



Canadian Labour and  
Business Centre

Centre syndical et  
patronal du Canada

# Partnerships That Work!

Sector Council Strategies for Workplace Skills Development and New Worker Integration

May 23, 2002

## Conference Proceedings

Minister  
of Human Resources  
Development



Ministre  
du Développement  
des ressources humaines

Ottawa, Canada K1A 0J9

Ms. Shirley Seward  
Chief Executive Officer  
Canadian Labour and Business Centre  
340 MacLaren Street  
Ottawa, Ontario  
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NOV 5 2002

Dear Ms. Seward:

Thank you for your letter of July 30, 2002, and for the opportunity to speak at the "Partnerships that Work!" Sector Council Seminar on Workplace Training and New Worker Integration. This seminar, organized by the Canadian Labour and Business Centre, served as a useful and informative opportunity for me to speak about Knowledge Matters and, in particular, the role sector councils play in skills development in the workplace and the renewal of the sector council program to foster excellence and growth.

The proceedings of "Partnerships that Work!" leave little doubt that sector councils are leaders in developing innovative and cost-effective skills enhancing initiatives to the benefit of both Canadian workers and employers. In particular, I appreciate reading that sector councils are committed to developing products that facilitate essential skills programming in the workplace. With such a commitment, I am confident that more and more Canadian workers will benefit from getting the skills and knowledge they need to succeed in the knowledge-based economy.

With respect to my announcement that the sector council program would be moving toward a performance-based model, I am glad that it was so well received by the sector council community.

Doubling the number of apprentices will be a major focus of the Government of Canada over the next ten years, however, the government cannot work in isolation. That is why I was so pleased to read that sector councils are willing to be a part of this pan-Canadian effort bringing together industry partners to work with members of the apprenticeship community to achieve this goal.

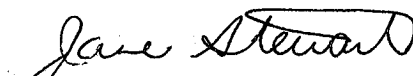
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Canada

It is important that Human Resources Development Canada receives input from organizations like the Canadian Labour and Business Centre and its partners, such as sector councils, individually and collectively, and the Canadian Apprenticeship Forum, to determine the best course of action in expanding the sector council network in Canada.

I would like to offer my congratulations on hosting a successful seminar. Thank you again for taking the time to write.

Sincerely,

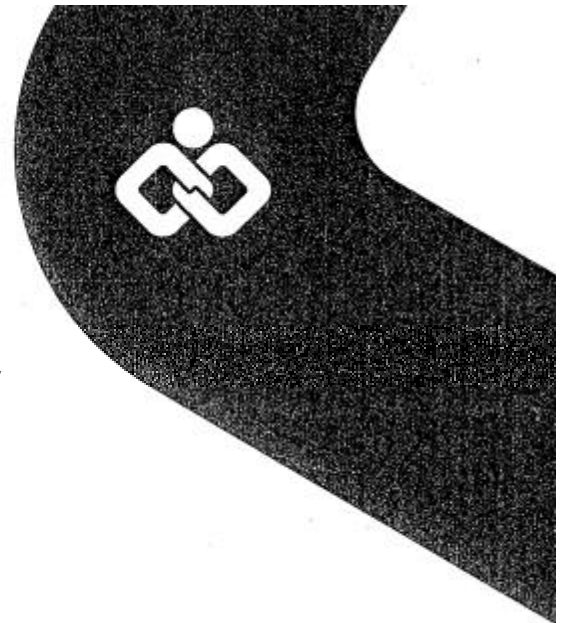
  
Jane Stewart, P.C., M.P.

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July 30, 2002

The Honourable Jane Stewart  
Minister of Human Resources Development Canada  
Place du Portage IV  
140 Promenade du Portage  
Hull, Quebec  
K1A 0J9

Dear Minister;

Thank you again for helping to get our May 23 seminar, *Partnerships that Work!* off to such a good start. The confidence and enthusiasm which you expressed in sector councils put us on the road to a very productive day. It is my pleasure now to let you and your officials know about the conclusions and recommendations we reached.

Our meeting brought together 190 senior representatives from sector councils and the business, labour and education communities as well as federal and provincial government officials. As a group, they understood the skills implications of the knowledge-based economy and were fully aware of the demographic crunch that is just around the corner for Canadian industry. And, you will be encouraged to note their strong belief that sector councils have an important role to play in relation to these and other challenges highlighted in *Knowledge Matters*.

As the attached proceedings attest, our participants were confident that sector councils could boost the volume and quality of employer-sponsored training in essential and occupation specific skills. They also envisioned sector councils reaching out to young people, Aboriginal people, immigrants and others from the "forgotten labour pool". More specifically, sector councils could "build bridges into the workforce" by partnering with the HRDC on a broader internship program modelled on the *Youth Science and Technology* Program and develop a Prior Learning Assessment and Recognition capacity to help integrate new workers into the labour force and promote labour mobility.

Some participants also suggested that sector councils could:

- become stronger advocates for adult education and lifelong learning,
- increase their involvement in curriculum development and career counselling;
- play a role in strengthening Canada's apprenticeship system; and
- market career opportunities in the trades and technical occupations.

It was clear that participants shared the vision of "more councils doing more things" but wanted to proceed with caution. Although they wanted to expand the number of sector councils, they were just as concerned with improving the services and performance and penetration rates of existing councils.

Participants noted that the needs and interests of the sector partners may vary enormously from one industry to another and were leery of having a single "template" imposed upon them. In terms of core mandates, there was a strong sense that councils should not stray too far from their labour market roots or dilute their member-service orientation and sectoral focus, which they viewed as real strengths. However, they were strongly aware that many activities which help their sectors to succeed also address important government priorities such as literacy, essential skills development, workforce inclusiveness, labour mobility, and gearing the education system to meet emerging skill requirements. This is why they reacted so positively to your announcement of performance-based funding for sector councils.

From our discussion, sector councils are clearly confident they can produce measurable results that meet the needs of their members and fully coincide with the Government of Canada's priorities. Of course, their ability to make a real difference at a national level will depend on the resources available to them. Simply put, doing more will cost more. Participants stressed that a willingness to underwrite costs associated with integral, but non-revenue generating activities will be critical to achieving the results we want and need. Here, for example, they were talking about freeing up personnel and resources to help sector councils build effective linkages to community colleges, assist in strengthening the apprenticeship system, and to package and share with each other their own best practices.

The vision which emerged from our meeting was of a growing community of councils offering a range of human resource services to their members and serving a broader public purpose. At the same time, they were clear that sector councils cannot and should not try to be all things to all people. For instance, when they talked of the need to coordinate and disseminate information on overall labour market, skills and learning issues, interpret demographic trends, share best practices, or document the rate of return on training investments, they didn't seem to envision sector councils doing this work on their own. Rather, they saw these types of activities being carried out within some sort of national labour market or skills mechanism to which they would connect and from which they would draw strategic information to support human resource planning within their sectors.

Participants offered no details on what this national labour market or skills mechanism would look like or how it would operate. However, it is interesting to note that similar ideas surfaced during the Canadian Labour and Business Centre's consultations on skills issues in 2001 and in your own public dialogue leading

up to the release of *Knowledge Matters*. Indeed, *Knowledge Matters* stresses the need to “*support the development and dissemination of knowledge and information on adult learning.*” There may well be a growing appetite to explore this concept further.

I know that you and your officials are anxious to strengthen relations with sector councils and clarify the roles which they can play in meeting Canada’s workforce needs in the years ahead. From what I saw at our meeting you will find willing partners to engage with and I hope that the attached material will provide some helpful starting points for your discussions.

In conclusion, let me assure you of the Canadian Labour and Business Centre’s continuing commitment to exploring skills and learning issues. I would be very pleased to pass on your reactions to the ideas we have brought forward to all the seminar participants.

Yours sincerely,

A handwritten signature in black ink that reads "Shirley Seward". The signature is written in a cursive, flowing style.

Shirley Seward  
Chief Executive Officer  
Canadian Labour and Business Centre

# Partnerships That Work!

Sector Council Seminar on  
Workplace Training and New Worker Integration  
May 23, 2002, Fairmont Chateau Laurier, Ottawa  
Canadian Labour and Business Centre

*“Collaboration means that our skills and learning tools are being developed quickly and cost-effectively – which is something that no single company or union can do on its own. And that’s why sector councils such as ours have proven to be an excellent vehicle for skills development.”*

Adrian Spoerry, President and CEO, Hafner, Inc. and Co-Chair, Textiles  
Human Resources Council

*“Our Experience in both sectors [steel and mining] has been extremely positive in terms of skills upgrading of our members and the uptake and quality of entry level programs.”*

Ken Neumann, Director, District 3, United Steelworkers of America and  
Director of CSTEAC and MITAC

*“We want to broaden the use of sector councils through the Canadian economy.”*

The Honourable Jane Stewart, Minister of Human Resources Development  
Canada

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## Summary of Key Conclusions and Recommendations

The Canadian Labour and Business Centre (CLBC) convened *Partnerships That Work!* to showcase current best practices and consider new ways in which sector councils can address key issues identified in the federal government's February 2002 paper called *Knowledge Matters -- Skills and Learning for Canadians*.<sup>1</sup> Some 190 senior representatives from sector councils, the labour, business and education communities, and federal and provincial governments took part in the discussion. The session was moderated by CLBC CEO, Shirley Seward.

The program began with remarks from Adrian Spoerry, President and CEO of Hafner Inc. and Co-Chair, Textiles Human Resources Council and Ken Neumann, Director of District 3 of the United Steelworkers of America (USWA) and Director of CSTEAC and MITAC. They provided employer and union perspectives on the value of collaboration and the necessary ingredients for launching and sustaining sector councils. Then, keynote speaker, the Honourable Jane Stewart, Minister of Human Resources Development Canada outlined the human resource dimensions of Canada's Innovation Strategy and her vision of a growing sector council community.

The day continued with six sector councils on innovative approaches to employer-sponsored skills development and integrating new workers into the workforce. Frank Graves, President of EKOS Research Associates spoke after lunch and profiled Canadian public opinion on education, learning and labour market issues.

At two points during the day, participants broke into 18 round table discussion groups to discuss:

- strategies for strengthening employer-sponsored training;
- ways of integrating new workers into the workforce;
- increasing the number of sector councils; and
- whether sector councils should have broader mandates.

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<sup>1</sup> This paper was one of two documents released in the Government's Innovation Strategy. A complementary document entitled *Achieving Excellence: Investing in People, Knowledge and Opportunity*, was also released by the Minister of Industry Canada.

Over dinner, Shirley Seward, CEO of the CLBC summarized the output of the round table discussions. Finally, Maryantonnnet Flumian, Associate Deputy Minister at HRDC gave a personal perspective on the evolution and potential of sector councils and some preliminary feedback on the ideas brought forward by participants over the course of the day.

The round table discussions produced valuable insights, conclusions, and recommendations on the four topics discussed. These are summarized below.

### **To strengthen employer sponsored training**

#### ***Sector councils should:***

- acquire tools for measuring the rate of return on employer investments in essential skills development, possibly in the context of a broader training and skills information network;
- actively work with governments, educators, employers, unions and the Canadian Apprenticeship Forum to strengthen Canada's apprenticeship system;
- become stronger "advocates for adult learning"; and "turning the workplace into a learning place";
- offer comprehensive human resource planning services;
- link training to other strategic activities such as recruitment and retention;
- aggressively market their training services;
- share information and sector council best practices in essential and occupation-specific skills development across the sector council community.

#### ***Government should:***

- fund research, information collection and marketing activities which serve a public purpose;
- fund documentation and sharing of sector council best practices; and
- identify and train sector council specialist in all HRDC regional offices.

## **To help integrate new workers into the labour force**

### ***Sector councils should:***

- embrace “inclusiveness” as part of their mission;
- reach out to young people to market career opportunities particularly in the skilled trades;
- build linkages to the education system to provide career information and advise on curriculum;
- develop a sophisticated Prior Learning Assessment and Recognition capacity in partnership with community colleges;
- collect and analyze information on job vacancies and career opportunities within their industries, possibly within the context of a broader training and skills information network; and
- participate more actively in the immigrant selection process.

### ***Government should:***

- fund integration activities; and
- develop programs similar to the *Youth Science and Technology Internship Program* that target aboriginals, persons with disabilities, new Canadians and other “marginalized” groups.

## **Further Roles for Sector Councils**

### ***Sector Councils should:***

- stay close to their “natural turf” in the workplace and the labour market;
- move to the front lines in discussions of education and learning;
- promote interprovincial and inter-sectoral labour mobility and credential recognition; and
- place a high priority on measures that will grow their numbers and improve their capacity to serve members, for example:

- supported by the Alliance of Sector Councils, better marketing of their services and expertise
- better linkages between national and provincially based councils
- better sharing of information and best practices
- better linkages to federal and provincial departments responsible for labour market activities.

**To grow the sector council community**

***Established sector councils should:***

- include “growing and strengthening the community” as part of their mission;
- work with HRDC to develop a strong, results oriented accountability framework;
- help develop guidelines for starting new sector councils;
- actively support new councils through the start-up phase with hands on training and advice; and
- working with the Alliance of Sector Councils, actively market the sector council model to Canadian industry.

***Government should:***

- facilitate, not drive the formation of new sector councils;
- move toward a performance based funding formula;
- underwrite ‘start-up’ infrastructure and ‘mentoring’ of new councils by established ones; and
- expand the overall funding envelope as the number of sector councils grows.

## Summary of Proceedings

### BACKGROUND

#### ***What are Sector Councils?***

Sector Councils are organizations which bring together employers, unions and other employee representatives, the education and training community and professional groups to analyze and address human resource needs in different industry sectors. Canada's first sector council, the Canadian Steel Trade and Employment Congress was established in 1985. Since then the number of national sector councils has grown to 26 while others have been set up at the provincial and local levels. In 1999-2000, the Alliance of Sector Councils (TASC) was established as the national co-ordinating body for the sector councils.

While no two councils are identical, most provide a range of human resource development services to their members in areas such as e-learning, skills accreditation and certification, liaison with education/training organizations, labour market information, occupational standards, etc. Sector councils also consult actively with governments on a broad spectrum of human resource and labour market policy issues.

#### ***Conference rationale***

The Canadian Labour and Business Centre (CLBC) convened ***Partnerships That Work!*** to showcase current best practices and consider new ways in which sector councils can address key issues identified in the federal government's February 2002 paper called ***Knowledge Matters -- Skills and Learning for Canadians.***<sup>2</sup> Some 190 senior representatives from sector councils, the labour, business and education communities, and federal and provincial governments took part in the discussion. The session was moderated by CLBC CEO, Shirley Seward.

#### ***Program outline***

The program began with remarks from Adrian Spoerry, President and CEO of Hafner Inc. and Co-Chair, Textiles Human Resources Council and Ken Neumann, Director of District 3 of the United Steelworkers of America (USWA) and Director of CSTEAC and MITAC. They provided employer and union perspectives on the value of collaboration and the necessary ingredients for launching and sustaining sector councils. Then, keynote speaker, the Honourable Jane Stewart, Minister of

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<sup>2</sup> This paper was one of two documents released in the Government's Innovation Strategy. A complementary document entitled *Achieving Excellence: Investing in People, Knowledge and Opportunity*, was also released by the Minister of Industry Canada.

Human Resources Development Canada outlined the human resource dimensions of Canada's Innovation Strategy and her vision of a growing sector council community.

The day continued with presentations by the Canadian Automotive Repair and Service Council, the National Seafood Sector Council and the Canadian Tourism Human Resources Council on innovative approaches to employer-sponsored skills development. To wrap up the morning session, participants broke into 18 discussion groups to consider strategies for strengthening employer-sponsored training and increasing the number of sector councils.

Frank Graves, President of EKOS Research Associates spoke after lunch and profiled Canadian public opinion on education, learning and labour market issues. Next were presentations on exemplary approaches to integrating new workers into the workforce from the Aboriginal Human Resources Development Council of Canada, the Canadian Aviation Maintenance Council, and the Canadian Council for Human Resources in the Environment Industry. To wrap up the afternoon, participants returned to their small groups, this time to explore ways of helping new workers find their feet in the workforce and to consider broader mandates for sector councils.

Over dinner, Shirley Seward, CEO of the CLBC summarized the output of small group discussions. Finally, participants heard from Maryantonnnet Flumian, a sector council pioneer, now Associate Deputy Minister at HRDC. She gave a personal perspective on the evolution and potential of sector councils and some preliminary feedback on the ideas brought forward by participants over the course of the day.

## Plenary Discussions

The following pages paraphrase, in a highly condensed format, the key points raised in the opening remarks, Minister Stewart's keynote address as well as the closing comments from Ms. Flumian. As well, they encapsulate the observations, conclusions and recommendations which emerged from the group discussions. The exemplary practices presentations are available in their entirety at the CLBC website. To download these presentations along with a primer on Canada's sector councils and the CLBC Handbook on Skills and Skill Shortages, please go to [www.clbc.ca](http://www.clbc.ca)

**SECTOR COUNCILS AND WORKFORCE DEVELOPMENT: the Honourable Jane Stewart, Minister, Human Resources Development Canada**

### *The changing labour market*

Canada must come to grips with shifting demographics and ever rising skill requirements dictated by the knowledge economy. As experienced workers opt in growing numbers for retirement, young people must have access to learning and skills development and we must do more to attract aboriginal Canadians and immigrants to our workforce.

Producing accurate, timely Information and analysis on population demographics and labour market trends is vital to meeting Canada's human resources challenges. Sharing this information and making it easily understandable to citizens as the CLBC has done with his handbook on skills and skill shortages will drive informed decisions about learning and career choices and skills development.

To one extent or another, all of the G8 countries are struggling with these challenges. However, sector councils are a unique Canadian response.

### *An evolving partnership*

Sector councils are the right approach for Canada. They now operate in 26 sectors covering 25% of the economy. To build on this "critical mass" the last budget allocated \$100 million over the next five years.

As we invest these funds, we will move away from a "self-sufficiency" funding model toward one that is based on performance. The self-sufficiency requirement has made sector councils " beholden to government" and often too concerned with looking for money than generating results. As we move forward, we have identified four key principles to apply in gauging sector council performance:

- Are they representative of their industries? Do they engage all of the

necessary players including employers, unions, the education community and the various levels of government?

- Are they responsive to the needs of stakeholders?
- Are they connected to institutions outside of the industry particularly colleges, CGEPs and universities and the K-12 system?
- Are they producing results which matter to employers, workers, unions and to Canada?

We also want sector councils to look beyond training and adjustment activities. What can they do to help Aboriginals, people with disabilities, single parents, and people with low literacy skills to move from the margins into the mainstream of the labour force? What tools can they provide to support lifelong learning?

### ***Growth of sector councils***

We want to increase the coverage of sector councils to 50% of the workforce, concentrating on areas where skills shortages are most acute. We have to think about councils in new areas such as health care and education and other sectors which will profit from macro-level human resource planning.

“For me, sector councils offer a real opportunity for Canadians to understand our economy and all its component parts and to appreciate that our competitive advantage comes from making sure that every citizen has the opportunity to be the best that he or she can be and participate to the fullest extent possible in the economy.”

### ***Youth Science and Technology Internships***

Minister Stewart announced that 12 sector councils will receive more than \$4.5 million this year to support science and technology internship programs that help young people make a smooth transition from school to work.

|                                                                                                                             |
|-----------------------------------------------------------------------------------------------------------------------------|
| <b>EMPLOYER PERSPECTIVES:</b> ADRIAN SPOERRY, PRESIDENT AND CEO, HAFNER, INC AND CO-CHAIR, TEXTILES HUMAN RESOURCES COUNCIL |
|-----------------------------------------------------------------------------------------------------------------------------|

### ***Skills spell success for the textile industry***

A \$3.4 billion investment in machinery and equipment has transformed Canadian textile manufacturing from a “traditional” to a “high tech” industry. Productivity growth has run ahead of the national average and is now higher than in the United States. This sustains \$3.3 billion in export sales and 57,000 Canadian jobs. However, “our competitive advantage lies in how we use technology. This is determined, most of all by the skills and wherewithal of our human capital.”

***Our sector council is making a difference***

In 1994, less than one third of textile firms in Canada had any kind of human resource planning or formal workplace training. Since then the Textiles Industry Human Resources Council has built a “training and education infrastructure where none existed before”. Membership has grown to more than 100 firms because the Council develops skills and learning tools quickly and cost-effectively which “no single company or union can do on its own”. With support from Minister Stewart and HRDC, the Council has “helped our industry to make great progress in meeting our labour force requirements”.

***The keys to success***

Several factors account for the Council’s success. All of the key players: CEOs, union leaders, industry suppliers, education institutions and governments have come to the table. However, council programs are industry-led with union and company representatives ensuring that curriculum development and program design meet the needs of the workplace. “By bringing all of our industry’s resources together, we are producing innovative and tangible results. These are a testament to the value of joint-initiatives and the value-added of sector councils.”

**TRADE UNION PERSPECTIVES:** Ken Neumann, Director, District 3, United Steelworkers of America and Director of CSTEAC and MITAC

The USWA was a cofounder of Canada’s oldest sector council, the Canadian Steel Trade and Employment Congress (CSTEAC) and more recently worked with employers to set up the Mining Industry Training and Adjustment Council (MITAC). From this experience, the union has learned some important lessons about success.

***Common issues – different needs***

In their governing bodies, sector councils must be representative of their entire industry and their programs and activities must respond to its needs. Both unions and management must deal with tough issues like restructuring, new technology and skills gaps, but each must deal with them from their own perspective. Successful sector councils operate on the principle of common issues, different needs.

***What’s in it for me (WIIFM)***

For sector councils to be relevant, unions and management must both clearly see benefits which satisfy the WIIFM (what’s in it for me) principle. For example, through CSTEAC, initiatives like the Manufacturing Techniques Program and the Steel Industry Trades Replacement Program help companies recruit, train and retain the workers they need. At the same time, there are clear WIIFMs for the union including: the opportunity to participate in identifying skill requirements and

in developing training programs; leverage to upgrade the skills of the current workforce; and, improved employability for all members. To achieve the necessary buy-in from unions and management at the national and local levels, sector councils must identify the WIIFMs for each stakeholder and make them visible to all.

***What is the role of government?***

Governments can play an important role in bringing stakeholders together and providing resources to get new sector councils off the ground. In addition, public funds will be needed to underwrite some sector council programs and activities. However, governments must avoid a “one size fits all” approach. They must recognize that different sectors have different needs which will shape the structure and operations of their sector council. “What’s good for the textile industry may not be for the steel or mining sectors. The key to effective government support for sector councils is flexibility.”

“I look forward to continuing to work with the Minister to strengthen my sector councils and the sector council movement, generally.”

## Group Discussions

To wrap up the morning and afternoon portions of the program, participants broke into 18 discussion groups. Each group had a chance to address one of two questions relating specifically to the conference themes:

1. How can sector councils help to boost employer-sponsored training? What factors impede them from doing more on the training front? How can these barriers be overcome?
2. How can sector councils help newcomers to the workforce (e.g. youth, natives, immigrants) find their feet more quickly in the labour market. How can they help employers to recruit from these groups? What are the barriers to moving in this direction and how can they be overcome?

In addition, each group also had a chance to address one of two “blue sky” questions relating to the future of sector councils:

3. Is there a role for sector councils beyond training, integration and other labour market activities? Are there other ways in which they could serve their members and improve Canada’s economic prospects?
4. What priority should we place on expanding the number of sector councils and what considerations should guide their creation? What are the barriers to getting new councils off the ground? How can these be addressed?

The main conclusions and recommendations reached in the small group discussions are captured below.

### **1. STRENGTHENING EMPLOYER-SPONSORED TRAINING**

Sector councils are already extensively involved in employer-sponsored training in industries across Canada. In this discussion, participants explored ways in which councils could improve the quality and expand the volume of employer-sponsored skills development.

#### ***Literacy and essential skills training***

Most groups concluded that sector councils could and should get more involved in literacy and essential skills training and help to “transform the workplace into a learning place”. Several suggested that councils should work through TASC to develop and package literacy and basic skills development programs and share them across the sector council community.

There was also a sense that sector councils, individually and collectively, should become vocal “advocates for training and adult learning” in the workplace and the broader community.

### ***Overhauling the apprenticeship system***

With the supply of skilled trades posing a critical challenge in many industries, a number of groups discussed the need to overhaul Canada’s “outdated” apprenticeship system and make it more responsive to industry requirements. Here, the suggestion was that sector councils take a high profile, leadership role and work with unions, employers, the education and training community and the Canadian Apprenticeship Forum to explore new apprenticeship models that will appeal to young people.

### ***Providing a broader array of human resource planning services***

One consistent theme in the group discussions was that councils should not view training in isolation from other key human resource management functions. A number of groups suggested that councils offer members a range of affordable services such as career counselling, recruitment, training needs and prior learning assessment as part of an integrated approach to human resource planning. Many noted that SMEs and “micro” firms lack the knowledge and resources to implement sophisticated human resource practices, but could do so with support from sector councils.

Several groups touched specifically on the need to help firms manage “skills and knowledge transfer” issues which will begin to pose a major challenge as aging baby boomers opt for retirement in increasing numbers.

### ***Measuring the impact of training***

Participants in several groups commented on the need to develop benchmarks and measures to gauge the bottom-line impact of basic and job-specific skills training. They felt that sector councils could contribute to this exercise and that clear and credible, ROI information would help in “selling” employers, particularly small companies, on the value of training. There was a strong sense that many employers have little idea of how to track the costs and benefits of training programs and therefore tend to view them as an expense as opposed to an investment.

### ***Marketing and visibility***

While participants were convinced that sector councils are achieving excellent results in their training and skills development work, it was widely felt that they are not telling people about these successes. Opinion was pretty much unanimous that councils need to be more visible and do a better job of marketing themselves

as cost-effective human resource service providers within their industries and in the broader community.

There was a strong sense as well that sector councils have not developed adequate linkages to span jurisdictions and share information among national, provincial, regional and local organizations. “Overall, we all need to take better advantage of what exists, and not be reinventing wheels in the HR puzzle.”

## **Barriers to a Stronger Role in Training**

### ***Resources***

Participants identified a number of factors which constrain training activities by sector councils. The most significant barrier was seen to be financial. Sector councils lack the resources needed to play more actively in literacy and basic skills training, to advocate for reform in the learning system, or develop tools for tracking training costs and benefits. Similarly, TASC does not have the capacity to market sector councils as effective service delivery vehicles.

### ***Lack of a training culture***

Many participants seemed to view the untapped potential of sector councils as symptomatic of the fact that there is no real training culture in Canada. They felt that too many employers still view skills development as a cost rather than an investment. To put Canada on the road to a training culture, they thought that sector councils and other organizations must be able to document and demonstrate the positive impact which training can have on retention rates, productivity and the bottom line.

Several groups conceded that many sector councils have yet to build the linkages needed to deliver training effectively at the community level. Turf wars between government departments and between jurisdictions were also seen as barriers.

## **Moving Forward in Employer Sponsored Training**

There was some confidence that a new HRDC funding formula coupled with better access to provincial training budgets and better linkages to local training and education providers would enhance the capacity of sector councils to train workers. As one put it “we can deliver the things that are important, that are called for in *Knowledge Matters*.”

Beyond the question of expanding capacity of sector councils to deliver training, participants in several groups talked about the need to put funds into the hands of workers and employers who, in turn, could procure training services from their sector council. In this connection, better access to and more creative uses of the EI Fund was seen as key. Several groups suggested that some portion of the

surplus in the EI fund could be used innovatively to promote training by employers and to support “programs and services that keep people employed”.

There was also a lot of discussion about the need to generate economies-of-scale across the sector council community and for industry and sector councils to adopt more innovative and flexible learning formats, including e-learning, the use of “peer trainers” and mobilizing retirees to pass on knowledge and skills. Here again, participants called on TASC to establish a data base of best practices in training and human resource planning within the sector councils community. As one participant said “it should be easier to find out who's doing what and what is working best.”

Another idea was that in some cases sector councils could develop and share training infrastructure such as distance learning facilities and even mobile training facilities that would travel to different communities and workplaces. As a first step, they suggested that TASC organize a meeting of all sector councils in order to make an inventory of needs and resources.

### ***Marketing and communications***

Many participants believed that councils must look beyond their current members to make all employers and workers in their sector aware of the training opportunities which they offer. They conceded that marketing is a real weakness, and in many cases, there is simply no budget for it. Several groups recommended that marketing expenses be specifically provided for under any new funding formula.

A second marketing thrust was suggested for HRDC where, one group suggested, “sector councils are well understood at headquarters but not in the regional offices.” To address this situation, the group proposed that HRDC identify and train a sector councils specialist in each of its regional offices. These people could promote the sector council model locally and help councils to plug into provincial government training budgets and local educational institutions.

## **2. INTEGRATING NEW WORKERS INTO THE LABOUR FORCE**

Sector councils have become important suppliers of training, skills development, workforce adjustment and other HR services in industries across Canada. In this discussion, participants focussed on the role which councils might play in helping young people, natives, recent immigrants and others – to find their feet more quickly in the world of work.

### ***Reaching out to marginalized groups***

There was a strong consensus that sector councils could help to integrate workers from so-called “marginalized” groups in to the labour force. What is more, a

number of participants construed this term very broadly to include the low skilled, poorly educated and long-term unemployed, the disabled, older workers and others who may also have special needs in the workplace. Their discussions focussed on two “integrative functions”: helping employers to recruit from these groups and helping workers acquire the skills and orientation needed to succeed in their employment.

## **Recruitment Activities**

### ***Youth awareness***

Many participants saw sector councils as logical sponsors for “youth outreach programs” that would actively market career opportunities to young people, parents and guidance counsellors.

Much of this discussion focussed on addressing the “image problem” of the skilled trades and the need to aggressively market trades education as a viable alternative to college or university and as a pathway to well-paying, rewarding careers. Several groups stressed the need to get this message to kids in grades 9 and 10 so that they can choose courses which keep doors open for them.

One group suggested that sector councils mobilize young adults already employed with member companies and to send these “youth champions” out to high schools to tell kids about their work lives and career opportunities in their sector.

### ***Building linkages to the education system***

Several groups wanted sector councils to get actively involved in the K-12 and post-secondary education systems. Here, the thought was that councils could lobby education authorities and in essence “sell their industries to the school system” to ensure that the curriculum corresponds to workplace needs and that information on career opportunities and skill requirements is widely available to students.

One group suggested that sector councils are well placed to take on the “sacred cow” of corporate involvement in the school system. Rather than giving money directly to schools, companies could channel donations through a sector council, thus heading off any perception that the contribution might come with strings attached. As well, they saw sector councils taking the lead in managing career fairs, co-op and other career awareness programs and in contributing to professional development programs for teachers.

### ***Collecting labour market information***

In a couple of groups, participants saw a role for sector councils, working with governments, education authorities and individual employers, to collect and

analyze information on job vacancies and career opportunities within their industries. Unfortunately, due largely to resource constraints, their involvement in this area is usually limited to an initial sector study. Participants suggested this new role would be akin to the environmental scanning function now done by local training boards and would not only support sector-wide human resource planning, but also curriculum development and more informed career and learning choices by young people.

There was a general sense that sector councils are well placed to contribute the development of more accurate, timely and user-friendly labour market information (LMI) systems in Canada. In addition, one group concluded that “there is a need for some kind of national, non-government agency to package and disseminate the LMI data which sector councils can capture almost in “real time”.

### ***Prior Learning Assessment and Recognition***

Some sector councils are already involved in Prior Learning Assessment and Recognition (PLAR) and many participants saw this role growing in years ahead as demographic trends force employers to cast an ever wider recruitment net. With first-hand insight into the skills and abilities actually required in their industries, they believed sector councils could work in partnership with community colleges to assess educational credentials acquired outside of Canada and test for competencies acquired through informal education and job experience. With a sophisticated PLAR capacity, sector councils could help employers meet recruitment goals and also serve as an entry portal for new immigrants and mature workers.

A further thought was that, as national organizations, sector councils could provide an articulate “industry voice” and work with governments, educators and professional bodies to develop consistent national standards and approaches to PLAR.

### ***Immigration***

There was a good deal of discussion and support for a broader sector council role in Canada’s immigrant selection system. This involvement might range from identifying acute skills shortages, to supporting “fast-track” recruitment of immigrants, to developing skills profiles that would underpin ongoing recruitment efforts by Citizenship and Immigration Canada (CIC). Some participants also saw sector councils getting involved in “settlement” activities, working directly with immigrant communities on job placement and training programs.

While recognizing the importance of immigration in meeting Canada’s labour force requirements, one group noted that sector councils must be “mindful of the concerns of many unions that strong efforts first be made to integrate disadvantaged Canadians into the workforce.”

### ***Developing new integrative tools***

Many participants saw a role for sector councils in helping employers to retain employees recruited from “marginalized groups” by offering a range of services such as mentoring and co-op programs, and culturally sensitive training for employees and supervisors. They suggested that councils partner with the Aboriginal Sector Council, Women in Technology and Trades (WITT) and other representative groups to develop these ‘integrative tools and services’.

There was also a suggestion that sector councils, particularly in Western Canada, should develop connections to First Nation Communities and build programs that would support more effective integration of aboriginals into the labour force.

Some participants also noted that the trend of past decades to move older workers out of the labour market through early retirement incentives will likely dissipate over the next few years. In fact, they suggested there may be a need for special measures to bring older workers back and retain them in the active workforce.

### ***Integrating low skilled people into the workforce***

In one discussion group, participants noted that low skilled people may be kept out of the labour market by employers who set the recruitment bar unreasonably high for example, by requiring high school graduation for jobs where completion of grade 10 would suffice. By helping employers to set realistic skill requirements and then providing literacy and basic skills training, they felt that sector councils could help low-skilled workers find their way into the labour force. This group added that there will always be a need for “tire changers and oil changers” and warned that programs which focus only on high order skills and upward mobility will leave low-skilled Canadians behind.

## **Barriers to a Broader Role in Integration**

While participants believed that sector councils could do more to integrate workers from marginalized groups into the workforce, they identified a number of factors which stand in the way of playing this larger role. These ranged from “inflexible bureaucrats” and overly rigid EI program definitions, to union seniority clauses which may constrain development of co-op, internship programs and other special recruitment programs. However, two barriers attracted the bulk of their attention.

### ***Resources***

Sector councils have been created to address shared concerns of employers, workers and unions largely in the areas of training and adjustment. Participants agreed that they may be very well placed to play a significant role on the “integration” front, but as one group put it “new mandates should not be artificially imposed on sector councils that are already stretched to the limit”. While most

seemed to favour a move in this direction, there was a very strong consensus that councils could only take on these additional functions with government funding extended expressly for this purpose.

### ***Jurisdictional issues***

In industries such as tourism, sector councils have been able to span jurisdictional boundaries by creating complementary national, provincial and local organizations. Still, many participants felt that the devolution of responsibility for training to the provinces has created 'a disconnect' from the "national priority" of building a cohesive system of lifelong learning. As one group put it "the provincial jurisdiction over training and education, is a barrier whether we like it or not". They suggested, for example, that efforts to introduce materials into the secondary school curriculum must "run a gauntlet of jurisdictions" which boosts costs and leads to "inconsistent outcomes across the country". In a similar vein, they added that "to influence governmental decision-makers on training, councils must now relate to 13 jurisdictions instead of one."

## **Moving Forward**

### ***Resources***

For sector councils which are already heavily taxed by their training and adjustment mandates, there is no possibility of broader involvement in "integration" activities without commensurate funding from governments. One suggestion, however, was that TASC could be mandated, and funded to take the lead on this issue and generate significant economies of scale by consulting with various "equity groups" on labour force integration strategies and allocating follow-up tasks, as appropriate, to individual councils. In the end, however, as some participants stressed, "it all comes down to money".

### ***Jurisdiction***

Although fragmented jurisdiction in the areas of training and education were seen as cost drivers, there was a strong sense that sector councils could develop good working relationships with the two levels of government and find their place in the human resource policy arena. To assist in this process, one group called for a federal-provincial agreement on learning, similar to the one on child care, in which sector councils would presumably find their place. Another referred to the National Literacy Secretariat as a template for federal-provincial cooperation.

### ***New internship programs***

Building on Minister Stewart's announcement of \$4.5 million to support sector council participation in the Youth Science and Technology Internship program, one group called on HRDC to consider a similar initiative targeted at other groups. Here, they thought, sector councils could serve as "brokers", helping employers,

particularly small firms, to identify work assignments and match them with prospective job seekers.

### **3. FURTHER ROLES FOR SECTOR COUNCILS**

Canada's sector councils are well established players in the training, adjustment and human resource fields. In this discussion, participants considered other activities which councils could undertake which would improve the performance of their industries.

#### ***Proceed with caution***

On the whole, participants were cool to the idea of sector councils straying too far from their current activities. Most were wary of any broader mandate which was not "demand driven" by employers, unions and employees. As one group put it "councils have much work to do to improve their performance". Therefore, they should "stick to their core concerns and not get side-tracked". Another said simply that "sector councils cannot become everything to everybody".

Despite these reservations, participants were willing to see councils take on new issues. For example, several groups saw a possible role in promoting a "wellness culture" in the workplace and dealing with issues such as workplace violence. Another thought was that they could develop strategies and offer services to address the challenge of the aging workforce. One group talked about a role for councils in promoting R&D, but for the most part, they wanted to stick close to their "natural turf" in workplace and labour market.

#### ***Relationships with government***

In most groups, participants envisioned councils weighing in and speaking out on trade, taxation and other public policy issues affecting their sectors and particularly, the workforce. Some suggested that, sector councils might serve as official spokesperson for their sector in relation to HR policy matters. Another idea was that councils which cultivate linkages to federal and provincial departments could help to "sort out the grey areas between jurisdictions" in relation to training and work practices.

#### ***Education advocates***

Participants clearly wanted to see sector councils move to the front lines in discussions about education and learning. They felt that sector council programs could effectively address the workplace component of lifelong learning and, at the same time, work with governments and employers on reforming the apprenticeship system and marketing the skilled trades and technical occupations to young people, parents and guidance counsellors.

### ***Promoting labour mobility***

Some participants believed that councils could develop sophisticated PLAR services which would assist workers in moving across sector boundaries and in overcoming “needless” credential-based, inter-provincial barriers. There was a sense that sector councils could help to shake the perception that PLAR is more often used to “disqualify” workers from jobs than to facilitate hiring and promote mobility.

### ***Strengthening the sector council community***

The only strong consensus on new roles and activities was around the priority of making the sector council community stronger. Participants reiterated a list of activities which they believed were important including:

- more co-operation among councils in documenting and sharing best practices
- developing “generic” skills development and other programs
- established councils can serve as mentors to new start-ups
- better advertising and promotion of sector councils to industry, government and the education community
- better partnering of provincial and national councils with each other and with governments using the experience of Quebec's and Nova Scotia's provincial sector councils as a possible model.

All groups reiterated that individual sector councils efforts to strengthen their community are constrained “in terms of time and money”. Many agreed, however, that “TASC has an obvious role to play” in several promising new directions, but that it too has serious capacity issues which must be addressed.

## **4. CREATING MORE SECTOR COUNCILS**

Canada has 26 national sector councils which cover 25% of the workforce. In this discussion, participants explored options and strategies for bringing new industries into the sector council community. Here is a summary of their work.

### ***Considerations governing the creation of new sector councils***

Participants believed that a growing family of sector councils could become a pillar of human resource planning at the national, regional and local levels and within industries and firms. They saw this as a source of competitive advantage for Canada that would help employers and workers adjust to change and capitalize on opportunities in the global economy. At the same time, they cautioned against setting targets for workforce coverage and rushing to create new councils where conditions may not be right.

### ***Respond to real needs***

New councils must “respond directly to strategic needs” identified by the sector partners and “fill a definable gap in the HR services available in the sector”. Participants were also clear that the birth and evolution of new ventures should be “driven by employers, unions and workers”. They believed that governments can play a vital facilitating and funding role in new start-ups. However, as one group put it, “government should act as a guide on the side not a sage on the stage”.

### ***Move cautiously and consider alternatives***

Participants were clearly opposed to creating sector councils where “ad hoc” approaches will be “more flexible and less bureaucratic” or where existing organizations, such as industry associations, are capable of dealing with the issues. Participants were clearly aware that setting up a new council involves a great deal of time and effort and may risk “upsetting historical relationships between sector partners.” Here, their message was: “sector councils if necessary”, but consider alternatives first and don’t duplicate what’s already being done.

To many participants, increasing the number of sector councils was not an immediate priority. As one group pointed out “many councils have only achieved 30% penetration within their industries”. They wanted to “make existing councils more relevant to their sectors and fiscally sound” before investing time and effort and funding in creating new councils.

Finally, one group debated the wisdom of sector councils moving into education, health care and other para-public industries. They questioned whether “the political backdrop and tight government controls over budgets and operations” would leave sufficient room for sector councils to operate. They also wondered whether federally supported organizations might not be welcome in areas of exclusive provincial jurisdiction.

### ***Principles governing new sector councils***

When considering the merits of forming a new sector council, participants seemed to agree on the following tests:

- are TIER 1 leaders (i.e. CEOs of companies, Presidents and Directors of unions etc.) from all relevant stakeholder groups prepared to participate?
- do the challenges facing the sector lend themselves to collaborative solutions?
- are the issues separate from collective bargaining?
- are there clear benefits for each of the stakeholders?

There was less agreement on whether a “national focus” should also be a prerequisite. Several groups thought new councils should “at least aspire” to operate Canada-wide. Others felt this requirement would boost start-up costs and pose a real barrier to new ventures. They believed that local, provincial and regionally-based councils were just as important and could operate under a national umbrella, as in the tourism industry, “if and when the partners thought this would add value.”

Some participants also wanted to add an “inclusiveness” requirement to the start-up check list. One group argued strongly that new councils should not only set out to represent the key industry players, but also to reach out to youth, immigrants, aboriginals and others from the “forgotten labour pool”. They also urged sector councils to invite representatives from these groups to join their boards of directors.

Finally, there was a suggestion that the formation of new sector councils should correspond in some fashion to national strategies and the government’s economic vision.

## **Barriers to forming new Councils**

There are a host of factors which complicate the task of getting new sector councils off the ground. Strained labour-management relations, the unwillingness of competitors to share what they perceive as proprietary information, and the question of who represents non-unionized employees or where to draw boundary around a sector were all seen as challenges. However, most of the discussion focussed on two fundamental issues.

### ***A Lack of startup infrastructure***

Neither established sector councils, nor The Alliance of Sector Councils (TASC) have the time and personnel needed to offer meaningful help to new ventures. Thus, would-be collaborators have no one to turn to for “step by step guidance and hands on support”. As a result, new councils must follow a slow, “learn as you go” approach which can severely strain the resources and patience of sector partners, particularly small firms and some unions.

### ***Funding issues***

Participants concurred very strongly with Minister Stewart’s assessment of the self-sufficiency requirement in HRDC’s current funding model. They believed that this provision often forces established councils to “scramble for funds” and to focus on revenue generation over member services. What’s more, the stringent self-sufficiency requirement may deter new councils from forming. To small companies and unions, the prospect of substantial downstream costs in exchange

for uncertain benefits is a real deterrent, especially when coupled with the need to “dance through the HRDC bureaucracy”.

Since sector councils play an important public policy role, participants saw a strong rationale for government support to continue past the start-up phase. They strongly endorsed the shift to a “performance-based formula” which incorporates “realistic cost and revenue projections”. They cautioned, however, that HRDC should be “patient” and recognize that new councils will need time to find their feet and produce measurable results. At the same time, they made it clear that they would welcome a strong accountability framework because their *raison d’être* is to deliver results that matter for workers and employers and hence, for Canada.

Finally, on the issue of funding, several groups stressed that the HRDC funding envelope will have to grow as the sector council family expands to avoid a “a zero-sum fight for the same pie”. This reflected a real concern that new councils might “siphon off the resources” which established councils could put to high-return uses.

### **Moving Forward**

Participants viewed the shift to a new funding formula as vote of confidence and saw real possibilities for growing the sector council community provided that the formula could support marketing activities and infrastructure investment.

### ***Raising awareness***

Despite their many successes, participants conceded that sector councils are still one of Canada’s best kept secrets. They called for a broadly based, awareness raising campaign, to familiarize leaders in government, industry and the education community with the sector council model. One group wanted to strike a committee, first with HRDC, then with other departments to see where sector councils might fit into their program design and delivery work. Others stressed the need to actively cultivate linkages to the provincial and territorial departments responsible for training and education as well as to colleges and CEGEPs.

### ***Start-up support***

By spreading the word and publicizing success stories, participants believed that business and labour leaders and others in the private sector would consider sector councils as a viable way to address industry problems. However, to translate talk and ideas into action, they also wanted to work on the “supply side” of the equation and develop tools and services which would make it easier to start new councils. Most groups talked about the need for some sort of manual or set of guidelines written in “jargon-free language” which would point potential collaborators in the right direction and minimize start-up costs and efforts.

***Established councils should lead the way***

There was a sense that helping new councils to ‘get up and running’ should be part of the mission for established councils. Moreover, participants believed that established councils would be prepared to assist new start-ups through hands-on advice, mentoring and guidance provided that these activities qualify as allowable expenses under any new funding formula.

Most groups thought that TASC could play a more active role in marketing the sector council model to Canadian industry. Several also believed that TASC could develop “how to guides” and support new councils through consulting services and training programs for staff and board members. Another suggestion was for TASC to create a website for sharing information about sector councils and a “tool box” for new start-ups.

**CLOSING REMARKS: Maryannet Flumian, Associate Deputy Minister, HRDC**

***Sector councils are part of the answer***

*Knowledge Matters* underlines the government’s belief that skills and learning are key to a more innovative, competitive economy and signals “our commitment to engage Canadians on skills and learning issues”.

Among the milestones we have established for the next five years are to increase the number of adult learners by one million and the annual business investment in training by one third. To help us meet these goals, funding for sector councils increased substantially in last December’s budget. We believe that “more sector councils is part of the answer generating increased skills development activity for workers in strategic areas of the economy and accessible to small firms.

Moving to a performance-based funding formula indicates our commitment to expanding the network of exemplary sector councils. Our goal is to “sustain industry partnerships that achieve results”, such as the best practices and innovations that we have heard about in this meeting today.

**Moving Forward**

We welcome the suggestions and ideas which you have brought forward today in areas such as:

- expanding “essential skills” development programs delivered in the workplace;
- a national internship program targeting groups such as immigrants, aboriginal people and persons with disabilities;
- reinvigorating the Canadian apprenticeship system and attracting young

people to the skilled trades;

- providing PLAR services to help integrate new comers to Canada into the workforce;
- providing up to date about market information tailored to the needs of industry sectors; and
- developing models to document and demonstrate the ROI on training investments.

“These are the kinds of innovative ideas we had hoped would emerge from today’s discussion and I look forward to investigating the possibilities they promise.”