analyze data on where investments are being made at the employer and individual level to better understand what is, and is not, working.
- Fund and evaluate the government-funded employment and training system based on its ability to deliver successful employment outcomes.

Figure 3 segments different demand-led approaches by the degree of employer involvement and influence on a range of factors. It is important to define different types of demand-led approaches in order to provide a common language and test which types of approaches yield the most successful outcomes.

Today, most interactions between government funded service providers and employers are transactional – résumés of jobseekers ready for employment are sent to as many employers as possible with little consideration or knowledge of what specific employers are actually looking for and what would make for a good fit for the employer or the jobseeker. Figure 3 also outlines a continuum of possible demand-led approaches where employer needs are increasingly taken into consideration in order to ensure that all the pre-employment activities funded by government are actually making the jobseekers more attractive for employers and, even more importantly, that the jobseekers are set up for success once in a job.

Our hypothesis is that, as the involvement and influence of employers increases, so do both the government's return on investment and employment outcomes.



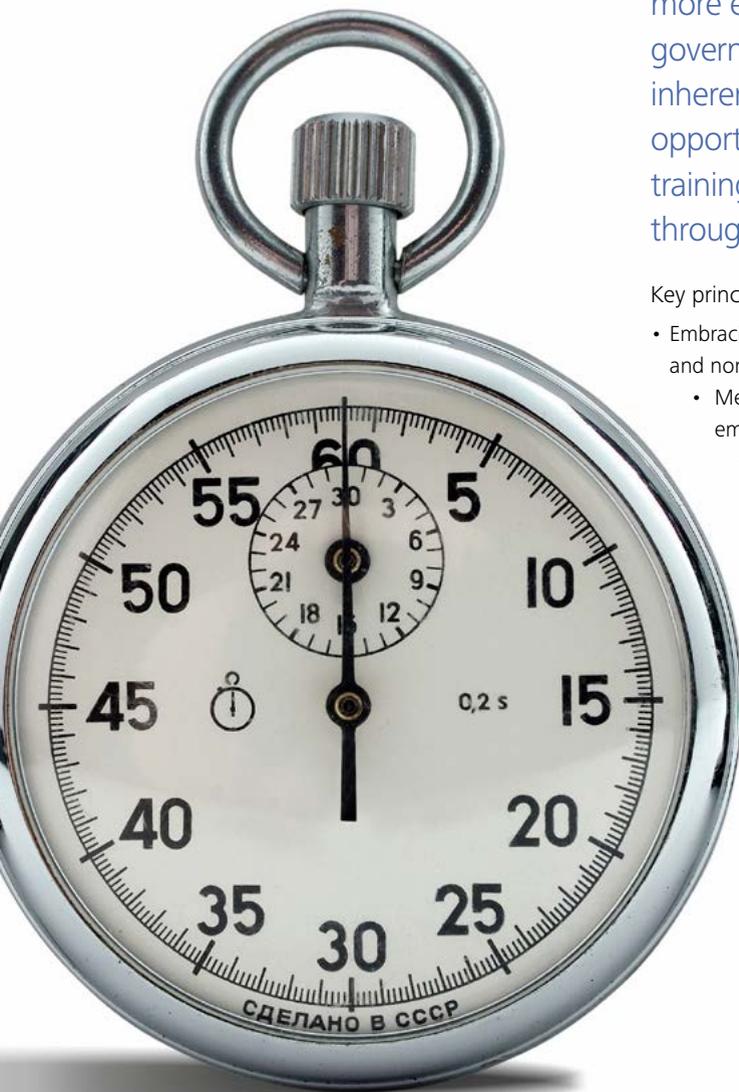


Employer Influence on	Transactional	Match Making	Co-Design	Employer-Driven	Public-Private-Non-Profit Partnership (P4)
Design of Value Chain	No	No	Some aspects	Yes	Yes
Direct Government Funding	No	No	Indirect influence	Indirect influence	Direct influence
Governance of Programs / Systems	No	No	Indirect influence	Some aspects	Yes
Selection of System Delivery Partners	No	No	Some aspects	Yes	Yes
Employers Accountable for System Performance	No	No	No	Yes	Yes
Definition	<ul style="list-style-type: none"> <li>No involvement of employers</li> </ul>	<ul style="list-style-type: none"> <li>Understand hiring requirements of employers</li> </ul>	<ul style="list-style-type: none"> <li>Employers provide input on select components (e.g., training curriculum)</li> </ul>	<ul style="list-style-type: none"> <li>Ownership for employment outcomes</li> <li>Iterative approach to improve design (e.g., value chain re-design to better meet employer needs)</li> </ul>	<ul style="list-style-type: none"> <li>Arms-length to government</li> <li>Co-directing government money</li> <li>Consists of public, private, and non-profit partners driven by labour market demand</li> <li>Overseen by government</li> <li>Outcome-based funding</li> <li>Pay for performance tools</li> </ul>

Figure 3: segmentation of demand-led approaches by degree of employer input and influence

# It's time for change

## Steps to action



Demand-led solutions require system-wide, collaborative participation between governments, employers, community service providers, jobseekers and organized labour. Supply and demand can be connected in a more efficient way to better meet citizen, employer and government needs. A shift to a demand-led system will inherently benefit jobseekers by increasing access to opportunities, improving the effectiveness of the skills training provided and improving support to individuals throughout the process.

Key principles to guide the design of a demand-led employment system include:

- Embracing Public-Private-Non-Profit Partnership models (P4) that make employers and non-profit service providers part of governance and decision making.
- Measuring, managing and funding the system on the basis of successful employment placement, performance and retention outcomes.
- Embedding employer needs in the employment system value-chain to include recruitment, retention and sustainability.
- Ensuring recruitment and hiring channels are visible and flexible to employers.
- Responding to the needs and diversity of local conditions.
- Employing predictive modelling to improve forecasting of skills shortage to direct training investments.
- Embedding a strong evaluation framework focused on continuous improvement into the design of the system.

Using these principles, we have developed six recommendations for federal and provincial governments in Canada.

- 1 **Shape the system** Establishing P4 business models encourages innovation in the delivery of employment services. Employers should be equal partners in ensuring that government investments in training and skills development are working. These organizations could lead the engagement of stakeholders, development of programs, identification of needs, promotion of jobseekers, allocation of resources and reporting on outcomes.

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- 2 **Measure, manage and fund the system on the achievement of successful employment outcomes** To ensure success, setting outcome objectives and measuring them will be essential. Performance measurement and evaluation of all elements of the value chain will assist with on-going innovation and continuous improvement. Rather than an exclusive focus on initial placement, performance metrics must take into account how well jobseekers are set up for success on the job. Moreover, using control group data from employers, we can assess how the performance and retention of hires through the demand-led system compare with that of other employees recruited through non-governmental channels. Employees that are sufficiently prepared for a new job are more likely to perform well, experience career advancement and stay in the job longer. An important indicator of success will be employers' views of the system as an effective and viable recruitment channel.

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- 3 **Train for the jobs of the future** With a constantly shifting and dynamic global economy, employment services and training programs should be an integrated part of a larger economic and workforce development strategy that tackles current and looming skills shortages head-on. This creates an opportunity for collaboration, coordination, information exchange and comprehensive workforce strategies to proactively address labour market complexity. This aligns with the holistic aim of a demand-led solution and can inform both the service delivery model and anticipated outcomes.

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- 4 **Focus on segmentation and clustering of positions** To achieve economy of scale and meet specific employer requirements, a cluster approach is recommended based on segmentation, either functionally or by industry sector. A cluster of similar job positions (e.g. customer service, administration, light industrial, etc.) allows for focus in specific areas but achieves economies of scale by spanning across multiple industry sectors. Assessment and training must be modular and cluster-specific in order to meet employer needs.

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- 5 **Integrate business focused intermediaries** Commercial recruitment services view the employer as the customer and have learned their needs and designed their product offering to align with the demand side. This service or approach should be an element in a demand-led environment focused on seamless account management, just-in-time hiring, one point of contact, résumé/interview screening and managing components of the hiring process.

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- 6 **Encourage flexibility, innovation and risk-taking** Systems change is hard and many of the initiatives attempted through demonstration projects often run into roadblocks. But failure can be productive as an iterative step in an action-based learning approach. The future state of a demand-led solution will need new partners and new methodologies, which won't come easily. A mindset of continuously testing what works and what don't work will require a paradigm shift from the current program delivery and growing pains are to be expected.

# A collaborative responsibility

## Bringing stakeholders together

A defined governance structure with diverse membership will ensure design and implementation of skills and training programs are aligned to meet identified needs.

The goals of the governance structure should be as follows:

- Address misalignment of supply and demand.
- Better service jobseekers and improve employment program outcomes.
- Influence human resources policy and practices within and across sectors.

A formal governance structure is required to bring everyone together. Any one of various models would be appropriate but, regardless of the model, steering committees should be organized by industry, geography, trade or functional skills (depending on local labour market conditions) to influence policy and program design.

The participation of leaders from business and government alike will be required to make the demand-led employment and training model a reality. Calls to action include:

### Jobseekers

Call upon business and government leaders to establish a demand-led employment and training model that equips you with the skills and knowledge required to secure and succeed at work.

### Elected officials

Set the vision and establish the target results. Your steadfast support in the face of stakeholders who may not support the transformation will be required to sustain the journey.

### Business leaders

Lend your voice to the growing number of businesses who have jobs to fill but too few qualified candidates to fill them. Demand action from government to transform the system.

### Employment service providers

Align with the vision by treating employers and job seekers as equally valued customers and offering solutions that profit everyone.

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# Appendix – Select demand-led initiatives

The initiatives presented in the table below reflect varying degrees of the demand-led continuum presented in Figure 3, incorporating some aspects of co-design, employer-driven and P4 into their design, delivery and governance. While some of these initiatives are more demand-led than others, all incorporate interesting demand-led elements.

## Demand-led initiatives: International

Program	Country	Key Attributes	Results	Notable Lessons
Michigan Works!	US	<ul style="list-style-type: none"> <li>• 25 agencies</li> <li>• Local and demand driven</li> <li>• Talent development board for each agency</li> <li>• State governance</li> <li>• Full range of service</li> <li>• View businesses and job seekers as customers</li> </ul>	<ul style="list-style-type: none"> <li>• Nearly 700 employers were eligible to access Michigan Works! Incumbent Worker services program from July 2007 to July 2008. Businesses that experience a decline or have identified a skills gap that impacts their ability to compete are candidate for these services. During the same timeframe, 13,000 employees received training.</li> <li>• Between July 2007 and July 2008, 86% of adult, dislocated worker and older youth customers in the Workforce Investment Act (WIA) program found employment and of those who participated 87% met retention rates for the program.</li> </ul>	Michigan Works! Is notable in that it treats employers as customers. Their business services team meets with employers to define demand and then works with job seekers developing their skills to fill identified demand

Program	Country	Key Attributes	Results	Notable Lessons
(continued)	(continued)	(continued)	<ul style="list-style-type: none"> <li>Over 90% of the participants in the younger youth program increased employability skills. 86% of customers seeking a high school diploma (or general equivalent) were successful. The return on investment for the WIA program is as follows: WIA Adult - \$1.33 for every dollar invested WIA Dislocated Workers - \$1.37 for every dollar WIA Dislocated Workers with extension - \$1.64 for every dollar</li> <li>More than 1/3 of Job, Education and Training program participants enrolled from Sept 2007 through October 2008 found employment with an average hourly starting rate of \$8.34. For every dollar invested in the JET program, \$4.13 was returned.<sup>9</sup></li> </ul>	Michigan Works! Is notable in that it treats employers as customers. Their business services team meets with employers to define demand and then works with job seekers developing their skills to fill identified demand

Program	Country	Key Attributes	Results	Notable Lessons
<b>Queensland Skill Plan</b>	Australia	<ul style="list-style-type: none"> <li>• State based skill plan</li> <li>• Goal for training to be aligned with needs of employers</li> <li>• Approach led by industry, government, unions and employers</li> <li>• 35 individual skill formation strategies introduced</li> </ul>	<ul style="list-style-type: none"> <li>• Increased sector and industry leadership and ownership in relation to skilling strategies. <sup>10</sup></li> <li>• Reduction in skill shortage levels from 2007 to 2010. <sup>11</sup></li> </ul>	The program featured a collaborative approach to creating labour market solutions and recognized that “adopting an industry led approach is seen to be central to the skill formation strategies, as flexible and responsive workforce planning and development requires the knowledge, input and support of all key players to be successful”.
<b>Ingeus</b>	United Kingdom	<ul style="list-style-type: none"> <li>• Outcome compensation model, every four weeks for a period of two years from initial attachment</li> <li>• Prime contractor model</li> <li>• Private, public and not-for profit providers</li> <li>• Referrals to providers based upon demonstrated success rate</li> </ul>	<ul style="list-style-type: none"> <li>• As of June 2013, Ingeus’s contract in East midlands has the largest “Proportion of Referrals to the Work Programme that have received at least a year of support on the Work Programme and achieved a Job Outcome payment within 12 months: to the end of March 2013” with 14.5% of job seekers receiving a job outcome payment. In East Midlands, there 21.06 thousand referrals and 3.05 thousand job attachments. <sup>(12)</sup></li> </ul>	This program is notable for being an outcome-based model where payment to service providers is determined by results.

**Demand-led initiatives: Canadian**

Program	Province (s)	Key Attributes	Results	Notable Lessons
Skills and Training Plan	British Columbia	<ul style="list-style-type: none"> <li>• Intended to give individuals the skills needed to meet demand for trades and technical training in BC.</li> <li>• The result of consultations with industry, employers and post-secondary institutions that took place during regional workforce tables, sector-based tables and through one-on-one conversations.</li> </ul>	<ul style="list-style-type: none"> <li>• In September 2013, BC released its 24 month progress report on the BC Jobs Plan. Between August 2011 and August 2013 44,900 jobs were generated, putting BC third in the country for job growth. It was previously in fourth place when the 18-month progress report was published.<sup>13</sup></li> <li>• BC reports it has made considerable progress on commitments related to this program, including: the introduction of Industry Training Authority (ITA) Apprenticeship Advisers to support apprentices and their employers; front-end training programs to reduce the amount of time apprentices have to spend away from the worksite; the development of a “Kindergarten through Red Seal Strategy” to get more youth interested in trades careers; and \$1.3M to help British Columbians take on higher skilled work in growing industries like forestry, mining, and construction.<sup>14</sup></li> </ul>	BC developed the Skills and Training program by leveraging the expertise and experience of employers, industry, and post-secondary institutions to tackle its regional labour market challenges.

**Demand-led initiatives: Canadian**

Program	Province (s)	Key Attributes	Results	Notable Lessons
<b>Social Capital Partners: Demand-Led Demonstration Project</b>	Manitoba	<ul style="list-style-type: none"> <li>• Design and test a scalable employment and training model, “Future State”, that more effectively meets the needs of employers and jobseekers with employment barriers</li> <li>• Demand-led value chain analysis where employers, government and service providers commit to test levers, such as new processes, tools and partners, for optimal impact at pre and post-employment</li> <li>• Prove to employers that the Future State Model is a viable, competitive and scalable recruitment channel</li> <li>• Prove ROI for the government achieved by demand-led approach</li> </ul>	<p>Project is in initial stages. First draft of “Future State Model” has been designed together with targeted manufacturing employers, government and service providers. Employers have committed to testing what works through an iterative process and multiple hiring rounds.</p> <ul style="list-style-type: none"> <li>• Environmental scan of local and international best practices with respect to employment and training services</li> <li>• Sector analysis to identify jobs of the future, skill gap and hiring needs</li> <li>• Each hiring round will be evaluated based on employment outcomes such as retention and satisfaction compared to control group hired through non-government funded channels</li> </ul>	<ul style="list-style-type: none"> <li>• The program focuses on clearly identifying the needs of employers and jobseekers through a segmented and cluster focused approach</li> <li>• Employers are taking ownership in design, outcomes and governance of model</li> <li>• Success will be measured based on the model’s ability to compete with employers’ traditional, non-government funded, hiring channels</li> <li>• Additional learnings will be forthcoming as activities progress</li> </ul>

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Social Capital Partners (SCP) is dedicated to discovering new and powerful ways to improve access to employment for those who find themselves at a disadvantage. Working closely with key players in the public, private and non-profit sectors, SCP aims to design, ignite, and prove new models that benefit job seekers and employers – sharing what works with strategic allies who can impact the most people. SCP is driven and guided by what will have the greatest impact on access to meaningful employment; Demand-Led System Change is one result of this unique approach.