

Employment Services  
Transformation &  
Workforce Development  
Report on Engagement Process

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## 1. OVERVIEW OF REPORT

This report summarizes the feedback received through a series of engagements with just over 100 external stakeholders. The report also benefitted from the extensive deliberations of an internal advisory committee, made up of senior staff from Toronto Employment & Social Services, Social Development, Finance & Administration, Economic Development & Culture, and Toronto Public Library. TESS and SDFA further held engagements with their own staff, and TESS also had an engagement session with Ontario Works clients.

This report explores two themes:

- 1) Advancing workforce development in the City of Toronto
- 2) City of Toronto's options with respect to the proposed Employment Service System Manager role for Toronto

### 1.1 CONTEXT FOR FEEDBACK FROM ENGAGEMENT RESPONDENTS

This engagement process covered a number of diverse topics, not only employment services and workforce development, but also issues such as a new model for employment service delivery, as well as a heightened focus on individuals further from the labour market. The individuals and organizations engaged in this process also represented a diverse group, from employment service providers to workforce development practitioners, from individuals who had direct experience with the first rendition of the new employment services model (the prototype sites in Hamilton-Niagara, Muskoka-Kawartha and Peel), to others who were barely familiar with the changes.

It is also the case that a stakeholder, when expressing an opinion or offering a recommendation, is not always aware of the roles of other actors in the system, including what levers may or may not be available to them, in terms of jurisdiction or funding, as well as in terms of administrative structures or capacity to take on a function.

Every effort has been made to accurately reflect the input, often by relying as closely as possible to the words transcribed in notes and summaries of the feedback. The purpose is to convey the feedback, not to edit or validate it. As well, an effort has been made to reflect how often a view was expressed ("many supported" or "a smaller group felt"). Prominence is also given to views which represented subject-matter expertise: workforce development practitioners will have a more developed view of what is lacking in the workforce development space, just as employment service providers are to be more relied upon to identify concerns relating to delivery of employment services, and their contribution in their respective fields are given greater weight.

### 1.2 KEY MESSAGES

This report provides extensive detail regarding a wide range of considerations respecting workforce development and employment services. The key messages are:

## FEEDBACK FROM ENGAGEMENT WITH STAKEHOLDERS

- There are significant concerns regarding the province's Employment Service System Manager model, a number of which are technical issues that could be resolved by the Province
- The deeper flaw in the ESSM model stems from its greater emphasis on achieving employment outcomes for individuals further from the labour market; it is widely believed that the appropriate responsibilities, capacity and financial resources are not in place under this new model to support the transition toward employment as was available under the previous OW system
- A number of respondents felt that the City of Toronto should, together with others, advocate for changes in the ESSM model and/or for a model that is unique to Toronto
- The majority view was that the City of Toronto should lead a bid for the Employment Service System Manager role in Toronto
- The majority view was that the City of Toronto should play a convening role to enhance workforce development in Toronto
- In both of these undertakings, the City of Toronto should forge effective partnerships with community stakeholders to achieve the desired outcomes
- The City of Toronto is well positioned to take on these roles because of its experience in these fields, its intimate knowledge of the city and the needs of its residents, its existing relationships with a broad range of stakeholders, its administrative and financial management capabilities, its commitment to other social goals such as poverty alleviation and equity, diversity and inclusion, and its ability to enlist other assets and resources
- This is not to say that there are not misgivings about the City of Toronto assuming these roles, primarily concerns regarding bureaucratic inflexibility, limited ability to react nimbly under changing circumstances and, as a government entity, a potential to be an overbearing partner

## FURTHER IMPLICATIONS

- Given the different nature of employment services and workforce development, and the concerns regarding the ESSM model, the further implication emerging from the messages are:
  - Regardless of whether the ESSM question was on the table, the City would benefit from leading a more enhanced workforce development strategy for Toronto
  - With the ESSM model on the table, a workforce development strategy is the necessary adjunct to making the ESSM model work
  - The City is best positioned to coordinate the dual functions of an enhanced workforce development strategy and leading the Employment Services System manager role

### 1.3 ORGANIZATION OF THIS REPORT

The rest of this report is organized as follows:

#### 2. CONTEXT FOR THIS ASSIGNMENT

How this assignment came about, as well as an overview of several provincial policy changes and their implications for service delivery of social assistance and employment services

### 3. SUMMARY OF ENGAGEMENT PROCESS

Description of the engagement process that was undertaken with stakeholders, notably interviews, focus groups and a survey

### 4. CLARIFYING THE TERMS: EMPLOYMENT SERVICES AND WORKFORCE DEVELOPMENT

A discussion regarding the conceptual differences between employment services and workforce development

### 5. HOW CITY OF TORONTO CAN BEST ADVANCE ITS WORKFORCE DEVELOPMENT PRIORITIES: WHAT WAS HEARD FROM STAKEHOLDERS

An overview of the workforce development landscape in Toronto and a summary of the insights from stakeholders regarding workforce development in Toronto

### 6. SHOULD THE CITY PURSUE THE NEW EMPLOYMENT SERVICE SYSTEM MANAGER (ESSM) ROLE AND, IF SO, IN WHAT CONFIGURATION: WHAT WAS HEARD FROM STAKEHOLDERS

A summary of the insights from stakeholders regarding employment services in Toronto, including: views regarding the EO system as it has operated to date; views in principle regarding the proposed ESSM model; insights about the ESSM model in practice, based on the three prototypes; views regarding the City role in relation to the ESSM model

### 7. VIEWS OF CITY OF TORONTO STAFF

A summary of insights from engagement with City staff and management (four sessions in total, with TESS and SDFA staff) regarding experiences with employment services generally, about a proposed role for the City in the ESSM and with regards to a workforce development strategy

### 8. SUMMING UP

A review of the feedback received from key informants and observations on the cumulative impact of their input

## 2. CONTEXT FOR THIS ASSIGNMENT

### 2.1 INTRODUCTION

This report is part of a larger assignment arising from a City Council Decision on May 5, 2021, directing the General Manager, Toronto Employment and Social Services, to:

Engage with other divisions and Toronto Public Library, as well as community and workforce development stakeholders, as appropriate, to assess how the City of Toronto can best advance its workforce development priorities and support residents in a transformed employment services system, including whether the City should pursue the new employment service system manager role and, if so, in what configuration and report on findings and recommendations.<sup>1</sup>

To provide a context for these findings, this report will first:

- Describe the provincial policy changes which are transforming the employment services system

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<sup>1</sup> Toronto City Council Agenda Item History:

<<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.EC21.2>>.

- Give an overview of the engagement process
- Outline the conceptual differences between employment services and workforce development

## 2.2 PROVINCIAL POLICY INITIATIVES AND REVIEWS

The Ontario Government has taken steps on several fronts which have an impact on workforce development and employment services:

- 1) The Ontario Ministry of Labour, Training and Skills Development (MLTSD):
  - a. Embarked on a Workforce Development and Training review (announced March 9, 2020),<sup>2</sup> to assess existing skills training programs and local workforce development activities, culminating in a provincial workforce development and training action plan
  - b. Initiated the transformation of Employment Ontario employment services, which includes a new service delivery model and a new performance management framework, which is described in further detail in Section 1.3
- 2) The Ontario Ministry of Children, Community and Social Services has undertaken an overhaul of social assistance programs;<sup>3</sup> of relevance to this assignment, these changes include the transfer of both Ontario Works and Ontario Disability Support Program employment services to Employment Ontario, and realigning the role of municipal OW administrators to focus primarily on providing life stabilization services to clients (the province will assume the function of determining eligibility and administration of benefits)
- 3) The new Ontario Poverty Reduction Strategy<sup>4</sup> aims to increase the number of social assistance recipients moving into employment, from 35,000 in 2019 to 60,000 by 2024

## 2.3 EMPLOYMENT ONTARIO EMPLOYMENT SERVICES TRANSFORMATION

Employment Ontario is Ontario's employment and training network, funded by the Ontario Government through the Ministry of Labour, Training and Skills Development. This \$1.6 billion program (Expenditure Estimates 2021-22) consists of six categories: Apprenticeship; Employment Supports and Services; Skills Training; Adult Education and Literacy; Local Employment Projects; and Tax Credits. Within these categories are programs such as Literacy and Basic Skills, Second Career, the Canada Ontario Jobs Grant and funding for workforce planning boards. Most EO programs and services are delivered through a community-based network which includes employment service providers, literacy providers, public colleges, direct delivery apprenticeship offices and training delivery agents.

The largest single program under the EO umbrella is Employment Supports and Services, which provides individuals with assistance in finding and maintaining employment, dividing job seekers into two categories: Unassisted Clients (those who can carry out their job search independently, relying on access to appropriate self-serve resources and information) and Assisted Clients (those who would benefit from direct help from an employment counsellor). Assisted Clients receive more intensive assistance, including personalized guidance and support, connections to employers, access to training programs or in some cases employer incentives to influence hiring decisions. EO Employment Supports and Services

<sup>2</sup> Media release: <<https://news.ontario.ca/en/release/56189/ontario-exploring-how-to-prepare-more-people-for-good-jobs>>.

<sup>3</sup> MCCSS vision paper: <<https://www.ontario.ca/page/recovery-renewal-ontarios-vision-social-assistance-transformation>>.

<sup>4</sup> The Ontario Poverty Reduction Plan: <<https://www.ontario.ca/page/building-strong-foundation-success-reducing-poverty-ontario-2020-2025>>.

providers are not funded under the program to provide training or skills development directly to clients. In 2020-2021, EO Employment Services helped over 410,000 Unassisted Clients and over 117,000 Assisted Clients across Ontario (client numbers were significantly lower due to the impact of COVID). In the City of Toronto, the client numbers were approximately 114,000 Unassisted Clients and over 30,000 Assisted Clients.

The provincial government's transformation of the EO Employment Supports and Services program includes the following features:

Employment Service System Manager (ESSM). Prior to the transformation, individual service providers held EO contracts supervised by MLTSD regional offices. With the transformation, the province has been divided in 15 catchment areas and for each area there will be a Service System Manager which will manage all EO service provider providers in the area. The ESSM function for each catchment area will be awarded via a competitive process and is open to public, not-for-profit or private sector organizations. The City of Toronto is one of the 15 catchment areas.

Client segmentation. Under the previous system, clients were divided into two groups, either Unassisted Clients who largely made self-service use of EO resources, and Assisted clients, who received varying levels of direct services and support. Under the current system, there are three client categories, based on the degree of risk of long-term unemployment (low, medium or high risk of being six months or more unemployed). Likely characteristics of high risk (Stream C) clients are: educational attainment of high school or less; between 35 and 56 years of age; employment history largely in low-skilled occupations; and/or presence of a disability.

OW and ODSP interface with EO. A Common Assessment tool will determine life stabilization and employment service needs. There is a heightened expectation of integrated case management between employment counsellors and social assistance caseworkers.

Performance management framework. MLTSD has provided a far broader set of measurable commitments that the ESSM is expected to meet. These include targets for various inclusion groups, developing partnerships across the community, client satisfaction targets and so on. There are also financial incentives tied to each stream of clients, based on achieving and retaining employment at various milestones for up to one year. The higher the risk of long-term unemployment and the longer the employment retention, the larger is the financial incentive.

Timetable for the roll-out of ESSM function. The transformation is being carried out in stages, which started with a competitive process for three catchment areas issued in 2019, with actual operations beginning in early 2021. Other phases are being implemented, with the competitive process for Toronto expected to be launched in 2023.

#### Employment Services for Social Assistance Recipients

Employment supports under the ODSP program are provided by a network of third party agencies contracted by the Ministry of Children, Community and Social Services. Employment supports for Ontario Works recipients are provided by the Ontario Works Administrator, such as Toronto Employment and Social Services.

Ontario Works Administrators receive funding from the province to provide employment supports and have a broad range of discretion in determining the types of programming to best meet client need. This programming can include training and skills development, pre-employment supports to prepare individuals to enter the work force and financial assistance for employment activity costs such as transportation.

While Ontario Works and ODSP recipients are eligible to access number of the EO programs, these programs have not been designed to support individuals who face multiple barriers to employment. As a result, most clients referred to EO by OW Administrator are those considered to be employment ready, which represent the minority clients.

## 2.4 IMPLICATIONS OF THESE CHANGES

There are significant implications arising from these changes for service delivery of social assistance and employment services:

- Under the new ESSM model, the province defines the performance outcomes and decides the budget allocation, while the Employment Service System Manager determines service delivery, including selection and oversight of service delivery agencies; the ESSM is given greater leeway in how services are to be delivered, compared to the pre-transformation employment services model, so long as it meets provincial targets (although that leeway may not be as broad as the OW Administrator’s discretion in determining the range of services that were provided to OW clients);
- The EO employment services system had not been designed nor funded to serve clients who are furthest from the labour market; the absorption of OW and ODSP employment services into EO and the setting of higher target numbers for clients who have the highest risk of long-term unemployment is a major re-orientation of EO employment services; this re-orientation aligns with the policy goal of moving more social assistance clients into employment; however, there has not been an explicit re-orientation of service models or of funding to support the range of programs needed for those furthest from the labour market; and
- With a higher proportion of Stream C clients, many of these individuals will be social assistance recipients; there will be a greater expectation of a higher number of referrals of social assistance clients to EO, as well as reliance on on-going life stabilization supports, which will require coordination between the social assistance caseworkers and the employment counsellors.<sup>5</sup>

## 3. SUMMARY OF ENGAGEMENT PROCESS

### 3.1 GENERAL OVERVIEW OF ASSIGNMENT

In order to respond to the City Council’s directive to staff to provide recommendations to the City regarding its workforce development strategies and response to the EO employment services transformation, a number of activities were undertaken:

- A City staff working group was established, comprised of staff from the following divisions: Economic Development and Culture; Employment and Social Services; Social Development,

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<sup>5</sup> A City staff report in support of the City Council decision provides more details regarding these policy changes and their implications: <<https://www.toronto.ca/legdocs/mmis/2021/ec/bgrd/backgroundfile-165743.pdf>>.

Finance and Administration; as well as from Toronto Public Library; this group met regularly to frame the issues and develop options for consideration;

- Interviews and focus groups were carried out with a wide range of stakeholders (described further below);
- In order to support the deliberations of the working group and to help define the issues to be discussed in the engagement process, a literature review was undertaken relating to workforce development and employment services delivery in other jurisdictions;
- In addition, an analysis was undertaken of the competitive bid documents for the three initial prototype ESSM sites,<sup>6</sup> to better understand the expectations regarding the service approach, client categories, client numbers and the budget implications of the ESSM model.

In support of these activities, an external consultant was contracted to assist in these undertakings. These activities were carried out between September and December 2021.

### 3.2 ENGAGEMENT PROCESS

Through this process, just over 100 key stakeholders, including individuals and organizations, were engaged in the following activities:

Interviews. Telephone or video interviews were carried out by the consultant with 28 individuals and organizations, including: EO employment service providers; workforce development intermediaries; networks of organizations involved in either employment services and/or workforce development; community colleges and school boards; policy advocacy groups; individuals with expert knowledge; and each of the three prototype Service System Managers.

Focus groups. Three on-line focus groups were carried out, involving City staff and community stakeholders. Two of these engagements represented front-line service delivery organizations and one consisted of advocacy groups or organizations representing networks of organizations. These engagements took place in the latter half of November 2020. A total of 58 representatives of organizations participated across the three sessions.

There were four sessions with separate groups of staff from TESS and SDFA.

In addition, a focus group was held in January 2022 with TESS's Client & Job Seeker Advisory Committee, to obtain the perspective of those using these services. Ten clients participated.

A process has been initiated to engage with the Indigenous organizations and service providers on the topics of employment services, the ESSM model and workforce development, and the insights from these discussions will be reported on separately.

Survey. In late December and early January, a survey was distributed to organizations who had not participated in either the interviews or focus groups. In total, 15 organizations responded to the survey.

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<sup>6</sup> The service system managers for each of the three prototype sites were very forthcoming with their time and insights in support of this report.



#### 4. CLARIFYING THE TERMS: EMPLOYMENT SERVICES AND WORKFORCE DEVELOPMENT

The City Council directive speaks to two items, workforce development and employment services. In carrying out the engagement process, it was necessary to clearly articulate the meanings behind these two terms so as to best respond to Council's direction.

*Employment services* primarily involves matching an individual to a job opening. This may involve other functions as well, such as exploring an individual's qualifications and employment history, providing guidance on searching for a job, linking the job seeker to employers seeking job candidates, and providing advice on retaining for a job. However, the main goal is to complete the transaction, fulfilling the job seeker's goal of employment and the employer's desire to fill a job opening with a qualified candidate.

Thus, employment services may often provide or refer a client to training, for the purpose of enhancing their employability. While the selection of training will seek to have regard for labour market needs, the intention is on improving an individual's labour market outcomes and the measure of success is obtaining a job.

*Workforce development* is focused on processes which can continuously prepare groups of individuals for on-going demand in the labour market, typically serving numerous employers having the same needs. These candidates may require initial preparation, both for the expectations of employment as well as specific skills training. They also may require continuing support after employment, not only for job retention but also for career advancement. The engagement with employers is on-going, both to understand their labour market needs but also to meet their future requirements.

Workforce development also involves considering how these various processes can be supported, how this ecosystem of different projects and different workforce development entities can be enhanced, for example, in terms of labour market information, engagement with employers, help with recruitment, connections with other projects or other forms of assistance. Success is measured not only in terms of labour market outcomes for job candidates, but also meeting the specific skill needs of employers.

These conceptual distinctions framed the staff deliberations as well as the engagement process. The input from these discussions will similarly be discussed in terms of these two headings.

In reporting on the discussions, every effort has been made to summarize and communicate the views of stakeholders as faithfully as possible. This includes conveying opinions, which are subjective, as well as general perceptions of how the issues are unfolding in practice. In short, it is not always possible to vouch for the accuracy of what a stakeholder said, rather, this summary is an attempt to ensure that what was said is conveyed accurately.

## 5. HOW CITY OF TORONTO CAN BEST ADVANCE ITS WORKFORCE DEVELOPMENT PRIORITIES: WHAT WAS HEARD FROM STAKEHOLDERS

### 5.1 OVERVIEW OF WORKFORCE DEVELOPMENT LANDSCAPE IN TORONTO

A previous recent study on many of these same issues provides a picture of workforce development activities in Toronto:

It can confidently be said that the workforce development scene in Toronto is highly varied, highly active and highly disjointed. A great range of projects, delivered by a wide assortment of stakeholders, supported by multiple orders of government and/or other funders, provides a smorgasbord of services of varying duration and scale, to a diverse mix of demographic groups, targeting a multitude of skills, occupations and industries. The level of activity is a testament to the different and multiple local needs, the various priorities shaping investment, as well as the creativity of local stakeholders in providing a response.<sup>7</sup>

A more detailed description of workforce development activities is provided in Appendix A of this report. Suffice to say that while there are many initiatives, almost all of them have been undertaken to meet a particular need as opposed to planned as part of a broader sector-wide strategy, and most operate in a stand-alone fashion, with some linkages with other workforce development activities or employment services providers.

### 5.2 OVERVIEW OF CITY OF TORONTO WORKFORCE DEVELOPMENT ACTIVITIES

The City of Toronto has been actively engaged with workforce development for many years. As early as 2003, the City produced a comprehensive *Labour Force Readiness Plan*,<sup>8</sup> relying on numerous background studies, which recommended a consultative and collaborative approach among local labour market stakeholders to develop an “Integrated Labour Force Development System,” one which could ensure the availability of job-ready candidates across the range of skill needs to support the continuing economic growth of the region. The report advocated that the City was well-positioned to facilitate such a process. In 2012, the City of Toronto produced a further strategy paper, *Working as One*,<sup>9</sup> which articulated a demand-driven focus for workforce development services, highlighting the need for employment services and workforce development to cater to two customers, employers as well as jobseekers.

It is also important to acknowledge the City of Toronto’s equity and diversity focus, which finds expression in various population-focused or place-based employment activities, such as Community Benefit Agreement initiatives, the Aboriginal Employment Strategy and the Indigenous Prosperity Plan, and work undertaken in support of the Poverty Reduction Strategy and Confronting Anti-Black Racism.

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<sup>7</sup> Tom Zizys, *Advancing a Workforce Development Agenda for Toronto*, Intergovernmental Committee for Economic and Labour Force Development, March 2021. <<https://www.icecommittee.org/reports/Report-workforce-development.pdf>>.

<sup>8</sup> City of Toronto, *Toronto Labour Force Readiness Plan* (2003).

<sup>9</sup> City of Toronto, *Working as One: A Workforce Development Strategy for Toronto* (2012).

It is within this context that numerous City of Toronto workforce development activities have been undertaken, including:

- Employment and Social Services has often taken the lead in facilitating workforce development partnerships by connecting with community-based organizations, employers and local opportunities to support OW clients; in addition, TESS supports its clients through contracted skills development/training and pre-employment supports from community service providers, often focusing on sector-based by industry or occupation as well as different demographic groups (e.g. youth, newcomers); TESS also facilitates on-the-job training opportunities, as part of the continuum to re-engage client with employment;
- Economic Development and Culture supports workforce development activities in a limited and targeted manner, typically as a funder to third-party community organizations or business associations, or by attaching conditions to development incentives, as well as within specific sectors, such as: select arts and culture industries, including film; hospitality; and retail; EDC also promotes inclusive economic development through entrepreneurship support, business supports (including through BIAs), and through its contributions on land use plans and community development plans;
- Social Development, Finance and Administration directly manages specific workforce development activities, through leading the City's involvement in Community Benefit Agreement initiatives and through several employment support programs for youth and diverse populations; SDFA also develops policy frameworks which contribute to workforce development goals, such as through the Poverty Reduction Strategy Office, and community-based service planning and delivery, such as through Toronto Youth Partnerships & Employment;
- Toronto Public Library promotes digital literacy through free computer and IT certifications training, provides employment and career resources and supports, offers learning pathways for children, youth and adults, and creates opportunities for professional development and networking, to complement employment services and workforce development at the local level.

While this is an extensive array of activities, there is currently no over-arching strategy which guides the City's efforts, and little to no coordination or cohesion among these diverse initiatives, resulting in individual activities operating in silos, with limited understanding of the roles of various City divisions and limited synergy between these many undertakings.

### 5.3 INSIGHTS FROM THE ENGAGEMENT PROCESS REGARDING WORKFORCE DEVELOPMENT

#### SUMMARY OF WHAT WAS HEARD

##### GENERAL OBSERVATIONS ABOUT WORKFORCE DEVELOPMENT IN TORONTO

- There is considerable workforce development activity in Toronto undertaken by a range of entities, but it is done in isolation, with limited system-wide planning or coordination
- Funding comes from different sources, which contributes to the siloed nature of this space
- There is a limited understanding of what workforce development actually means

##### WHAT WORKFORCE DEVELOPMENT STAKEHOLDERS SEEK

- Stakeholders are wary of table deliberations which do not result in any action; they do seek better coordination, access to better labour market information and a more rational funding framework
- Strong desire to see a coordinated approach for engaging with employers
- Equity, diversity and inclusion need to be an integral part of workforce development

- Useful initiatives would include: mapping of workforce development landscape; clearinghouse for cooperation and coordination; support in recruiting clients/participants; some entity to undertake the role of catalyst/integrator
- Educators and employment service providers seek more support to promote work integrated learning opportunities
- There is considerable support for a decent work agenda in Toronto, whereby businesses receive advantages for adopting decent work principles

#### ROLE FOR CITY IN WORKFORCE DEVELOPMENT

- There is broad support for the City to act as a lead or catalyst in developing a more effective workforce development strategy, but the preference is that this be done in partnership with other stakeholders
- There is also a view that the City can bring a wide array of resources and assets to contribute to a more effective workforce development strategy; an example that was often referenced was that the City would more likely be able to engage employers

The views of stakeholders covered a wide range of topics, and these have been grouped under the headings which follow, expressed largely as how these comments were communicated.

General views about the workforce development landscape in Toronto. While there are many individual projects and initiatives, it is all disconnected – there is no system, everyone is trying to figure it out on their own. There is no consensus on the challenges or how to address them.

Generally, the not-for-profit sector is primarily funded by governments, with little funding from elsewhere (for example, the private sector), and so the employment services landscape is very much defined by governments. The workforce development landscape is similarly defined by government priorities. In many respects, it is a reactive landscape and also quite siloed. The federal, provincial and municipal funding pots are not coordinated, which contributes to the silo problem. Speaking specifically of the province, workforce development is a function of a variety of ministry-driven initiatives; unfortunately, MLTSD has a very limited idea of what workforce development is.

Organizations that deliver employment services say they do workforce development but in fact their orientation tends to be very supply-side focused. These organizations often have a hard time conceptualizing what workforce development is and how it differs from employment services. Their immediate focus is on the needs of their clients. Often only when prompted do they identify issues of concerns emanating from the demand-side, such as identifying skill gaps.

Educational institutions don't quite see themselves in this space. In terms of their connection to the labour market, their most pressing priority is advancing experiential learning opportunities, so that their orientation is more towards their students and less towards employers, except as locations where experiential learning can take place.

Workforce development is about more than matching an individual to a job opening. It is about preparing an individual for a better career. The solution to better jobs is not better employment services but rather workforce development.

COVID has changed things. The complexity of the situation is greater and certain industries are still struggling. Many businesses have had to change their business model, including through a greater reliance on hybrid work. COVID has also further highlighted issues relating to inequity and diversity. The big issue is that we are not addressing the issue of the quality of the job. How is workforce development addressing these evolving issues?

What workforce development stakeholders seek. On the one hand, stakeholders identify a number of issues where their own efforts to advance workforce development could be enhanced with specific forms of support. On the other hand, there is sometimes a wariness expressed regarding the creation of yet another “table” at which to meet. Overall, there is a desire for better coordination and for more labour market information to be made available, but also a desire that any proposed process not duplicate what already exists or that results in meetings with no follow-up action.

Equity argument. There is a strong view that workforce development is especially necessary for those who experience barriers, so that equity goals have to be an integral part of an overall workforce development strategy. It is important to correctly define who is marginalized and to target initiatives appropriately to meet these needs, having regard for the great diversity present in Toronto that requires customized approaches (race, Aboriginal communities, disability, creed, sex, sexual orientation, gender identity, immigrant status, recipient of social assistance, level of literacy, among other categories).

Rational funding system. What is lacking is a rational funding system, regarding who gets funded, for what activities and for what outcomes. Workforce development depends on building relationships, and the funding is often too time-limited for relationships to be established. The support that clients need is not only about getting ready for a job, being placed in a job or retaining that job, but also for advancing to a better job after this initial stage. These time-limited projects make this kind of on-going support difficult to deliver.

Mapping of activities. It would certainly help to have a sense of what workforce development activities are present in Toronto, by occupation or industry being targeted, the target participant group, the geography or catchment area, the nature of the interventions (training, employment services, wrap-around supports, and so on). Having such knowledge would assist in knowing where one can refer clients to, as well as from where one might recruit participants.

Recruitment of participants. For some workforce development undertakings, recruitment is a major challenge. Having identified an employer need and having developed a process for training and placing individuals in employment, there is a continuous need to feed that activity with new participants. Workforce development initiatives have a need for other partners who work with these target populations to be able to identify and refer candidates on an on-going basis.

Clearinghouse for cooperation and coordination. Knowing who does what is the prior step to building bridges between projects. There are clearly synergies between projects which could be exploited, but that can only happen when there is an understanding of who does what and a platform through which to communicate and develop connections.

More labour market information. Identifying and targeting workforce development activities depends on current, local and granular labour market data, as well as analysis and distillation of that data. There are also growing pockets of labour market information and expertise which is to be found among

workforce development practitioners, and there needs to be a way of accessing and sharing that information.

Need for a catalyst/integrator. All these diverse needs speak to the necessity for an intermediary, an entity which can bring stakeholders together to identify their common priorities and also coordinate the assemblage of the resources and supports which stakeholders seek. A workforce development strategy needs to be internally coherent. A convenor/coordinator is needed for this integration and follow-up to take place. At a local level, it also helps to have someone play the facilitator role (as an example, the role of TESS labour market managers was offered as an illustration. These managers build relationships across their areas, identifying potential employment opportunities and linking OW clients to these opportunities, while also bringing in other TESS supports).

Employer engagement. With its emphasis on the demand-side, workforce development necessitates strong connections with employers. The majority of stakeholders reiterated the importance of involving employers not only in the development of workforce development initiatives, but also in ensuring there was an employer voice participating in devising a broader city-level workforce development strategy.

There tends to be little collaboration among workforce development projects when it comes to employer engagement, in part because individual organizations jealously guard the relationships they have with employers involved in their programs. Yet these organizations also recognize that they could benefit from a more strategic way of engaging with employers. For example, some of the support which these employers need, especially among small and medium-sized enterprises, is in relation to their human resources policies and practices, in terms of how they on-board, supervise and retain workers who have had an uneven employment history. This can also include how to make them employers of choice, how attractive employment conditions actually benefit the business bottom-line.

Small and medium sized enterprises were cited more often, in part because the larger firms often have their own HR departments and have developed internal processes for recruiting, screening and on-boarding entry-level or lower-skilled workers. As well, these smaller firms may be less able to provide comparable employment conditions as the large firms, in terms wages, benefits or other job characteristics. In short, small and medium-sized firms should be a target of any workforce development strategy.

It was also emphasized that any implementation of workforce development initiatives be grounded in a strong understanding of the needs and perspectives of employers.

Workplace learning opportunities. Part of the purpose for engagement with employers is to broaden the uptake for workplace learning opportunities, not only for educational institutions (seeking co-op, internship, apprenticeship and summer job positions), but also for training programs which could benefit from some workplace experience, to solidify learnings and acquire an employment track record.

Decent work agenda. A decent work policy relates to defining and advocating for those attributes which make for a good job, drawing on a range of job characteristics, such as: a living wage; benefits; adequate, steady and predictable hours and scheduling; safe and healthy working conditions; paid sick days; opportunities for learning and advancement; and so on. Much as minimum wage and paid sick day campaigns have sought to establish norms that raised the bar regarding their concerns, so does a decent work agenda seek to advance specific standards about what constitutes a good job.

A decent work agenda attracts considerable support from workforce development stakeholders. While they all strive for decent work outcomes in their dealings with individual employers, they also recognize the benefit of a systematic approach to this issue, through advocacy and evidence, as a way to influence the kinds of jobs which are provided by employers.

That being said, a few stakeholders also express caution, out of concern that the attributes which attach to a job reflect a complex set of calculations which are different for each employer, such that any broad policy runs the danger of generating unintended consequences.

Views regarding the City's role in advancing a workforce development strategy. Many stakeholders appreciate that the City is well-positioned to play a convenor-facilitator role in expanding a workforce development agenda for Toronto. Indeed, the City also bears the cost of not having an effective workforce development strategy, given the consequences for employment services and socially inclusive economic development.

However, given the multiple dimensions of workforce development and the involvement of a diverse range of stakeholders, the City would need to ensure that it engages in such an activity where these other stakeholders are engaged as equal partners, where the City is able to share decision-making and control.

The City would also need to get its own activities in order. There are numerous other assets which could be drawn into an integrated strategy, for example, the City's wide array of data as well as analytics capability, or the perception from external stakeholders of the connections which the Division of Economic Development and Culture may have with employers across the city.

Views about a role for EDC. Workforce development stakeholders felt strongly that a critical function of a workforce development strategy was to more effectively engage employers in designing and implementing such a strategy. They also felt that the City was better positioned to take on that role, having the size and reputation to attract employers to the process. Many assumed that this was a function which could be undertaken by Economic Development and Culture, based on the view that cultivating the human talent present in the city should be part of any economic development plan. This should include not only workers at the high-end, talent needs of employers, but also those residents vying for entry-level jobs at the lower end of the skills spectrum. In the view of these stakeholders, there is a large component of employers who need access to lower-skilled workers, and there is also a social benefit to the city in ensuring that economic success includes those who are marginalized and excluded.

It should be pointed out that Economic Development and Culture, as currently constituted, in terms of the services it delivers, the structure of its operations, its funding, and reliance on third-party organizations and business associations to carry out its responsibilities, has few direct service touch points with individual employers and limited engagement with employers on issues of human resources or talent management. Economic Development and Culture facilitates firms' engagement with the City of Toronto's municipal (property) service, funding/taxation and land use functions, not the city's labour supply.

A decent work policy for the City. A decent work agenda for the City has considerable resonance among workforce development stakeholders. The City could, through its procurement policies, provide advantage to those employers who are bidding to provide goods or service based on their adoption of a decent work approach in their employment, in the same way that other social considerations are

incorporated in the assessment process. The City of London (U.K.) is a compelling example of such an approach.<sup>10</sup>

Views on structuring a process for refining a workforce development strategy for Toronto. Would likely need to start with a smaller group of some of the larger stakeholders, to begin the discussion and explore areas of agreement regarding how to go forward and with respect to what issues. The eventual “table” will likely be a table representing multiple tables. There are many layers: sector initiatives; targeted population initiatives; place-based initiatives; and so on.

Important to have some conceptual coherence, that there is an understood plan, not just a process. Need both consensus at the highest level among various players about what needs to be done, as well as engagement at the local level to make it happen. In addition, the system has to be designed in a way that it can be communicated readily to employers and to job seekers.

## 6. SHOULD THE CITY PURSUE THE NEW EMPLOYMENT SERVICE SYSTEM MANAGER (ESSM) ROLE AND, IF SO, IN WHAT CONFIGURATION: WHAT WAS HEARD FROM STAKEHOLDERS

### SUMMARY OF WHAT WAS HEARD

#### VIEWS REGARDING THE EO SYSTEM UNDERGOING TRANSFORMATION

- Widespread view that EO system had to be changed

#### VIEWS IN PRINCIPLE REGARDING THE ESSM MODEL

- The stronger focus on helping those further from the labour market and the reliance on better metrics and tracking are seen as positive features
- There is a concern that the model is too rigid, too focused on employment as the primary outcome (with limited investment in training) and less recognition of the steps necessary to bring someone closer to the labour market, including how that function is performed and how is it funded
- Given the heightened focus on individuals further from the labour market, it is understood this will include many more OW clients; EO employment services has not typically served this client group nor served it well, and with the transfer of OW employment services to EO, there is a great concern that the work often undertaken by OW administrators to move OW clients closer to the labour market will no longer be funded through OW and is not a function undertaken under EO
- The higher expectation to place more OW clients into employment ignores the financial disincentive for individuals taking on precarious jobs
- A concern that smaller organizations which provide a specialized service (e.g. for a narrow population group) will have greater difficulty managing under this standardized system
- Continuing concern that many individuals will end up in poor jobs

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<sup>10</sup> The London Mayor’s Good Work Standard is a comprehensive set of best employment standards which sets a benchmark for employers which can be accredited and recognized both publicly and for procurement purposes <<https://www.london.gov.uk/what-we-do/business-and-economy/supporting-business/what-mayors-good-work-standard>>. A Decent Work Agenda would be a useful adjunct to the City of Toronto’s poverty reduction and inclusive economic development strategies and would be in the same spirit as the City’s Fair Wage Office.



- Some felt that allowing the organization leading an ESSM to also be a service deliverer under that same ESSM represented a conflict
- Widely held view that the provision of employment services should not be open to private sector companies, though a smaller minority feel that private firms bring administrative expertise
- A related concern of allowing firms from outside Ontario to compete, with their limited knowledge of local circumstances and stakeholder networks
- Very little direction provided for promoting workforce development strategies

#### INSIGHTS ABOUT THE ESSM MODEL IN PRACTICE

- Widespread concern regarding the Common Assessment Tool, both in terms of the accuracy of its assessment, but in particular the inability to change the assessment as new information becomes available; also, more clients are being assessed as persons with disabilities
- Concerns about access to appropriate training and pre-employment support
- Great concern regarding how much more time and effort needs to be invested to achieve success with clients furthest from the labour market, questions raised regarding their levels of job readiness, and whether the initial targets for this client stream were unrealistic
- Uneven success across the ESSM prototypes with the required integrated case management between OW caseworkers and ESSM employment counsellors
- Most employment service providers are having challenges verifying employment outcomes over time to secure performance incentives, as clients are not always responsive
- Several stakeholders have noted that the appropriate processes are not yet well-developing in dealing with the unique needs of different categories of clients

#### VIEWS REGARDING TORONTO ESSM AND THE ROLE OF THE CITY

- Strongly held view among most stakeholders that Toronto represented a far more complex set of circumstances (social, economic, labour market, size) than that faced by any other ESSM
- At least half of the stakeholders believe the City should take a lead role in relation to the ESSM bid, either on its own or, preferably, in a partnership with the community sector, because of its administrative capability, its knowledge of the employment landscape, its familiarity with the target client population, its existing partnerships and other assets
- A smaller group felt the City first had to articulate a compelling vision in advance of proposing a bid for the ESSM, reflecting such principles as equity and inclusivity, and which seeks to advance workforce development and promote decent work
- Another smaller group feels the City should not put in a bid, questioning the City's expertise, capacity for flexibility and collaborative partnerships
- Any City bid would need to incorporate a broad set of accompanying strategies that would promote a more effective ESSM to meet the needs of Toronto residents

#### SURVEY OF STAKEHOLDERS WHO HAD NOT PARTICIPATED IN THE ENGAGEMENT SESSIONS

- An additional 15 organizations who had not participated in the engagement sessions completed a survey
- Their major concerns regarding the ESSM model were: the emphasis on quantitative outcomes ignored the nuanced challenges faced by those further from the labour market; it was unclear how pre-employment services would be provided to clients with greater challenges; the rationalization of contract administration could make it more difficult for smaller, specialized service providers; it was not clear how the needs of unique subpopulations were going to be addressed
- With regards to the City's role in a bid for the ESSM, the preferred options were: the City should be the lead entity of a consortium bidding for the ESSM; the City should aim to lead the ESSM on

its own; the City should be a partner but not the lead in a consortium bidding for the ESSM; a distant fourth preference was that the City should not be a formal participant in the ESSM bid

- The reasons in support of the City's role in a bid included the following: demonstrated leadership in the employment services field; understanding of the community partners and the local labour market; effective and fair contract management of service providers; well-positioned to engage employers

#### VIEWS FROM CLIENTS

- Clients felt that effective employment services depended on professional and experienced staff who understood the challenges faced by individuals experiencing mental health issues or a disability, who sought to build a relationship with the client and who regularly checked in or followed up; they also felt employer incentives can generate short-term work opportunities where one can acquire experience
- There was a broad consensus that the City should be involved in the ESSM, in partnership with the community sector; such a collaboration ensures better accountability and makes best use of the diverse strengths of both

This section is divided into four subsections:

- Views regarding the EO system as it has operated to date
- Views in principle regarding the proposed ESSM model
- Insights about the ESSM model in practice, based on the three prototypes
- Views regarding the City role in relation to the ESSM

### 6.1 VIEWS REGARDING THE EO SYSTEM UNDERGOING TRANSFORMATION

There were no voices seeking to defend the existing EO system. For some, it was an antiquated and broken system which hadn't changed much in 10 years, driven by an approach which sought to place an individual into a job as quickly as possible. Some worried that the province's motivation for the new model was to reduce the number of delivery agencies. Another contingent felt that reducing the number of agencies was not such a bad thing, given that in their view some service providers were not that good. In their assessment, the poorly performing service deliverers maintained offices that were uninviting to clients, their staff were unmotivated and they did not provide quality service.

### 6.2 VIEWS IN PRINCIPLE REGARDING THE ESSM MODEL

The views in this section are largely based on a reading of the bid documents and other descriptions of the ESSM model. The section which follows afterwards speaks to comments based on the experience of the prototype ESSMs.

General comments. Stakeholders identified some positive features of the ESSM model: generally, it had good metrics and was very focused on better outcomes for those furthest from the labour market. The downside view was that the model was quite rigid, it was too focused only on getting a job (as opposed to rewarding steps towards getting a job), and it was not apparent how other services needed to help individuals along this path are to be funded. There appears to be a lack of recognition for how the wider range of community services contribute to better outcomes. It is as if those who design the system only

see the sequence of tasks and steps to be taken in a flowchart, without appreciating the counselling, mediating and navigating that frontline service workers engage in to achieve results for their clients.

There is a concern among some that the primary motivation of this model is to facilitate getting individuals off social assistance, not for their own sake but for the purpose of reducing the provincial government's financial support for individuals in need. The model appears very tightly controlled and very formula driven. The result may be more individuals ending up in poor jobs. This is especially a worry as Toronto starts receiving a renewed surge of immigrants, who need effective employment services and who are most vulnerable to ending up in poor jobs.

Employment-focused, limited investment in training. It doesn't look as if MLTSD is all that interested in training. It seems like they are looking at the shortest route to employment. While employers are complaining about the shortage of workers, they are also complaining about the shortage of qualified workers. There is a need to focus on skills development, especially as so much of the talk arising out of COVID has been about up-skilling and re-skilling. But there is also a need to focus on quality of work issues. There is not a labour shortage, there is a shortage of good jobs.

Implications of performance incentives. In principle, stakeholders felt a funding formula which sought to tilt the effort in favour of those in greater need of services was a good idea. However, there was concern expressed regarding the financial capabilities, especially of smaller organizations, to manage their cash-flow if some of it depended on deferred payments which were linked to outcomes which were not fully under their control.

ESSM not deliver services. A few stakeholders felt that allowing the organization which managed the ESSM to also be able to deliver employment services under the umbrella of that ESSM was not a fair arrangement. While they understood the argument that this could give the ESSM an additional insight into front-line service delivery challenges, they felt this also placed the ESSM in a conflict-of-interest which could disadvantage other service providers within the same ESSM. They felt the ESSM should focus on the larger picture of the entire catchment area, including identifying distinct client needs, targeting services, providing capacity building to service providers, engaging with employers and facilitating workforce development to support employment services. (These views were expressed by employment service provider agencies.)

Concerns regarding private sector and/or external organizations. There was a preponderant view which in principle felt that the provision of employment services should not be open to private sector companies. This view believed that an organization which has a profit-motive and is dependent in its business model on realizing a profit places the wrong priority on how human services such as these need to be delivered. In this view, private sector organizations do not have the same commitment to their community or to their clients as not-for-profit or public sector organizations. Further, that the singular focus of private sector firms on the outcomes established by the contract limits the degree to which they will be invested in achieving other outcomes which are important to the client.

This perspective is often part of a larger view which is alarmed that any public services be open to delivery by private sector corporations. Their concern is not only in reaction to the privatization of employment services, but that this simply makes more acceptable the privatization of any public service. Indeed, they wonder why employment services could so easily be considered for such privatization, when such an initiative would not be even thinkable in relation to any other public or community service.

A related concern is the risk involved should the private sector company not meet the service needs of the clients. Their only downside risk is related to the terms of the contract, while in the case of the City of Toronto, the downside risk is the downstream impact on other public and community services of these clients not receiving the assistance they need.

Those who advocate this view cite the experience of other jurisdictions where the privatization of such services has had negative consequences for those most in need of services.

There is a smaller, minority view who are not concerned regarding the potential participation of private firms in this service space. For one, in their view that option has been there for some time and it is part of the service system environment. For another, they point to the fact that these private firms bring experience as well as well-refined processes and technologies, relating to data capture and data management, assessment of clients, managing the flow of the service delivery and tracking a client's progression.

In response, those who oppose opening this space to private firms, assert that such technical capabilities as better data management or client-tracking can more easily be acquired by a public or not-for-profit organization than can the community service ethos be adopted by a profit-driven company.

There were also concerns expressed about the ESSM role being undertaken by an entity from outside Ontario, citing the lack of familiarity with Ontario's labour market, business culture, and political and community norms and values, and without any prior relationship with the network of service providers which would be directed and indirectly engaged with the ESSM. This was especially a concern for smaller, specialized service providers.

All these concerns were given greater urgency based on the complexity of what an ESSM would face in managing these services in Toronto. This was an added reason, in the view of those who held this view, that the City was best positioned to assume the ESSM role, because of its longstanding relationships with the service provider networks, its unique position to be able to undertake the kind of integrated case management which would be necessary between social assistance caseworkers and employment counsellors, and its significance as a government to be able to negotiate with the province regarding the form the ESSM should take.

Concerns regarding smaller and/or specialized service providers. In any transformation, much energy is expended on fitting the large pieces of the changes properly, with less attention paid to the smaller pieces. This is the concern of smaller agencies, especially those which provide a specialized service. There is a worry that a highly standardized approach would be applied in designing the service delivery network, with less regard paid to unique target groups.

To illustrate the point, it is suggested that not all service deliverers should have the same key performance indicators, but rather these should be tailored according to each agency's strengths. For example, an agency which has typically served a larger proportion of youth or newcomers should have as their target as larger proportion of that demographic, and less of one with which they have been less involved.

Workforce development function. While the bid documents are generally vague about how an ESSM should be structuring employment services, the reference to specific employment outcomes and to the need for integrated case management suggests certain principles and expectations. For some

stakeholders, the bid documents are exceedingly vague on workforce development considerations, apart from a general view that ESSMs should be engaging and partnering with a wide range of stakeholders. There is a concern that workforce development may be viewed as an afterthought or not at all, when in fact a straight-forward employment services is likely not sufficient to produce the level of employment outcomes which are expected for those clients who have the highest level of risk for long-term unemployment.

Nature of the OW client. With regards to the category of clients at highest risk of long-term unemployment (Stream C clients), it is generally believed that a significant proportion of these will be OW clients (Stream C clients will also include ODSP recipients but, in terms of numbers, this will be a smaller population group).

There is a broadly held view that it is especially difficult to provide effective employment services to OW clients, because of the range and depth of the challenges which need to be overcome. There is a view that the transactional approach of employment services does not serve this population group well. There is also a widely held view that the province's targets for the number of OW clients it expects to move into employment over the next few years is unrealistic.

With the transfer of OW employment services into EO, the question is raised regarding how OW administrators are to prepare their clients for employment services, given that some of these functions were part-life stabilization and part preparation in advance of employment services, and also given that some of these functions were funded under different municipal budgets. The concern is that the province will no longer fund these activities carried out by OW administrators, while municipal governments may be less inclined to pay for what were adjunct programs to a function which has now been transferred elsewhere by the province.

These concerns are further magnified because of the size and diversity of the Toronto OW caseload, which ranges from university-educated newcomers to single adults with low levels of educational attainment to individuals with mental health and addiction challenges.

Lack of regard for the disincentives to employment. There is an additional systemic problem which makes the expectations for employment outcomes among OW clients particularly challenging, which is the financial disincentive to employment. An OW client can expect to rely upon financial assistance as well as other benefits (for example, extended health benefits or childcare or other supports), all of which are of course lost when an individual's earnings exceed a certain threshold rendering them ineligible for social assistance. However, the level of occupation which many OW clients can expect rarely pays a sufficient wage to replace all that is lost. Moreover, the precarious nature of the work that may be result, either because of unpredictable hours or the always present threat of being laid off, makes the calculation of taking a job a highly risky undertaking.

Experience of EO service providers with Stream C clients. Several stakeholders pointed out that the typical EO service provider would have had a small proportion of their client base fall within the definition of a Stream C, and it is likely that their employment success rate with that group was notably less than what they achieved with other categories of jobseekers. In short, the new model would be placing a completely different expectation on many of these service providers.

### 6.3 INSIGHTS ABOUT THE ESSM MODEL IN PRACTICE

These views are informed by witnessing or experiencing how the three prototype locations have been implemented.

COVID disruption. It is well recognized that the onset of COVID significantly challenged the implementation process for the prototype ESSMs. The sequence of lockdowns, then re-openings, followed by lockdowns or other restrictions, played havoc with businesses and jobs. This had an out-sized impact on employment services, who place many of their clients into entry-level service occupations. The impact of COVID on the Accommodation and Food Services sector and on parts of the Retail Trade sector considerably shrunk the availability of such jobs. Moreover, the fear of contracting COVID also made various jobs in enclosed spaces, for example, in manufacturing or warehousing, a hard sell to jobseekers.

Nevertheless, there has been sufficient experience with the operations of these prototypes to generate views about how the ESSM model functions.

Experience with Common Assessment Tool. The Ministry has created a Common Assessment Tool (CAT) which is administered to every client in order to determine which Client Stream they belong to, which determines what level of service that individual will receive. There appear to be two problematic issues which have arisen with the CAT.

For one, some of the assessments appear perplexing; some clients who appear to have greater challenges are designated as being of lower risk of long-term unemployment, and vice versa. At one level, some see this as a problem which evens itself out in terms of the overall client numbers. But for service providers this can sometimes feel like a greater difficulty, because they are looking at the assessment of the individual client – it undermines the assurance that each client will be dealt with in terms of their needs, not that service providers have to put in place work-arounds based on inaccurate assessments.

But the second problem poses the greater difficulty, which is that the CAT process as it currently stands does not allow for a re-classification when more information is learned about the client. As a matter of human psychology, individuals will more often seek to present themselves in a more positive light, especially if it would require disclosing aspects of themselves which they are less comfortable sharing with someone whom they have not yet developed a relationship of trust. As well, individuals who have various challenges may also have good days and bad days, and the reoccurrence of a bad day later in the course of receiving services is a new piece of evidence regarding their need for a higher level of service. What this suggests is that an assessment process which relies exclusively on only that initial assessment is more likely to under-count the number of clients which should receive a higher level of assistance. The lack of an ability to change the initial assessment changes this problem into a systemic issue and reduces the ability of a service provider to provide the necessary level of service, because overall the number of such clients is under-counted.

Increase in proportion of clients who are identified as persons with disabilities. Some stakeholders familiar with the prototype have indicated that the Common Assessment Tool classifies more clients as being persons with disabilities, in proportions higher than what was experienced under the previous EO model. An individual identified as a person with a disability attracts additional requirements for the service provider.

Misreading of the estimates of the number of OW clients who may be ready for employment services. In the bid process, applicants proposed client numbers and proportions based on the available data, which included both EO client data as well as OW client data. OW administrations would, within their own operations, assign individuals to what were considered pre-employment and transition-to-employment programs, some of which also included programs which were partly life stabilization programs and/or pre-employment programs. It appears that OW clients in such OW programs were counted by these bid applicants as likely candidates for EO services under the proposed ESSM, thus inflating the number of both OW clients and Stream C clients which would likely be served.

As the ESSMs became operational, there was a great demand to produce such referrals, especially as the number of new clients overall dropped because of COVID. OW administrators did not have this same view of their clients and this has created, in some instances, a source of tension between the OW administrators and the ESSMs.

Challenges for Stream C Clients. As had been expected, OW clients and other Stream C clients pose particular challenges, especially for service providers with less experience working with large numbers from these categories. Overall, it is apparent that these clients need more time to move towards the possibility of employment, and many require either training and/or various forms of pre-employment programming. As well, because of the pressure on OW administrators to refer more clients to ESSMs, a larger proportion of these OW clients are less motivated to seek employment, including for reasons of the financial disincentives cited earlier.

Another issue which arises is that OW clients may have had access to various other benefits, for example, financial assistance to use public transit. As they shift into the ESSM, the on-going provision of that transportation support can become an issue at some point, certainly if they become employed. Now, this support may need to come from the employment service providers. This can create difficulties when there is a time delay between support from one program ending and the start of that support from another program.

Finally, it is clearly the case that the number of OW clients and/or Stream C category clients which ESSM service providers are serving is several multiples higher than what was the case before this transition, yet their funding has not increased in the same proportion.

Integrated case management. The expectation under the ESSM model for enhanced, integrated case management between the OW caseworkers and the employment counsellors is absolutely necessary, according to stakeholders, but it is not apparent that it is happening as hoped in all the ESSM prototypes. Many of these Stream C clients require on-going life stabilization and wrap-around services support.

In retrospect, it might have been expected that this could pose some challenges. OW administrators were losing a function (and funding) and were expected to revamp themselves to support this new entity. Some of the challenges could be considered institutional resistance, but some of it arises out of the limited time and planning which was necessary to make such a transition.

Capacity building to support the new model. It is acknowledged that the prototypes invested in capacity building of service providers to support the transition, however, it appears that in some cases not enough work has been done to effect the necessary changes. It also appears that there was less

understanding of how OW administrators had been preparing OW clients for their transition to employment and what is now missing in the system to support that function.

The 20-hour per week employment outcome threshold. Under the ESSM model, an employment outcome is a job which involves 20 or more hours of employment per week. This rule has been challenged by stakeholders for two reasons.

For one, particularly in the case of ODSP clients, short-term employment may be all that they can manage, at least in the first instance. They often seek ways to ease into the labour force, choosing opportunities where there is greater flexibility and less pressure. For such an individual, obtaining and maintaining a job, even of under 20 hours, is a considerable achievement, as it is for the service provider which may have had a large role in facilitating that employment. It is felt that such a rule neglects what is a desirable outcome.

It has also been communicated by one stakeholder that a job seeking client securing two part-time jobs, each of which involves less than 20 hours a week, but which together represents more than 20 hours of employment per week for that client, also does not count as an employment outcome.

Unique needs of different categories of clients. Several stakeholders have noted that the appropriate processes are not yet well-developed in dealing with the unique needs of different categories of clients. This was particularly expressed in relation to newcomers as well as to youth with higher needs. (It was also noted that the loss of the Youth Job Connection program has been an added blow in this regard.) The increase in the proportion of individuals who are designated as persons with disabilities also poses challenges in this regard.

Challenges in reporting on milestones. In addition to a baseline of operating funds, there is also performance-based funding based on reaching various milestones for employment (at one month, three months, six months and 12 months). The amount varies by the client stream category. The achievement of these milestones depends on verified employment, usually involving a pay stub. Stakeholders have reported that this can be an onerous task which cannot always be fulfilled if the client does not cooperate. Even the provision of financial incentives to the client does not guarantee verification. This poses a difficulty for the service provider, who should be compensated for the employment result, not the ability to verify employment.

How outcomes are counted. There is a concern that outcomes are tallied in too narrow a manner. For example, individuals who may be referred to a SkillsAdvance Ontario (SAO) project are exited out by the service provider, and the achievement of the eventual employment outcome accrues to the organization heading the SAO project. But the fact is that the service provider did the initial work with the client, did make an assessment, and did identify an opportunity that suited the client. The service provider does not receive any performance-based funding for having contributed to this outcome.

Experience with the ESSMs from outside the province. The overall impression regarding the companies from outside Ontario which manage two of the prototypes is mixed. There are some service providers who appreciate the experience and capabilities which they bring to the task. There are others who are still wary, who feel the relationships which have been formed are slowly improving, but that the full trust has still not taken hold.

The perception is that these two companies (WCG and FEDCAP) both operate in the spirit of a private company, even though FEDCAP is technically a not-for-profit entity.



In both instances, they have introduced their own data capture and data management processes, and there are complaints that this results in much more administrative burden on staff, coupled with a high intensity expectation for outcomes. It has been speculated that this may be resulting in higher staff absenteeism.

#### 6.4 VIEWS REGARDING TORONTO ESSM AND ROLE OF THE CITY

Unique circumstance. Any discussion regarding the ESSM in Toronto begins with the context: there is a strongly held view among most stakeholders that Toronto represents a set of circumstances which is far more complex than any other ESSM, starting firstly with sheer numbers, then the complexity and diversity of the client base and the service delivery network, as well as the size and range of a labour market polarized between good and poor jobs. The level of complexity has been heightened by COVID, given the degree to which those who are most vulnerable experienced both the worst health outcomes and the worst employment outcomes during this period. The policy environment on several fronts is in flux, with transformations and reviews being undertaken in relation to employment services, social assistance and workforce development. And finally, the experience of the prototypes has brought to the fore a number of concerns which need to be addressed in advance of the further roll-out of the ESSM model. All this contributes to the view strongly held by a large proportion of stakeholders that the ESSM model as it currently stands will not work for Toronto.

Views regarding the City's role in principle. Opinions range across the spectrum, but for the purpose of summarizing, it would be fair to say there are three broad buckets of views:

*The City should take the lead*

At least half of the stakeholders believe the City should take a lead role in relation to the ESSM bid, either on its own or, preferably, in a partnership with the community sector (this could be a consortium, but as important is the notion of a true collaboration between the City and the community sector). The preference for the City is based on the perception that the City understands the landscape, it knows these clients, it has longstanding relationships with service providers and employers, it is not an external entity, it is not driven by a profit motive but rather a public service ethos. The City is well-positioned to be a convenor/broker for a consortium. It is also believed that the City has the administrative capability to manage an undertaking of the scale of the ESSM, as well as the financial resources to see it through any cashflow challenges resulting from delayed performance outcome funding.

*The City should have a clear reason why it should engage in the ESSM*

A smaller group feels that the City should be clear about why it should be involved in the ESSM or articulate what value-added it would bring to the function, apart from simply having the capability or weight, or apart from being anyone other than a private sector company. The City should articulate a vision, one which reflects such principles as equity and inclusivity, and which seeks to advance workforce development and promote decent work.

*The City should not be involved in the ESSM*

Another smaller group feels that the City should not be involved in the ESSM. On a practical level, they question whether the City has the expertise or whether it could fit within the budget constraints; some feel the City has not demonstrated that spirit of innovation and entrepreneurialism which it exhibited in the past, that the City has lowered its ambitions. A more negative perception sees the City as inflexible and as a poor collaborator, unable to treat partners on an equal footing. Even though it has good people, the City does not play well with

others. In this view, the notion of pulling together a consortium is not as easy as it sounds – it takes an extended process to build the required trust. There is neither the time for this, nor an enabling and empowering attitude on the part of the City.

Role of the community sector. Few see the community sector taking a lead role on the ESSM. Community sector organizations are service providers, not administrators. The scale and complexity of this undertaking would be an administrative headache, a cash-flow nightmare and a complete experiment on the part of the community sector. There is need for significant back-office support, which the sector does not have, as well as enough equity or investment to manage over the short term.

The community sector does see itself as a necessary and appropriate partner for the City in this undertaking. Its expectations would be that this would be a genuine partnership.

There are among this category those who are service providers, and their primary goal is to preserve their agency's employment services function. For some, this means advocating for a City role in the ESSM because they support the principle of ensuring these services stay in public services hands. For others, this means not supporting any competitive bid for the ESSM, to ensure that they do not affiliate themselves with an unsuccessful bid, should that prejudice their future contract opportunities.

Some principles or objectives to incorporate. The previous sections which identified shortcomings of the ESSM model, both in how it was described and in how it has been implemented in the prototypes, identified the concerns which stakeholders wish to see addressed in any ESSM which would be put in place in Toronto. In addition, other considerations which should inform a more effective EESM join this list. Together, these include:

- A true partnership between the City and the community sector
- Championing inclusivity and equity goals
- Effective communications and constant consultation among all partners
- Well-functioning integrated case management, with strong wrap-around services, life stabilization efforts and life skills enhancement, to support employment goals
- The City relying on all its assets, including other divisions (in particular, Economic Development and Culture) and its position as an anchor institution, to drive ESSM outcomes
- A clear assertion of workforce development practices, promotion of a decent work agenda and effective employer engagement
- Staff capacity building across all service providers
- Continuous improvement, seeking to identify and address service gaps
- Ensuring that small and/or specialized services have their roles recognized and supported
- Ensuring that the service plan recognizes that service delivery addresses different constituencies, by geography and/or by population group being served

## 6.5 RESULTS OF A SURVEY REGARDING CITY OF TORONTO ROLE IN ESSM

As noted early, in addition to interviews and focus groups, a survey was conducted in late December and early January, seeking the input of organizations who had not participated in the engagement process.

In total, 15 organizations responded to the survey. Fourteen held contracts for the provision of employment services with TESS and three also provide EO Employment Services. Half or more indicated that they focused on a specific demographic group, which included: racialized persons; newcomers;

LGBTQ2S; youth; persons with a mental health issue; First Nations, Metis and/or Inuit; persons with criminal justice involvement; persons with disabilities; persons with an addiction/substance abuse.

Among the findings of the survey:

- A smaller proportion had views regarding either major gaps or positive features with regards to the ESSM; 27% felt there were major gaps, most commonly citing the lack of frontline experience or the lack of specialized programming for multi-barriered clients; 33% identified positive features, including greater supports and flexibility for people with disabilities or mental health concerns and other specialized groups
- When asked to comment regarding concerns that had been raised in the earlier discussions, almost all agreed that the following issues were a major concern or a concern:
  - Risk of a greater focus on quantitative outcomes that misses the qualitative variety of unique and nuanced challenges that clients face
  - There appears to be ambiguity around the role of pre-employment services in the EO service delivery model
  - A rationalization of contract administration could make it more difficult for smaller, specialized service providers to compete in the Toronto service area
  - There does not appear to be a plan for serving the needs of unique groups (e.g. hard-to-serve youth, ODSP recipients, newcomers)
- Respondents were asked to rank their preference regarding the role they wished to see the City of Toronto play in the ESSM; they were provided with four possible roles and were asked to sort them from most preferred to least preferred; in the following scoring, a score of “4” would mean everyone had chosen that option as their most preferred and a score of “1” would mean that everyone had chosen that option as their least preferred:

WEIGHTED RANK SCORE	ROLE
3.14	The City should be the lead entity of a consortium bidding for the ESSM
2.87	The City should aim to lead the ESSM on its own
2.64	The City should be a partner but not the lead in a consortium bidding for the ESSM
1.54	The City should not be a formal participant in the ESSM bid

- When asked to elaborate on their scoring (which is strongly bent in the direction of the City take a lead role in the ESSM, either on its own or as a lead of a consortium), respondents mentioned the following considerations:
  - The City does a good job of managing the service delivery process, it has good relations with clients and with service providers, and it is well-positioned to engage employers further
  - City does a good job of overseeing service deliverers, but it should not deliver the services itself
  - The City has demonstrated leadership in the employment services field; it understands the community partners and it understands the local labour market
  - The City is well-suited to develop the necessary partnerships and structures
  - View the City as unbiased
  - The City manages a fair bidding process

- Respondents were asked for their suggestions regarding enhancing workforce development in Toronto; their suggestions included:
  - Fostering better relations between workers and employers, including greater reliance on enlightened human resources practices
  - Helping employers understand the circumstances of workers filling entry-level positions, with the goal of higher job retention, which benefits both the employer and the worker
  - Better employer engagement
  - More investigative vocational assessments to better identify the capabilities of clients and to provide better supports and direction
  - Employers who hire persons with disabilities should receive additional assistance to retain these workers

## 6.6 INSIGHTS FROM CLIENTS

Members of TESS’s Client & Job Seeker Advisory Committee were engaged to obtain their perspectives regarding employment services as they currently exist, what clients felt they needed to secure employment and their views on the proposed ESSM.

Views regarding employment services provided by TESS or through a community agency or training provider. Overall, the assessments were generally positive; clients liked the services and programs that were provided, including workshops and access to computers. They felt staff were professional and helpful, their investment in building a relationship with the client, and they appreciated on-going follow-up.

There were a few negative assessments of specific agencies by one or two participants, as well as one negative view of the service received from TESS (disagreed with the employability assessment they received).

What would be most helpful in getting and keeping a job. Among the items cited by participants were:

- Important that the agency have experience and expertise
- Agencies need to understand client needs, especially in the context of mental health issues or disabilities
- Follow-up and check-ins
- Providing clients with options and alerting them to opportunities that are available
- Employer incentives are helpful, even short-term wage subsidies which allow a person to gain some work experience

What should be the City’s response to the ESSM opportunity. There was a broad consensus that the City should be involved in the ESSM, in partnership with the community sector. Both for the sake of accountability and to make use of diverse strengths, the prevalent view was that the City and the community sector working together offered the best answer to the opportunity presented by the ESSM. Several participants expressed concern that private sector firms might put in a bid, feeling that these firms did not have knowledge of the communities affected and that their primary motivation was profit.

## 7. VIEWS OF CITY OF TORONTO STAFF

Both TESS and SDFA led engagement sessions with their own staff to elicit their views on both the prospect of an ESSM for Toronto and the issue of a workforce development strategy. Three questions framed these discussions:

1. What have your interactions/experiences been with the employment services system(s)?
  - i. What changes in how the system is administered might set up providers to better support clients, particularly those with multiple and intersecting barriers?
2. What role do you think the City should play in response to the ESSM?
  - i. Should it bid for the ESSM role?
  - ii. Should it partner with other organizations to do this?
  - iii. Or should it stay out of the administration of employment services?
3. Do you think a comprehensive workforce development strategy for Toronto could address some of the identified gaps?
  - i. Who (service providers, community organizations, etc.) should be involved in developing a strategy?
  - ii. How do you think a workforce development strategy could/should be integrated with the ESSM model?

In the case of TESS, two separate sessions were held, one with staff (close to 45 staff members) and one with managers (just under 25 managers) to obtain their views on employment services, workforce development and the proposed ESSM model. In the case of SDFA, one session was held with 12 staff members.

### SUMMARY OF WHAT WAS HEARD

#### VIEWS ABOUT EMPLOYMENT SERVICES SYSTEM(S)

- The pre-transition EO employment services system did not do a good job providing the individualized services and supports which many OW clients need to succeed in the labour market
- There was a view that EO agencies often selected clients who were easier to place in employment, did not offer adequate feedback on a client's progress, and often did not follow up with clients as they should; there was also a view that the quality of service varied considerably between EO agencies and across EO employment services agency staff
- OW clients require more intensive support, to properly assess a client, to find the appropriate referrals for services and support, to conduct follow up with those services and with the client, and to obtain client feedback on the value of these services and programs
- Skills training programs also need to be updated, to match changing labour market needs and to reflect the diverse needs of different population groups
- Developing a trusting one-on-one rapport with the client results in more information from the client and a stronger ability to provide the right assistance and effective follow-up
- The transition from life stabilization activities (addressing health and mental health issues, addictions, housing security and food security) to pre-employment activities (workplace readiness, career exploration, work-based learning and career exploration) is not a clear-cut distinction; under the EO transformation, who will carry out this function and how it will be funded is not at all certain

- Youth are at greater risk of falling between the cracks of a very siloed system
- These activities are supported through strong relationships with partner agencies, which are deepened through interactions at working group tables and through the co-location of services, where face-to-face problem-solving and case management can take place; cultivating partnerships with employers is also essential, especially in support of youth employment

#### VIEWS ON CITY ROLE IN ESSM

- A large majority of City staff feel that the City should play a role in the ESSM, with many feeling this should be undertaken in partnership with other organizations
- The City's experience, skill set and capabilities, knowledge of the clients and their circumstances, its existing partnerships, and the need to have a role in improving the livelihood of residents are the rationale for the City participating in the ESSM
- Many participants felt that success in such an endeavour strongly depended on engaging with partners, and that the City has the stature and the existing relationships to assemble such a coalition
- Many staff felt that the ESSM opportunity created an opening to make improvements, such as better data capture, tracking outcomes, filling service gaps
- Staff also felt that the City should seek to influence the ESSM model itself, not only in how it is implemented but also by improving certain design features, in particular the continuum of life stabilization and pre-employment activities

#### VIEWS REGARDING A COMPREHENSIVE WORKFORCE DEVELOPMENT STRATEGY

- Strong support for leveraging workforce development as a way to achieve broader objectives, such as deeper partnerships with other stakeholders, promoting industry sector strategies, producing better labour market intelligence regarding employer needs and advancing diversity, equity and poverty reduction
- Recognition that the City's workforce development strategy needs to be updated, to emphasize poverty reduction and equity, diversity and inclusion goals, as well as positioning the City as a model of an anchor institution which leverages its procurement and hiring policies to generate better quality labour market outcomes for residents

## 7.1 INTERACTIONS/EXPERIENCES WITH EMPLOYMENT SERVICES SYSTEM(S)

Views regarding the EO employment services system. There is a widespread view among staff that the EO employment services system is not structured to provide the type of individualized care that many OW clients require. Staff feel this is largely the result of how EO funding is tied to the number of clients who are placed in employment, so that the service provided is more like an assembly line, where the emphasis is on meeting one's quota. Staff felt that the new ESSM model, with its emphasis on outcomes, will continue this approach. Staff feel that there is a lack of individualized services and there are gaps in the supports that need to be in place. Concerns were expressed by both TESS and SDFA staff that people tend to be matched to the first available job, in an industry that is not relevant to the client. Clients often need more supports, but EO services tend to be more hands off. There is also a view that EO agencies do not follow up as they should. Staff felt that they rarely received any communication volunteered by the EO agency, only what was entered in the system; EO agencies may or may not respond if one reaches out to them to get an update about their clients. The EO employment services system was not easy for either clients or caseworkers to navigate. Feedback from OW clients about EO was not positive.

From the S DFA viewpoint, the system was too siloed, and they expressed particular concern for youth, who are at greater risk of falling through the cracks.

In the view of TESS staff, agencies which are contracted by TESS to provide skills development/training and pre-employment supports provide more feedback about clients, which staff rely on in counselling their clients; in the case of EO agencies, staff often only know what is happening based on what the client tells them. That being said, there were also some complaints regarding the level of communications from TESS-contracted service providers, such as whether a client has been referred to a program, whether they have been accepted, whether they are attending, whether the program is a good fit for the client or whether issues have arisen, all so that one can engage in informed follow-up with the client.

There was a feeling among both TESS and S DFA staff that EO agencies did a certain amount of “creaming” – that is, selecting to work with clients who are easier to place in employment, such that TESS was left having to find something else for their clients. EO staff complain that OW clients were often not job ready, but that is because many required individualized and specialized assistance. EO agencies only provide employment services, whereas the pre-employment preparation is a very important part of what brings a client closer to the labour market. Some staff feel that in some cases, OW clients are not treated the same as non-OW clients, in terms of what kind of assistance they receive.

In the view of TESS staff, EO staff skill levels can be quite variable, from none to extensive. Some EO service providers/staff do a better job at referrals than others. As one staff commented, one learns to be choosy about which EO agency to refer a client to; if one gets poor results, they do not refer another client to that agency.

What OW clients need. OW clients often have multiple barriers, which need different services and supports. Caseworkers need adequate time, because sometimes the right referral can require a lot of phone calls and discussion. There is also need for follow-up, with the program to understand if issues have arisen, and to follow-up with the client. There is a need to stay abreast regarding existing programs and knowing the details of start and end date for programs, so that clients can plan appropriately. It would be useful to seek client feedback on the services they receive and the programs they are referred to.

More effort needs to be invested in ensuring that skills training programs reflect changing labour market needs. If a program does not lead to employment, it can cause discouragement and set a client back. Programs can become outdated or may not cater to what employers seek. The programs also may not always serve the needs of diverse population groups (staff gaps in terms of serving French-speaking clients, the Indigenous population and new immigrants). There needs to be more accountability from these programs in terms of meeting outcomes.

Proper assessment of a client is important, to match them to appropriate services and to determine if they are job ready. It is very important to have the wrap-around services to support the client as they seek their employment outcomes. In this regard, a concern was raised regarding clients with higher needs, and how employment services will coordinate with life stabilization services.

Relationship with the client. It is important to establish a one-on-one rapport with the OW client in order to foster success. It is not simply a matter of referring a client to a service; one needs to continue

to work with the client to support them through the various stages. Where there is a trusting relationship, the client shares more information, and the caseworker is in a better position to provide the right assistance.

Life stabilization and the transition to pre-employment activities. The transition from life stabilization activities (addressing health and mental health issues, addictions, housing security and food security) to pre-employment activities (workplace readiness, career exploration, work-based learning and career exploration) occurs in different ways for different people – it is not always a linear progression and there is overlap between the two. There is a lot of work that is done to get a client to a stage where they can be referred to employment services and where the client feels they are ready to be referred. It is not at all clear under the EO transformation who will be responsible for this transition and how it is going to be funded.

Building relationships with partners. In order to achieve the desired outcomes for clients, it is important to foster effective relationships with service partners, so that there can be a proper referral to agencies and on-going feedback and follow-up. These relationships are made stronger through interactions at working group tables, where information can be shared, as well as by co-locating service providers at TESS locations, where staff can address client challenges together in a collaborative manner. It is also important to maintain partnerships with employers, especially in the case of youth employment. Staff raise the concern regarding what will happen with the relationships which have been established under a new employment services system.

## 7.2 WHAT ROLE SHOULD THE CITY PLAY IN RESPONSE TO THE ESSM?

Broad support for City role in ESSM. A large majority of City staff feel that the City should play a role in the ESSM, in large part because there is just too much at stake for Toronto residents, particularly those who have poor labour market outcomes. Many staff feel a bid should be undertaken in partnership with other organizations. A smaller group feel that the City should lead a bid on its own, only because it is harder to negotiate an undertaking such as this with partners. A small minority feel unclear about the ESSM function.

Reasons for City playing a role in the ESSM. The City's experience, skill set and capabilities, knowledge of the clients and their circumstances, its existing partnerships, and the need to have a role in improving the livelihood of residents are the rationale provided for the City participating in the ESSM. Toronto is very different because of the complex needs of its residents and it is felt that the City best understands those needs. TESS would need to play a primary role, but there are many other departments which could contribute to better outcomes by incorporating other programs and services to achieve not only employment goals but other objectives, such as poverty alleviation. The City can also leverage best administrative practices from other departments. The City is also best positioned to convene the various external stakeholders to contribute to the success of this undertaking.

The importance of partnerships. Many participants felt that success in such an endeavour strongly depended on engaging with partners, simply because of the complexity of issues which need to be addressed and the range of resources which need to be mobilized. The City has the stature and the existing relationships to assemble such a coalition, or it could partner with a major community sector organization to co-facilitate such a coalition. The City is also an appropriate lead for such a team because of its commitment to other policy goals, such as equity, diversity and inclusion (EDI), reconciliation and confronting anti-black racism (CABR). A number of participants also stressed the importance of



partnering with employers, indicating that the City is also likely the most suitable entity which can engage with employers.

Importance of an equity lens. An important value which the City brings to this endeavour is its commitment to equity, reconciliation and social justice goals, which has a bearing on its work across numerous fields. It also has considerable expertise in place-based employment initiatives. Staff felt the equity lens was an under-emphasized component of the ESSM model, and that the City should advocate for this being a more significant element for the Toronto ESSM.

Opportunity to improve. Many TESS and SDFA staff identified areas where they felt the system as a whole could be improved, such as: better data capture and data analytics, measuring and tracking outcomes, using data to improve the performance of partnering organizations, doing a better job of calibrating social assistance benefits to encourage movement towards independence, addressing gaps in services (more translator services, better communications with clients, better collaborative case management, assisting internationally-trained professionals). Under any new model, staff also felt it would be useful to rely on frontline staff as a sounding board and feedback mechanism to generate improvements in this system. There was a general view that leading the ESSM would give the City a greater ability to address the broad needs of clients.

Opportunity to influence the ESSM model. Some participants also felt that being part of an ESSM bid would give the City an opportunity to influence how the ESSM model operates, not only within its current parameters, but also to influence the design of the model itself. The area where participants saw the most need for improving or clarifying the model was with the respect to the continuum of life stabilization and pre-employment activities. Some still felt, however, that the needs of the most vulnerable would be better served by a separate entity which was tasked with this function.

### 7.3 VIEWS REGARDING A COMPREHENSIVE WORKFORCE DEVELOPMENT STRATEGY

Wide support for expanded workforce development. Most staff expressed support for an expanded emphasis on workforce development, although oftentimes this appeared to be rooted in achieving broader objectives such as: engaging in more partnerships; doing a better job of serving diverse populations; placing a greater reliance on training as opposed to simply matching individuals to jobs, especially through industry sector strategies; developing better labour market intelligence, in particular, with respect to emerging occupations and skill needs. Overall, there is strong belief that effectively serving individuals with barriers to employment requires collaboration across many service providers, and workforce development is seen as a means to foster that collaboration.

Need to update the City's workforce development strategy. There is a recognition that the City's workforce development strategy needs to be updated, in the light of so many emerging issues, from the City's enhanced emphasis on poverty reduction and equity, diversity and reconciliation objectives, and because of what is seen as a changing labour market, on account of newly emerging skill needs and the need to address continuing income inequality and how that impacts equity-deserving populations. There is also an understanding that a workforce development strategy is the essential backbone to effective employment services. In terms of these challenges, staff feel strongly that the City is best positioned to engage with the wide range of stakeholders to develop such a strategy. In this context, staff also see the City as providing a model, as an anchor institution, for making use of procurement and hiring policies to achieve more equitable labour market outcomes for marginalized populations.

## 8. SUMMING UP

### 8.1 Summary of key messages from engagement process

This is a varied and detailed report which seeks to reflect the opinions of a very diverse range of stakeholders. Rarely is there a unanimous view on any question, rather, opinions stretch along a continuum. Nevertheless, there often is a majority view and there are common themes and observations which one can draw from the many insights provided, as follows:

#### 1. High level of interest in issues relating to workforce development and employment services

There clearly is a high level of interest in the direction of workforce development and employment services in Toronto, on the part of employment services providers, workforce development practitioners and social policy/anti-poverty advocates

#### 2. There is a large array of concerns which have been identified with respect to the Employment Services System Manager model

These concerns relate to the design of the model as articulated in the bid documents, as well as what has been experienced in the roll-out of the initial three prototypes. These concerns can be broadly described by way of two categories:

*Technical issues:* Matters which appear to have a relatively straight-forward, non-controversial solution, such as allowing for re-assessments to be done after the initial CAT designation or modifying the 20-hour/per week definition of an employment outcome

*Core issues:* There exist fundamental challenges with the ESSM model as currently designed which require a re-think:

- The model needs to better accommodate the degree of intervention and length of time needed to support a large number of Stream C clients into employment
- There needs to be a clear articulation of how pre-employment preparation is delivered under this model, including by whom and how it is to be funded
- The disincentives to employment for OW clients need to be addressed, presumably by allowing for certain benefits and supports to continue for a period beyond starting a job
- To avoid the inevitable cycling into and out of bad jobs, a more formal integration of workforce development into the ESSM model is required

#### 3. The majority of stakeholders support a leading role for the City in an ESSM bid, but with caveats

The majority view is that the City should either bid for the ESSM on its own or else lead a consortium. This view often includes conditions:

- Whatever the configuration of the ESSM, that the City engage in a true collaboration with the community sector in its design and implementation
- That the City define its vision for the ESSM and the principles and objectives which generate the value-added of the City's involvement
- That these principles and/or objectives could or should include such elements as a mobilization of the array of City assets and resources to achieve the goals of the ESSM, an integration of workforce development activities to support the intended employment

outcomes, engagement with the province in a principled negotiation to improve the ESSM model

It bears emphasizing that there is a smaller minority view which feels the City should not take on this role. It is important for the City to recognize what are its perceived shortcomings as it develops its response to the ESSM question.

#### 4. The majority of stakeholders support a convening role for the City in enhancing workforce development activities, with caveats

The majority view believes there is value in enhancing workforce development activities across the city, whether or not in the context of the ESSM response. This view also believes that the City is well-suited to undertake the convenor role to move this forward, with caveats:

- As with collaboration on the ESSM, a desire to see a true partnership between the City and the community sector in enhancing workforce development across Toronto
- A concern that any effort in this regard is not only about process (there are enough consultations and tables), but rather focused on identifying and pursuing concrete outcomes
- There are many potential initiatives which have been identified in this report, but the most pressing in the eyes of most is the need for an effective employer engagement strategy, with the City seen as best positioned to spearhead this function

## 8.2 Integrating the input

The feedback from key informants communicated through this report falls into subject-matter boxes, such as workforce development or the new employment services system manager model. Respondents will typically raise their top-of-mind concerns and broader connections across the inputs are not always apparent.

There is a cumulative message which emerges from these engagements. It starts from the top line messages:

- The City should take the lead in pursuit of the ESSM bid
- The City should be the convenor for enhancing workforce development for Toronto
- The City should engage in collaborative partnerships with community stakeholders in pursuing these goals

The desire for a more impactful workforce development strategy is based on the premise that better coordination, better linkages between programs, and especially more effective engagement with employers will improve outcomes across these initiatives. The deficiencies identified in the ESSM model also speak to the need for a continuum of interventions for those furthest from the labour market, from life stabilization through pre-employment services to training, job placement and job retention support. Implicit in these observations is the need to strengthen what is delivered through employment services by better integrating workforce development approaches.

Employment services is very often a limited transactional activity, in many cases simply matching a job seeker with an employer who is hiring. Workforce development seeks to improve labour market outcomes by supporting and strengthening on-going processes that prepare individuals for specific occupations and works with employers to not only clarify skill needs but also collaborate with employers on active job retention and job advancement. An employment services system which targets individuals

with barriers to employment requires not only active support to help transition individuals into employment, but also solid relationships with employers to assist them to receive these job candidates.

In this respect, one could expand the insights from the engagement process to the following:

- Regardless of whether the ESSM question was on the table, the City would benefit from leading a more enhanced workforce development strategy
- With the ESSM model on the table, a workforce development strategy is the necessary adjunct to making the ESSM model work
- The City is best positioned to coordinate the dual functions of an enhanced workforce development strategy and leading the Employment Services System manager role

## APPENDIX A: FURTHER DESCRIPTION OF WORKFORCE DEVELOPMENT ACTIVITIES IN TORONTO

This description of Toronto workforce development activities draws from a previously cited report,<sup>11</sup> with a few additions.

There are numerous organizations involved in some form of workforce development in Toronto, and in certain cases these operate as their own self-contained workforce development system. The apprenticeship program is the best illustration of this, covering as it does numerous occupations, an array of training providers (unions, community colleges and designated training bodies) and formal arrangements engaging employers in the process. Pre-apprenticeship programs exist as on-ramps to that system.

Various sector councils focusing on human resources issues are important aides for workforce development, defining skills requirements for specific occupations, mapping career progression pathways and sponsoring labour market studies relevant to their industries.

By definition, employment services fall under the broad definition of workforce development and are an important part of this landscape. In addition to the direct employment services they provide, many employment service agencies have additional programs and projects which serve as workforce development adjuncts to their main offerings.

Bridging programs for internationally trained professionals would easily qualify as workforce development initiatives. Social enterprises which provide training and work experience for marginalized populations would also qualify, such as projects funded by the Toronto Enterprise Fund or through the Ontario Ministry of Health and Long-Term Care targeting people with lived experience of mental health issues (for example, A-Way Express Couriers). There are also individual workforce development projects funded under government programs, such as SkillsAdvance Ontario or Labour Market Partnerships.

There are numerous national and provincial organizations which provide workforce development resources that benefit their Toronto constituencies, such as CERIC (a national non-profit focusing on research and education to assist career development professionals), First Work (a provincial association of employment centres), or the Ontario Disability Employment Network (an association of employment service providers serving people who have a disability).

In addition to governments, there are an array of philanthropic foundations headquartered in Toronto which have been very active in supporting and advancing workforce development, notably: the Atkinson Foundation, the Counselling Foundation, the Maytree Foundation and the Metcalf Foundation. In addition to funding specific workforce development projects, these foundations also seek to enhance the capacity of the broader workforce development ecosystem. For example, the Metcalf Foundation has for several years supported the Toronto Sector Skills Academy, a year-long fellowship for a cohort of workforce development leaders and practitioners, for the purpose of improved the regional workforce development system.

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<sup>11</sup> Tom Zizys, *Advancing a Workforce Development Agenda for Toronto*, Intergovernmental Committee for Economic and Labour Force Development, March 2021. <<https://www.icecommittee.org/reports/Report-workforce-development.pdf>>.

The following initiatives illustrate the further breadth of workforce development in Toronto:

Building Up	A social enterprise which does renovation work and provides a platform for training and employment of individuals who had been further from the labour market and who are interested in a career in construction trades.
Hospitality Workers Training Centre	A workforce development organization focusing on the hospitality and food service industry, training and helping individuals secure employment.
NPower Canada	An organization which provides digital and professional skills and employment placement for non-traditional and diverse youth for work in the information and communications technology field.
POV	A workforce development initiative supporting diverse and systematically excluded youth to access jobs and careers in Toronto's TV, film and advertising industries, through training, mentorship and networking.
Toronto Finance International	While focused on preparing talent for the financial sector, this organization functions as a workforce development intermediary, working with employers to identify needs and instituting programs to groom individuals for careers in this sector (originally Toronto Financial Services Alliance).
Toronto Community Benefits Network	An intermediary which aims to fulfil the goals of community benefit agreements (currently focused on transit infrastructure projects), by identifying candidates for apprenticeship training and professional, administrative and technical jobs, as well as opportunities for procurement from social enterprises, to advance economic inclusion.
Toronto Region Immigrant Employment Council	An organization which supports internationally trained professionals to secure employment and careers commensurate with their education and work experience.
Toronto Workforce Innovation Group	One of the 26 workforce planning boards in Ontario, whose catchment area is the City of Toronto and whose purpose is to identify local labour market issues and coordinate community responses, through research, convening stakeholders and acting as a catalyst for projects.
Workforce Funder Collaborative	This initiative represents a group of philanthropic minded organizations that have combined their efforts to improve

workforce development and advance system change to create a more equitable labour market and economy across the Greater Toronto Area. Their emphasis is on demand-focused initiative, and they seek to influence policy, building capacity and help address funding gaps.