



Report of the  
Standing Senate Committee on  
National Finance on

# CANADA MANPOWER

Chairman

The Honourable Douglas D. Everett

Deputy Chairman

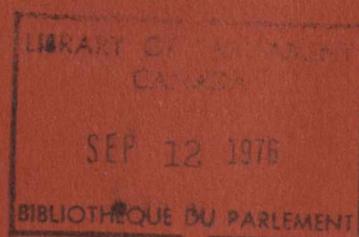
The Honourable Herbert O. Sparrow

First Session

Thirtieth Parliament

August 1976

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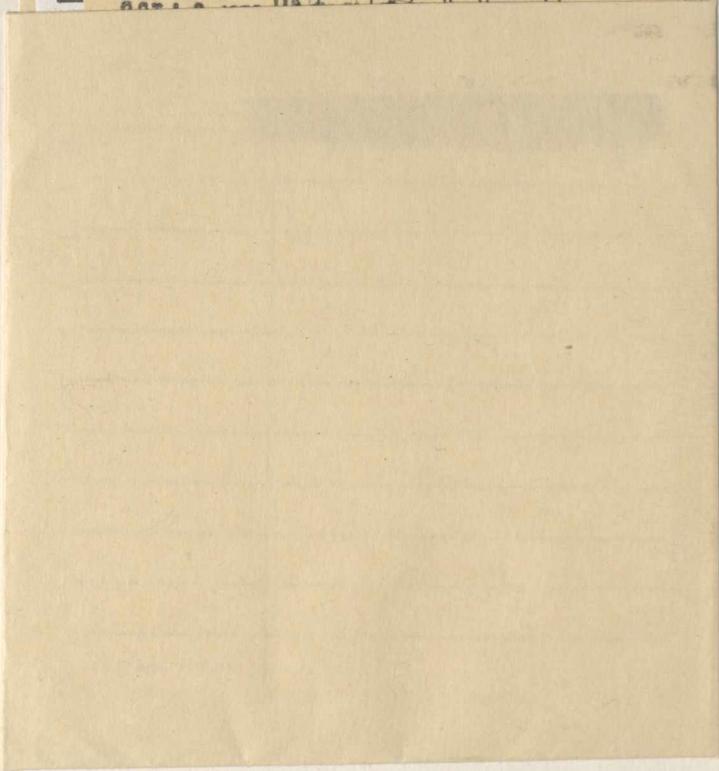
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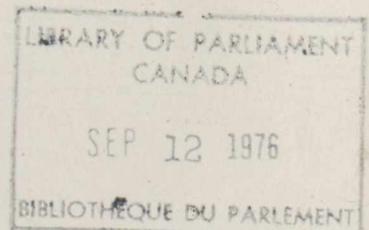
**An Examination of the Manpower Division  
Department of Manpower and Immigration 1975**

**Chairman  
The Honourable Douglas D. Everett**

**Deputy Chairman  
The Honourable Herbert O. Sparrow**

**First Session  
Thirtieth Parliament**

**August 1976**





## ORDER OF REFERENCE

On Tuesday, December 17th, 1974 the Senate resolved:

That the Standing Senate Committee on National Finance be authorized to examine in detail and report upon the estimates of the Manpower Division of the Department of Manpower and Immigration for the fiscal year ending the 31st of March 1975.

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*(as of 1 July 1976)*

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## SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

Canada Manpower now offers a wide range of services to all members of the labour force and to employers intended to ensure that opportunities for useful and satisfying employment are fully realized. This approach which parallels that adopted by other industrialized members of the OECD recognizes that an active manpower policy involves more than the provision of a mechanism to match job seekers to job opportunities. These policies and programs are administered by the Manpower Division of the Department of Manpower and Immigration.

**The Committee approves the broad policy objectives of Canada Manpower. It is concerned, however, that the Division not lose sight of its major responsibility, which is to assist the unemployed job seeker.**

### PART I:

#### MANPOWER POLICY AND PROBLEMS IN CANADA

##### **Chapter 1. The Objectives of Manpower Policy in 1975**

The Manpower Division has extended the objectives of manpower policy to make it responsive to the basic social and economic needs of Canadians. To attain these objectives it has devoted an increasingly large proportion of its total annual expenditures to assist those who are viewed as disadvantaged, whose opportunities for employment are limited because they lack minimum skills or suffer from social or physical handicaps.

Interpretation  
of policy —  
page 9.

**The Committee recognizes that it is important, wherever possible, to assist unemployables to obtain productive employment. But it suggests the time has come to strike a note of caution. Expenditure by the Division of both money and effort on this activity should not lead to the neglect of those job seekers who are job ready or can be made so through the established training and counselling services of Canada Manpower.**

## Chapter 2. A Public Employment Service in an Evolving Work Environment

Changing attitudes of the work force — page 14.

Attitudes toward employment in Canada have altered in recent years. Canadians change their jobs more frequently; they are selective about the jobs they are willing to fill and surveys show that on average their job search effort is weak. These attitudes affect the competence of Canada Manpower and must be kept in mind in assessing the effectiveness of the services provided.

### PART II:

## THE PLACEMENT FUNCTION

### Chapter 3. The Formidable Task: An Introduction to Canada Manpower's Placement Services

Limitations to CMC service — page 19.

Canada Manpower is restricted in its placement service activities by two conditions. It cannot refuse to assist any job seeker who registers and it must fill vacancies from persons registered with it. It follows that **the Division's first responsibility as a public service must be to the job seeker and especially to the unemployed job seeker.**

Cooperation of employers — page 19.

This fact must be faced. **To be effective the Division must therefore seek the understanding and cooperation of employers by explaining the limitations which its role as an unemployment agency places on the services they can expect from Canada Manpower Centres.**

### Chapter 4. The Canada Manpower Centre

Contact person for employers — page 22.

**The employer who seeks workers should be given a contact in the Canada Manpower Centre who should be a manpower counsellor or a counsellor assistant.** This is necessary to secure the cooperation of employers and thereby to fulfill Canada Manpower's responsibility to the job seeker.

Improved job orders — page 22.

**The Committee recommends that the Division improve arrangements for the receipt of job orders to ensure that all relevant information is included and that the order is an accurate description of the work and the working conditions.**

Action on job orders — page 23.

The counsellor contact handling the order should personally verify that appropriate action has been taken in the CMC and that the employer is satisfied his job order has been given attention.

Screening job orders in the JIC — page 25.

**The Job Information Centre is an efficient method of handling job-ready clients,** thus leaving CMC personnel more time for job seekers who require vocational counselling or training. **The counsellor taking the job order should be required to ensure that the employer completely understands the limited screening of applicants likely to be referred to him from a listing of his order**

in the JIC. Referral forms should also indicate clearly that only limited screening has been given to the job seeker being referred.

The JIC staff, including the monitor counsellors assigned specifically to circulate in the JIC area, **should be constantly on the lookout for those who cannot take advantage of this service, who have deeper counselling needs** and who should be directed to counsellors responsible for giving this assistance.

JIC staff responsibilities — page 26.

The Division should, where possible, give explicit recognition to the functional division of duties performed by counsellors in Canada Manpower Centres. Those directly involved in the actual referral of job-ready clients to specific job orders should be designated 'placement officers'. Those responsible for in-depth vocational and employment counselling should retain the title 'manpower counsellor'.

'Placement Officers' and 'Manpower Counsellors' — page 30.

The qualifications for an assignment as a 'placement officer' in a Canada Manpower Centre should be a genuine experience in work, especially work related to one of the occupations for which placements are frequently made in that locality. 'Manpower counsellors' should have an adequate specialized educational background for this responsibility combined with relevant work experience.

Qualifications of counsellors — page 30.

Manpower counsellors should, as far as possible, restrict their activities to the improvement of the job seekers' employment potential and should refer clients requiring guidance on personal problems to the appropriate agency.

Activities of Manpower counsellors — page 30.

In order to keep the good will of employers placement officers should be assigned a specific list of employer clients. They should make every effort to become familiar with their employers' current manpower requirements through visits to the work site. Job orders from employers should be the direct responsibility of the designated placement officer who should follow the order through every stage from referral to acceptance or rejection of that referral.

Personal contact with employers — page 30.

In order to make large urban CMCs more effective, the Committee recommends that smaller subsidiary offices be established which would maintain contact with a central facility. Such offices could more readily respond to local needs while at the same time have access to information about job opportunities and job seekers in the surrounding area. For the same reason the Committee strongly supports the Division's move toward the extension of the on-line computer system in its urban CMCs. There are significant benefits to be derived from computerized record-keeping which amply justify this expenditure. Not only would routine paper work be reduced, but the link-up by computer of CMCs in a large urban area would facilitate the recommended extension of CMC service through smaller neighbourhood satellite offices.

Smaller CMCs in urban areas — page 32.

Computerization — page 32.

## Chapter 5. The Job Seeker and the CMC

Extended hours of service — page 36.

**Canada Manpower Centres should be open at certain times outside the usual hours of business** so that job seekers who are employed have access to the extensive labour market information available in the Job Information Centres.

Validation of registration — page 38.

**CMCs must warn job seekers that unless validated their initial registration will lapse after 30 days and that it is the job seekers' responsibility to keep their registration active.**

Facility for client comments — page 39.

**Those who use Canada Manpower Centres should be offered a facility which would encourage comments on the service. This could be a postal box number at the regional or national headquarters of the Division.** This facility should be evaluated and the evaluation made public after a reasonable trial period.

## Chapter 6. Subsidiary Placement Programs for Job Seekers

Increased promotion of mobility grants — page 44.

**The Mobility Grants Program is an effective tool for achieving necessary adjustments in the labour market.** The Committee supports the recent extensions of the program and recommends that it be publicized more fully to job seekers and employers alike.

Evaluation of Special Job Placement Program — page 46.

**The Division should maintain a continuous evaluation of the Special Job Finding and Placement Drive** in order to ensure that the results obtained continue to justify the significant amount of available counselling resources required to place those selected for participation.

Evaluation of Outreach Program — page 48.

**The Outreach Program is doing a job that cannot now be done as well by Canada Manpower Centres. The focus should be limited to overcoming the severe employment problems of the hard-core unemployed and the Outreach Program must be continuously evaluated to ensure that funds provided are in fact used only for this purpose.**

Services for hard-core unemployed — page 49.

**The Division must recognize that there is a limit to the amount of hard-core unemployment that can be reduced.** Lack of employment is not the only difficulty faced by the unemployed disadvantaged job seeker but it is the difficulty Canada Manpower can do something about through more efficient promotion and operation of existing services for counselling, training and placement.

Employment for hand-icapped — page 49.

**The Committee believes that many employers would accept the challenge of opening new avenues of employment to the physically and mentally handicapped if encouraged by Canada Manpower to do so.** Improved counsellor contact with employers should provide increased opportunities to tell employers about this important community responsibility.

## Chapter 7. The Employer and the CMC

Prescreening of referrals — page 56.

**The responsibility of the CMC to assist the job seeker restricts in some degree the selectivity it can apply in making referrals.** At the same time screening must be sufficiently thorough that employers are not discouraged from placing job orders.

In processing job orders counsellors must admit quickly and frankly that they do not have suitable candidates when employers' requests cannot be met. **Underqualified referrals should not be made by CMCs unless the employer explicitly agrees to consider them.**

Counsellor response to employers' requests — page 56.

**In dealing with his group of employers the counsellor must try to convince them that they too have a responsibility to the job seeker. In this regard the counsellor should try to gain the employers' cooperation to adapt job requirements to fit those of the job seekers' registered with the CMC, even if this means accepting an employee who is underqualified and who will have to receive on-the-job training.**

Encouraging employers acceptance of referrals — page 57.

**Employers should be encouraged by CMCs to list better paying and more challenging job vacancies. Better jobs offered by Canada Manpower Centres will also encourage better candidates to come forward to fill them.**

Encouraging employers to list better jobs — page 58.

**The Committee urges employers to accept the explicit invitation of the Minister of Manpower and Immigration to contact the CMC and to insist on an explanation when they receive unsatisfactory service. Employers can assist counsellors to meet their requirements by giving complete details when the job order is placed.**

Employers right to complain to CMC — page 58.

The Division has responded to a number of critical comments made by employers in public testimony and is taking steps to introduce some of the reforms which the Committee is recommending.

Response to employers' comments — page 59.

## Chapter 8. The Complementary Role of Private Placement Agencies

The Committee agreed that extensive expansion of the professional and executive placement services would be a questionable use of public funds and recommends that **the Division should not develop a distinctive specialized service in executive and professional placement, even if a fee were to be charged for this service.**

No expansion of executive placement — page 67.

The placement of job seekers who prefer part-time employment is in general terms a proper responsibility of the public employment service. It is presently fulfilled through the operation of Farm Labour Pools and the referral of job seekers to casual employment. However **Canada Manpower Centres should not set up separate formal temporary help services for which they become an employer of record.**

No expansion of CMC activity into temporary help services — page 68.

**Employers should not be required to list all vacancies with Canada Manpower Centres. This also applies to private placement agencies.**

Compulsory listing of vacancies rejected — page 69.

## PART III:

### THE CANADA MANPOWER TRAINING PROGRAM

#### Chapter 9. The Federal-Provincial Relationship in Training Adults for Employment

Expanded representation on Manpower Needs Committees — page 77.

Federal-provincial cooperation in the provision of job preparation training for adults has been improved through the activation of the Manpower Needs Committees in each province. However, **the Committee recommends that representatives from business and labour be included in both the planning and assessment of manpower training courses.**

#### Chapter 10. Training: The Trainees' Point of View

One-year rule retained — page 80.

The Committee recommends continuation of the present rule that trainees must have spent one year in the work force before becoming eligible for a federally sponsored training course.

Reassessment of allocation for basic educational training — page 82.

**The Committee is disturbed by the fact that basic educational training, an area which is essentially a provincial responsibility, is costing the Manpower Division in excess of \$100 million annually.** The Committee recommends that this situation be reassessed and remedial action taken if necessary.

Relevance of skill training to job market — page 83.

**The Division, through the federal representatives on the Manpower Needs Committees in each province must become more insistent that skill training courses made available by the provinces for purchase under the Canada Manpower Training Program are more closely related to current local labour market needs.**

Relevance of training referral to future employment — page 85.

The Committee recommends that it should be the responsibility of the counsellor who makes a referral to training to make an assessment of the relevance of that training to the employment finally secured. The results of such assessments should be made available to the district economist and through him to the Manpower Needs Committees.

Retention of 52-week rule — page 86.

The Committee supports the Division's view that the so-called 52-week rule does not seriously impede training for employment.

Training allowances — page 87.

**Allowances to support trainees are an integral part of the CMTP. They are provided to encourage trainees to complete the course of studies intended to improve their employability. Referrals to training should therefore only be made on that basis. The training allowance should not be used to provide a temporary substitute for other forms of maintenance.**

Modification of provincial welfare regulations — page 87.

The Committee urges the Division through its representatives on the Manpower Needs Committees to seek modifications of any provincial welfare regulations which inhibit participation in courses offered under the Canada Manpower Training Program.

## Chapter 11. Employers Involvement in Training: The Canada Manpower Industrial Training Program

The Committee recommends that a substantially increased proportion of total training funds be used to purchase courses for adults to receive skill training in an industrial or working environment because training-in-industry can swiftly be adapted to demands of the labour market. At the same time the Committee recognizes that institutional training will continue to be required for certain skills which are better taught in the classroom and for upgrading basic educational qualifications for employment.

Increased funds for industrial training — page 94.

The Committee recommends the preparation of a pilot training project to explore the potential of private industry to give trainees institutional style courses combining practical experience with the theoretical background. Such institutional training in industry might be commissioned on the basis of a review of competitive tenders submitted by interested employers.

Institutional training in industry — page 95.

The Canada Manpower Training Program now absorbs 63 per cent of total expenditures of the Manpower Division. The Committee recommends that strict control of any future expansion be exercised to ensure that this program is more directly related to the provision of immediate opportunities for employment than it appears to be at present. The justification for any future expansion should be fully explained to Parliament in the Annual Report of the Department.

Control of expenditures on training — page 96.

To offset increases in the cost of mounting courses the Division must concentrate on improving the effectiveness of present manpower training. Courses offered should be relevant to the needs of the economy. This is most likely to result if more manpower training takes place away from formal training institutions, on the job site using the capacity of employers to provide courses.

### PART IV:

## JOB CREATION

### Chapter 12. Job Creation Programs

The Committee recommends continuance of the Student Manpower Centres because they provide a placement facility for students seeking holiday employment as well as assisting employers who require seasonal workers. It also supports the public relations programs designed to encourage employers to provide jobs for students.

Student Manpower Centres supported — page 102.

The administration of the Local Initiatives Program has been improved to the point where it has become a useful technique for reducing the adverse effects of seasonal unemployment. The Com-

Annual reassessment of LIP — page 105.

**mittee recommends that the LIP program continue on a contingency basis subject to a full annual reassessment.**

Monitoring of applications for LIP grants — page 105.

The Committee recommends that in future applications for LIP grants to initiate community projects which have no clearly defined limits must indicate how the project will be financed when the LIP grant has been spent. The consultation and selection process for LIP grants should be restructured to ensure that when a LIP project will affect provincial or municipal governments they are given an ample opportunity to reject the proposal.

Benefits of LEAP — page 107.

LEAP demonstrates the kind of controlled assistance to the disadvantaged which the Committee feels is missing in the Outreach Program. However it is not enough to establish the need for a LEAP project. A full and realistic assessment of the possibilities for successful placement of the participants should form an important part in the preliminary planning.

Extension of LEAP — page 107.

**The Committee recommends that contracts to provide for the establishment and supervision of LEAP projects be extended to suitable profit-making organizations which agree to accept disadvantaged job seekers for a period of training and possibly retain the trainee in employment at the conclusion of the contract training.**

Contribution to Community Employment Strategy — page 109.

The Committee recommends that the Division's contribution to the Community Employment Strategy be limited to direct placement, training and the Local Employment Assistance Program. Beyond that the Division should confine its role to the co-ordination of the social services provided by other agencies.

## PART V:

### THE TESTING OF MANPOWER POLICY

#### **Chapter 13. Forecasting, Evaluating and Monitoring Manpower Policy and its Application**

Assessment of FOIL — page 116.

The Committee suggests that the future forecasts of the Forward Occupational Imbalance Listing (FOIL) be assessed against information on actual occupational shortages as soon as they can be ascertained. Since the members of the Manpower Needs Committees may rely heavily on FOIL forecasts to supplement their knowledge of local needs in planning the allocation of Manpower training courses, this assessment should be immediately reported to them.

Data publishing policy — page 118.

The Committee approves the new policy of publication of statistical data relating to departmental programs.

Evaluation of placement function — page 121.

**The Committee recommends an immediate evaluation of the placement activities of the Canada Manpower Centres.** This should include a complete review of the technique of data collec-

tion to establish that published figures reflect the real effectiveness of placement, not just the numerical computation of placement transactions.

PART VI:

CONCLUSION

**Chapter 14. Overcoming the Problems of Communication**

Representatives from industry, labour and welfare agencies on the sub-Committees of the Canada Manpower and Immigration Council should be encouraged to undertake a more active role in the clarification of the Division's objectives in the community.

Increased use of Canada Manpower and Immigration Council — page 127.

The public relations activities now carried on by the Division should be re-examined to facilitate improved public awareness of the objectives of manpower policy. **The program of seminars with employer associations should be expanded.**

Expanded public relations activity — page 127.

**The Committee recommends that the Division consider the formation of Manpower Management Teams, one for each region, drawn from the ranks of experienced manpower officers. These officers should be temporarily assigned to the Management Teams to examine the operations of individual Canada Manpower Centres, to advise managers and staff on methods to improve the efficiency of their operation and to report to management of the Division at both the regional and national level on the degree to which standards of service are being met in the field.**

Manpower Management Inspection Teams — page 128.



## INTRODUCTION TO THE REPORT

### ACKNOWLEDGEMENTS

The Committee wishes to acknowledge its gratitude for the assistance given in the examination of the Manpower Division to the Minister of Manpower and Immigration, the Honourable Robert Andras and officials of his Department; to witnesses from universities and the private sector, many of whom came a considerable distance and some at their expense to assist the Committee; and to the staff of the Committee—Mr. G. A. Coderre, and Mr. Gerard Lemire, the Clerks of the Committee; Mr. J. H. M. Cocks, Director of Administration; Mrs. Barbara Plant Reynolds of the Research Branch of the Library of Parliament; Mr. P. C. Dobell and Mrs. Helen Small of the Parliamentary Centre who acted as advisers; and Mrs. Carol Wagstaff who typed the manuscript.



## INTRODUCTION TO THE REPORT

This introduction has two purposes. First, to set out the reasons behind the decision of this Committee to examine in depth the estimates of a single agency of government, in this instance the Manpower Division of the Department of Manpower and Immigration. Second, to introduce the basic conclusions of the Committee which underlie its recommendations about the operation of the Manpower Division and the realization of its objectives.

### I

Under the Rules of the Senate (#67, page 32) the complete Main and Supplementary Estimates for each fiscal year are referred to the Standing Senate Committee on National Finance. This approach differs from that of the House of Commons which refers the estimates of each department to the Standing Committee with responsibility in that field for a three month period each spring. The Senate has followed instead the practice of the British Parliament, where it has been found that concentrating responsibility for review of estimates in the hands of the Expenditure Committee has led to the development of a special expertise and improved effective parliamentary control of expenditure.

In 1973 the National Finance Committee decided to broaden the base of its annual review of estimates by the selection of one department or agency whose policy and operation would be examined in considerable detail. Information Canada, as a small, distinct but important and controversial service, was selected for the test run of this kind of in depth approach and the Committee completed its report on Information Canada in April 1974.

The present report contains the Committees' recommendations and comments following its more ambitious examination of the estimates of Canada Manpower, that is the Manpower Division of the Department of Manpower and Immigration for the fiscal year ending March 31, 1975.

What has the Committee sought to accomplish by this study? Basically the question could be expressed by asking whether at \$550 million, the sum requested for the operation of the Manpower Division for the year under review, Canadian taxpayers are receiving the full value for their money. This Committee of the Senate, through its extended examination of Canada Manpower did this by trying to get to the root of manpower policy, assessing both the sufficiency of that policy and its application by the Division. The Auditor General has recently drawn attention to the fact that "major portions of existing programs are not automatically subjected to a regular program review

by Departments, by Treasury Board or by Cabinet.”<sup>1</sup> Through the Committee’s inquiry existing activities of the Manpower Division were investigated in depth. Trends in planning new manpower programs were identified and challenged. This carried the Committee well beyond its usual review of Departmental Estimates.

In making the decision to examine Canada Manpower the Committee was in a sense taking its own advice. The Committee’s Report *Growth, Employment and Price Stability 1971* urged the federal government to take full account of the analysis of manpower policy relating to training then newly published in the *Eighth Annual Review* of the Economic Council of Canada (1971) and further “to investigate other aspects of how well this policy has performed.” The objective of manpower policy was viewed in general terms by the Committee in 1971. It was defined as “achieving a better fit between available people and available jobs and assisting and promoting human adjustments to change.”<sup>2</sup>

The problems arising from high unemployment and inflation have increased tremendously since 1971. The Department of Manpower and Immigration is the agency of government through which manpower policy initiatives to reduce the effects of unemployment can be translated into grass-roots action. This activity is the direct responsibility of the Manpower Division.

The administration of an active manpower policy was assigned to the new Department of Manpower and Immigration at its inception in 1966. In the ten years since, provincial governments have also become aware of the need to designate a specific ministry to co-ordinate activities related to manpower programs. Provincial ministers of manpower have developed an informal consultative relationship and have met together several times to discuss common problems, including their relationship with the federal Manpower Division. At many points during Committee discussions, witnesses spoke of the strong interaction between federal and provincial activities in the field of manpower policy. Several recommendations in this report are relevant to this relationship.

To keep this subject within manageable proportions, attention was concentrated on direct policy and operational questions. As the proceedings show, the operations of the Unemployment Insurance Commission (UIC) were referred to by a number of witnesses, many of whom recommended the reintegration with Canada Manpower which will be put into effect by the autumn of 1976. However the examination by this Committee was confined to the programs of the Manpower Division for which provision was made in the Main Estimates. The policy, operations and regulations of the UIC were therefore not at this time considered, except peripherally where cooperation with the Manpower Division has taken place, or where the regulations of the UIC affected

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<sup>1</sup> *Report of the Auditor General of Canada to the House of Commons for the Fiscal Year Ending March 31, 1975.*, Chapter X, Section 12.

<sup>2</sup> *Growth, Employment and Price Stability, 1971*; page 67.

proposals made to the Committee. The operations of the UIC should be examined at a future date when the revised regulations and organization announced in May 1976 have been in effect long enough to make a valid assessment of the combined operation.

The format of the Committee's approach was designed to encourage the presentation of public as well as professional points of view. Twenty-one hearings were held, including three with the Minister of Manpower and Immigration and five with departmental officials. The Committee also heard from economists interested in manpower problems, from employers and associations of employers, from private placement agencies, from spokesmen for disadvantaged workers, and from provincial planners of adult education. Through advertisements placed in papers across Canada written opinions about the effectiveness of the Division's activities were invited from those who had used Canada Manpower services. Employers were approached directly by letter, as well as through their trade associations and Chambers of Commerce. The Canadian Labour Congress was also invited to comment. Individual Committee members and staff members made many personal visits to Canada Manpower Centres and training facilities. The discussion of manpower policy in the *Eighth Annual Review* of the Economic Council of Canada, (1971) provided an important basis for the Committee's work. All of these sources provided insights which were representative both geographically and vocationally of the world of work in Canada.

The Committee has plans to push its experiment a stage further and press for another innovation—again drawing on British experience. Parliamentary reports may be debated in the Senate Chamber, but under present practice this is when the process ends. The government takes from a report what it wants, discards or ignores what it chooses, but there is no way—other than by inferring from analysis of any subsequent changes in policy—of knowing what the government's reactions to it have been and why. This diminishes the value of the report, limits the opportunity of a committee to learn on the job, and denies the Canadian public the last and most important chapter of the study.

To fill this void, the Committee will invite the Minister of Manpower and Immigration to comment on this report and its recommendations, and in particular to explain where and for what reason he and the Manpower Division disagree either by letter or preferably in a public hearing. The Committee believes the Minister will welcome the opportunity to respond and that this would be an important step in completing the public record.

The potential impact of the review of Estimates in the Canadian Parliament in practical terms is less significant as a means of controlling current expenditure and more important as an instrument for influencing future spending. Given this situation, a follow-up procedure is clearly desirable. Government programs should be consistently measured to see if they yield suitable results.

From time to time the Committee will review the recommendations of its reports. If circumstances warrant a further exploration of the topic it will invite the Department or Division concerned to return to describe the administrative

response taken to those recommendations previously acknowledged by the responsible Minister to be acceptable. The Committee will look for evidence on how the Department has applied specific proposals. When there are budgetary ramifications, it will look for changes in the estimates. Often policies can be reoriented without modifying the budget, and in this case the Committee will have to rely on Ministerial and official statements and other relevant evidence. This procedure will emphasize Parliament's continuing interest in the long-range control of government expenditures.

Even without the formality of this report it is evident that the Manpower Division shares the Committee's understanding of the need for vigorous evaluation and improvement of the services it provides. The Committee may have provided the medium, but the Division too has clearly understood the message brought to it by the witnesses. The Department has already anticipated some of the recommendations of this report and has begun to act upon them.

## II

The formation of the Department of Manpower and Immigration in 1966 marked the official acceptance in Canada of an international trend to regard the management of manpower resources as involving more than the provision of a mechanism to match job seekers to job opportunities and insuring workers against the immediate effects of unemployment. Pioneered in Sweden, the extension of this policy was promoted by the Organization for Economic Cooperation and Development (OECD) to its member countries including Canada. The trend now evident has been adopted in all major industrial countries. The new concept requires the pursuit of an active manpower policy of both short and long term dimensions. It involves making available a wide range of manpower services to the existing labour force and to those added to it through immigration, as well as to employers. From the beginning the Manpower Division of the new department—known generally as Canada Manpower—was given responsibility for developing and extending the modes of delivery of these expanded services.

Elements already existed in Canada on which to build. The National Employment Service offices, then 219 in number, have been transformed into the Canada Manpower Centres of today. Their number has increased to 450 and their range of activity has expanded to offer in one office in each locality not only the original employment service, but each of the other services developed to expand manpower policy. The adjustment of labour market demand and supply is assisted by the provision of mobility grants to assist workers to relocate where productive employment exists. Courses are offered through a variety of training programs to upgrade the skills of members of the labour force at all levels. Training is in fact the most important new activity, absorbing over 60 per cent of the total expenditures of the Division. High seasonal unemployment has been attacked through a number of direct employment programs. Underpinning the entire delivery system is an intensive program of research to provide essential information on future needs of the labour

market in Canada and to evaluate the effectiveness of the current modes of delivery.

The Manpower Division is committed to the development of a modern all-embracing manpower policy. This was clear from the enthusiastic testimony from officials. The Committee commends both the spirit of the policy and the commitment evident in its pursuit. This general commendation underlies the Committee's review of the effectiveness of the ways in which the Manpower Division is putting its active manpower policy concept into effect.

Throughout the report the terms used by the Division itself as functional descriptions of activities have been used. Thus the activity of matching job seekers with job opportunities in a Canada Manpower Centre (CMC) is called 'placement'. The CMC provides a placement service. Canada Manpower follows the usage common in other countries. A 'placement' results when a job seeker referred by the CMC to a vacancy listed by an employer is given a firm offer of employment. In Canada that placement is deemed to have been completed and is counted for statistical purposes as a permanent placement if the employment lasts one full week. Other terms are clarified in context as the activities of the Manpower Division are reviewed.

The present report discusses in detail:

- a) the basic placement function, treating this as an essential element of manpower policy;
- b) training of the labour force, which became the major new thrust of the Division after the creation of the Department in 1966;
- c) the innovative programs of the Job Creation Branch;
- d) the techniques developed in the Department's Strategic Planning and Research Division for forward planning of programs and for evaluating old ones.

The in-depth examination of the activities of Canada Manpower undertaken by the Committee led it to question some of the methods adopted to give effect to manpower policy and the direction being taken by some programs. As a modern industrial state whose economy has to be responsive to rapidly changing international demands, Canada needs a contemporary and effective Manpower policy. Canada faces some manpower problems which take a more acute form than they do in most other developed countries. Its territory is large, its labour force dispersed, and growing at an exceptional rate and there exist substantial economic disparities between different regions of the country.

The activities of Canada Manpower—as distinct from other agencies of the federal or provincial governments—must always be directed in the first instance toward those who seek employment, who are job ready or can be made so through training and counselling. Canada Manpower's pursuit of an active manpower policy has however led it to devote an increasingly large proportion of its total annual expenditures to assisting those who are viewed as disadvantaged, who may lack minimum skills or who are prevented from seeking satisfactory employment because they suffer from physical or social handicaps.

These were some of the concerns which emerged from the extensive examination of the expenditures of Canada Manpower. The Committee approves the broad policy objectives inherent in the decision to create the new Manpower Division in 1966, and offers this report with its many detailed conclusions and recommendations as its contribution to the strengthening of manpower policy in Canada.

*Note:* The table which follows was provided by officials of the Manpower Division at the request of the Committee in order that operating costs and staff in man-years required to meet the program objectives set out in the Department of Manpower and Immigration *Annual Report 73-74* could be compared. Expenditure records are not routinely prepared to show this distribution. The table appears in the printed Proceedings of the Committee on page 5:30.<sup>1</sup>

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<sup>1</sup> This and similar subsequent notations in the text of the report refer to the issue and page number of the Proceedings of the Standing Senate Committee on National Finance during the first session of the 30th Parliament 1974/75.

DEPARTMENT OF MANPOWER AND  
IMMIGRATION  
DEVELOPMENT AND UTILIZATION OF  
MANPOWER PROGRAM

1973-74 Fiscal Year

Program Objectives	Expenditures		Man-Year Utilization	
	\$	%	MY's	%
The effective meeting of Canada's labour needs by rapid matching of jobs and workers through recruitment, counselling, development of job orders and referral of workers to employers and employers to workers;	65,663,762	10.02	5341	65.14
The sponsoring of educational upgrading and training for Canadians to develop satisfying and productive careers while meeting the manpower requirements of employers and the economy;	418,198,424	63.84	1707	20.83
The provision of financial assistance to the unemployed and underemployed, enabling them to move with their families to areas where there are jobs or their skills are in demand;	11,027,719	1.68	192	2.34
The production of employment through job creation programs for the disadvantaged and those experiencing seasonal unemployment;	156,531,470	23.89	735	8.96
The co-ordination of employment and labour-related programs and services in co-operation with other federal departments and provincial and territorial labour and welfare departments and agencies;	1,268,530	0.19	69	0.84
The development of mechanisms for occupational forecasting and manpower planning and the facilitation of manpower adjustments precipitated by technological and other changes;	1,410,011	0.22	31	0.38
The collection, collation, and distribution of labour market information, and the detailed analysis and interpretation of the impact of departmental programs;	1,043,649	0.16	124	1.51
<b>Total Manpower Program</b>	<b>655,143,565</b>	<b>100.0</b>	<b>8199</b>	<b>100.0</b>

NOTES: 1. Total expenditures are as reported in Public Accounts for 1973-74 and total man-years utilized are as reported to Treasury Board for 1973-74.

2. Expenditures consist of program and operating funds expended.

3. The Department's information systems are not sufficiently sophisticated or refined to provide exact cost data for each of the above objectives; therefore the data in this table must be considered as estimates or approximations since many items had to be pro-rated in an arbitrary manner in order to assign operating costs to the objectives.



## CHAPTER I

### AN INFINITELY FLEXIBLE AND SERVICABLE INSTRUMENT: THE OBJECTIVES OF MANPOWER POLICY IN 1925

#### PART I

### MANPOWER POLICY AND PROBLEMS IN CANADA

The Department of Manpower and Immigration was formed in 1966 by joining a group of services developed in the Department and attached to manpower previously located in the Department of Labour with the Immigration Service.

The forerunner to the Manpower Division, the National Employment Service (NES), was established in 1952.

While it had been designed to assist the unemployed in finding suitable employment, a series of studies by a working party of the CMC, working that claimants were not trying to find. These short-comings of the NES were noted in the Report of the Commission of Inquiry into the Unemployment Insurance Act (the Gill Report) published in 1962. The Gill Report recommended a thoroughly revamped employment service along the lines of the model employment service set up by the International Labour Organization's Convention No. 2, which Canada had ratified in 1956.

The Economic Council of Canada in its *First Annual Report* (1964) also found that the NES was failing to achieve its potential aims. The Economic Council reaffirmed the Gill Committee's recommendation to place the NES within an operating department and emphasized the need to give the NES the highest possible status. The NES was at that time attached to the Department of Labour where its Manpower Training Program and the Mobility Grants Program were then administered. Upon the formation of the new Department of Manpower and Immigration in 1966 (with effect the following October) all of these were detached from the Department of Labour to comprise the Manpower Division.

The creation of the Department of Manpower and Immigration gave effect to the decision that Canada would adopt the approach to an active manpower policy promoted by the Organisation for Economic Co-operation and Development (OECD). This approach described the traditional role of a public employment agency which provided only a job-matching service. It conceived manpower policy as an economic policy which would be given effect by the provision of a full range of services for the development of all categories of manpower resources.



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## CHAPTER 1

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### AN INFINITELY FLEXIBLE AND SERVICEABLE INSTRUMENT: THE OBJECTIVES OF MANPOWER POLICY IN 1975.

The Department of Manpower and Immigration was formed in 1966 by uniting a group of services devoted to the development and utilization of manpower previously located in the Department of Labour with the Immigration Service.

The forerunner to the Manpower Division, the National Employment Service (NES) was established in the early 1940's as part of the Unemployment Commission. The NES was primarily concerned with processing insurance claims. While it had been designed to assist the unemployed in finding suitable employment, it served mainly as a watchdog for the UIC, ensuring that claimants were not trying to cheat. These shortcomings of the NES were noted in the Report of the Commission of Inquiry into the Unemployment Insurance Act (the Gill Report)<sup>1</sup> published in 1962. The Gill Report recommended a thoroughly revamped employment service along the lines of the model employment service as set out in the International Labour Organization's Convention 88, Article 6, which Canada had ratified in 1950.

The Economic Council of Canada in its *First Annual Review* (1964) also found that the NES was failing to achieve its potential role. The Economic Council reaffirmed the Gill Committee's recommendation to place the NES within an operating department and emphasized the need to give the NES the highest possible stature. The NES was at first attached to the Department of Labour where the Manpower Training Program and the Mobility Grants Program were then administered. Upon the formation of the new Department on January 1, 1966 (with effect the following October) all of these were detached from the Department of Labour to become the Manpower Division.

The creation of the Department of Manpower and Immigration gave effect to the decision that Canada would adopt the approach to an active manpower policy promoted by the Organization for Economic Co-operation and Development (OECD). This approach discarded the traditional notion of a public employment agency which provided only a job-matching service. It conceived manpower policy as an economic policy which would be given effect by the provision of a full range of services for the development and utilization of manpower resources.

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<sup>1</sup>*Report of the Committee of Inquiry into the Unemployment Insurance Act.*, Queen's Printer, 1962, pages 190-191.

During the first decade of the Department's operation the emphasis of manpower policy has moved from a straightforward economic orientation to a policy which strongly promotes human resource development. The Manpower Division has been described by the Minister as:

an infinitely flexible and serviceable instrument which can assist Canadians to achieve greater prosperity and well being through a variety of programs and services within the framework of the government's general social and economic objectives. (26:5)

This change is not explicitly evident in the printed explanation provided by the Division to support its annual appropriation in the Main Estimates for 1975/76. The general objective of the Manpower Program has been repeated annually and without change since 1970 when the presentation of the Estimates assumed its present format. This objective is "to further the economic growth of Canada by endeavouring to ensure that the supply of manpower matches the demand qualitatively, quantitatively and geographically."

Sub-objectives delineate the main functions of the Division which are:

- To help individuals select and obtain productive and personally satisfactory employment through efficient counselling in Canada Manpower Centres;
- To increase the level of skill of the labour force through adult occupational training, thereby providing needed skills for industry and raising productivity;
- To facilitate the adjustment of labour market demand and supply by helping workers relocate to the nearest areas where suitable, more productive employment exists;
- To help members of the labour force and employers adapt to technological and other changes;
- To help reduce fluctuations in employment and shorten the period of unemployment.<sup>2</sup>

These sub-objectives reflect the general philosophy about manpower policies inherent in the OECD antecedents of the Department.

In economic terms, economic and social policy may be directed toward three distinct objectives—growth, stability, and equity. These objectives may be sought through the intervention of policy initiatives which emphasize one or the other in varying degrees. The programs of the Manpower Division during the first five years following the formation of the Department emphasized both growth, that is long-run economic growth, and stability which in relation to manpower policy concerns the reduction of unemployment. The social or equity objective which "includes the goals of reducing poverty and inter-regional disparities in the distribution of income"<sup>3</sup> had not yet become an important part of manpower programs. It was pursued during this period almost entirely through the use of a variety of transfer payments—Unemployment Insurance, Family Allowances, welfare payments. The brief from the Department of Manpower and Immigration to the Special Senate Committee on Poverty in Canada in June 1969 reflected the prevailing attitude.

<sup>2</sup> Estimates for the Fiscal Year ending March 31, 1976, 14-10.

<sup>3</sup> Economic Council of Canada, *Eighth Annual Review*, "Design for Decision-Making," 1971; pages 89-93.

....The policies and programs of the Department are essentially economic in character.... The Department would like to make it quite clear that its primary role lies in its contribution to economic growth, full employment....Its role with respect to income distribution, while important, is only secondary.<sup>4</sup>

### Growing Importance of Equity

The emphasis on economic growth began to be diluted in 1970. The *Eighth Annual Review* of the Economic Council of Canada (1971) observed that while the Department stressed the primacy of the growth objective, elements of both an equity and stabilization orientation were also evident in its policy. It quoted a speech made in May, 1970 by Dr. Dymond, then an Assistant Deputy Minister of the Department. The policy of the Manpower Division was he said, "not oblivious to the problems of poverty and the needs of marginal groups in the labour force." The Division had recently begun to move in that direction, but equity and stability were in his view still secondary to the primary objective of facilitating economic growth.<sup>5</sup>

The movement to increase the emphasis on equity gained momentum as the Division responded to the recommendations of several outside agencies. They promoted the view that income from employment was more acceptable to the recipient than income from transfer payments. The Economic Council of Canada was one. Its *Sixth Annual Review* of 1969 observed that "the poor....particularly need access to Manpower programs and this should be reflected both in the objectives and operations of such programs in Canada."<sup>6</sup> The Special Senate Report on Poverty in 1971 was another important influence. It made the distinction now acknowledged to be the motivation for many of the current activities of the Manpower Division.

Manpower development is an economic concept limited to direct labour market activities. Human resource development is a broader social concept which includes all aspects of education, training, retraining and intervention with respect to social, psychological, and physical problems as they relate to people. As one step toward a meaningful anti-poverty program the Government of Canada should shift its emphasis from Manpower to Human Resource Development.<sup>7</sup>

The Poverty Report was followed in 1972 by the Ontario Task Force on Employment Opportunities for Welfare Recipients which urged greater cooperation between welfare agencies and Canada Manpower Centres. The Canadian Council on Social Development has continually emphasized human resource

<sup>4</sup> *Poverty in Canada*, A report of the Special Senate Committee, 1971; page 149.

<sup>5</sup> Economic Council of Canada, *Eighth Annual Review*: op. cit., page 98.

<sup>6</sup> Economic Council of Canada, *Sixth Annual Review*, 1969; page 112.

<sup>7</sup> *Poverty in Canada*; op. cit., page 152.

development as a function of manpower policy. Canadian officials have always taken an active part in the OECD Manpower and Social Affairs Committee, where the adoption of new manpower goals and policies has been promoted by member countries and comparative progress monitored from year to year.

The policy review of the Department in 1972 took all of these opinions into consideration. As a result a program of reorganization and renewal to give effect to the emphasis on social as well as economic objectives was started. It prepared the way for participation by the Department of Manpower and Immigration in the comprehensive review of social security in Canada forecast in the Working Paper on Social Security. Presented by the Minister of National Health and Welfare in April 1973 the Working Paper stated that "the first objective of governments...should be to invest in human development."<sup>8</sup> An important contribution from the Manpower Division was envisaged, particularly through the placement services and training programs available to those seeking employment in Canada Manpower Centres.

The equity goal is no longer a secondary objective in the planning of manpower policies. It has become a dominant objective, but it has been transformed to embrace broad human resource development.

The effect of the change in emphasis can be seen by contrasting the opening statements of the *Annual Review* of the Department for 1973-74 with that of the *Annual Review* for 1974-75. The earlier *Review* affirmed: "Placing people in jobs is the main objective of the Manpower Division. When an unemployed man or woman secures gainful employment, the benefits spread outward...." The 1974-75 *Annual Review* states that during the last year "The major thrust of the Manpower Division...was to focus attention on those Canadian workers who encounter particular and continuing difficulty getting and keeping jobs, and to establish Canada Manpower Centres as an integral part of the communities they serve."

### **Assistance to the Disadvantaged**

The Manpower Division received guidance from the Economic Council on the form of assistance it could provide to the disadvantaged or marginal groups in Canadian society.

What is required for such groups is a combination of specialized and diversified programs adapted to their particular needs. These might involve special counselling; new motivational techniques; training through work experience; improved community participation; as well as educational upgrading.<sup>9</sup>

The availability of the combination of specialized and diversified services thus developed to assist the disadvantaged distinguishes Canada Manpower Centres from the private placement agencies. The Minister drew this to the attention of the Committee:

<sup>8</sup> *Working Paper on Social Security in Canada*; page 24.

<sup>9</sup> Economic Council of Canada; *Eighth Annual Review*, 1971; page 109.

While private agencies, particularly those run for profit, have only an economic function, Canada Manpower Centre operations are run to provide a basic social and economic service to all Canadians—not selectively, but to all Canadians. (26:8)

In fact there has been selectivity. Since 1972 the Manpower Division has devoted an increasing proportion of its total funds to improve and increase the services to those it identifies as being disadvantaged. While this group includes the physically handicapped it concentrates on those who are disadvantaged in terms of income effectiveness which is defined as receiving welfare or working for wages at or below the poverty level. The Minister identified for the Committee the six specific programs of the Division which are not exclusively devoted to the disadvantaged but which are most often used to provide this assistance.<sup>10</sup> He gave the Committee a breakdown of expenditures devoted to those six programs and the portions of them specifically allotted to the needs of the disadvantaged. In 1974-75, 51 per cent (\$260 million) of the Division's total expenditures on these six programs was directed to "the disadvantaged and people whose incomes are at or below the poverty line agreed to by the Canadian Council of Social Development." (26:8 and 26:27) In addition other employment related programs of the Division have been adjusted to meet the needs of this group, notably the Special Job Finding and Placement Drive and the diagnostic services.

The statement tabled by the Minister and printed in the Proceedings concludes:

Overall it is estimated that in 1973-74 approximately one half of program funds, excluding the Employment Service, were expended on those below the poverty level and there is no reason to suppose that this percentage is currently any different. (26:27)

<sup>10</sup>The six programs identified were Canada Manpower Training Program (CMTP), through Skill Courses and Basic Training Skill Development; Outreach; Local Employment Assistance Program (LEAP); Canada Manpower Industrial Training Program (CMITP); Canada Manpower Mobility Program (CMMP); and Local Initiatives Program (LIP).

Program	Approximate Expenditures Program 1974-75 (\$ million)	Estimated Proportion Expended on "Poverty" Clients	
		%	(\$ million)
CMTP	\$369	53	\$196
CMITP	32	31	9
Outreach	5	86	4
CMMP	8	41	3
LEAP	12	53	6
LIP	84	49	42
<b>TOTAL</b>	<b>\$510</b>	<b>51%</b>	<b>\$260</b>

Note: This table excludes a number of programs on which either data are not readily available, or which are specialized or temporary in nature (e.g.: the Employment Service, Special Job Finding Drive, and OFY) (26:27)

The Committee wishes to draw attention to the rapid expansion of expenditures directed specifically to services for the disadvantaged. A public employment service is not free to choose its clientele. It must serve the job seeker, every job seeker who comes to the Canada Manpower Centre. According to the Manpower Division's own calculations, 75 per cent of those who register with Canada Manpower are active members of the labour force without employment. The effectiveness of Canada Manpower in fulfilling its role as the agency through which job seekers are put in touch with employers in search of workers must be judged primarily by its success in placing the unemployed who either already have qualifications and desire employment or can be made job-ready through a maximum fifty-two weeks of sponsored skill training.

An analysis by the Economic Council of Canada of the current rate of unemployment in Canada which has remained at seven per cent of the labour force for more than a year, established that about 80 per cent of the jobless remain unemployed for three months or less. This group accounts for the fluctuating but persistently high rate of unemployment. It must be compared with the amount of unemployment attributable to the real 'hard-core' unemployed which Dr. Raynauld, Chairman of the Economic Council defined for the Committee as those who are unemployed for more than six months. The percentage of total unemployment attributable to this element does not fluctuate. It remains fairly constant between 1.5 and 2 per cent of the labour force. (18:36)

The public employment service surely must give priority to finding work for the job seeker who is employable but unemployed. To bring into employment the hard-core unemployed or to bring into the labour force the disadvantaged from all the target groups that have been identified as having particular and continuing difficulty getting and keeping jobs is a tremendous challenge. The need to encourage these people to find satisfactory employment cannot be neglected. But in this examination of the Manpower Division the Committee looked at what was being done to develop the total manpower resources of the country. This suggested that the activity of the Division on behalf of the disadvantaged has permeated all program planning. The job seekers who make up the 80 per cent of total unemployment no longer have priority. Throughout this report special attention is paid to those areas of activity of the Manpower Division which could be strengthened to improve services for the job-ready job seeker without detracting from the wholly admirable desire to assist disadvantaged Canadians to achieve greater prosperity and well being.

The Minister has said of the Manpower Division that its "primary responsibility....is to refer competent and qualified workers....to facilitate the placement of workers in terms of their own qualifications." (26:9) The Division's pattern of expenditures suggests that the effort to fulfill this primary responsibility has been diminished as a result of the concentration of effort to assist those most difficult to place. This shift in expenditure and effort must be reconsidered in setting future program objectives.

The Manpower Division has extended the objectives of manpower policy to make it responsive to the basic social and economic needs of Canadians. To attain these objectives it has devoted an increasingly large proportion of its total annual expenditures to assist those who are viewed as disadvantaged, whose opportunities for employment are limited because they lack minimum skills or suffer from social or physical handicaps.

The Committee recognizes that it is important, wherever possible, to assist unemployables to obtain productive employment. But it suggests the time has come to strike a note of caution. Expenditure by the Division of both money and effort on this activity should not lead to the neglect of those job seekers who are job-ready or can be made so through the established training and counselling services of Canada Manpower.



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## CHAPTER 2

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### A PUBLIC EMPLOYMENT SERVICE IN AN EVOLVING WORK ENVIRONMENT

The programs administered by the Manpower Division of the Department of Manpower and Immigration are the principal mechanism through which an explicit federal response to current economic conditions relating to employment in Canada are put into practical effect. It was therefore important, in the Committee's view, to develop an appreciation of the present character of the labour force in Canada as a basis for any comprehensive examination of the effectiveness of those programs. Several witnesses, with varied interests and expertise in manpower problems, came before the Committee to share with it their views on a number of aspects of the world of work which are undergoing fundamental changes. These changes have had broad implications for the formulation of manpower policy and have influenced the thrust of the Division's activities. Indeed a review of the nearly 300 titles listed by the Strategic Planning and Research Division (a separate analytic service for the two operational Divisions of the Department of Manpower and Immigration) shows that their program of consultant studies has been directly responsible for a good deal of the research documenting these trends.

The Committee began its hearings early in February 1975 as the national employment rate rose above 7% (seasonally adjusted), the highest rate reached in fourteen years in Canada. It has remained over 7%, and according to all forecasts is unlikely to be significantly reduced in the foreseeable future. At the same time there existed the apparent paradox of well-publicized and substantial, if localized, shortages of labour. The traditional relationship by which the supply of jobs available affects the degree of unemployment has altered. Achieving a match between available people and available jobs has clearly become more difficult.

The work force in Canada by mid-year 1975 had just passed the ten million mark. The rate of growth in the labour force in Canada over the period 1963-73 exceeded that of all other industrialized countries. In those ten years employment in Canada grew by 43 per cent. (18:5) While young people entering the labour force provided a major element of growth, a significant percentage is accounted for by the increasing number of women joining the work force. Women now constitute 35 per cent of the Canadian labour force. (18:8) The educational level of the work force has also increased. By 1981 close to two thirds of Canadian entrants into the labour market will have at least high school education. (18:26)

The evidence given the Committee by Dr. André Raynauld, Chairman of the Economic Council of Canada underscored the problems that confront the policy makers in solving the unemployment problem in Canada. Over two million Canadians experienced some period of unemployment during 1973. One in three Canadians changed their job sometime during the year and many changed it several times. In the course of that year there were close to four and one-half million individual moves in and out of employment and perhaps as many as eight million individual lay-offs or separations. It is estimated that fifty per cent of all prime age males, that is those between twenty-five and forty-four, who are presently employed will leave their place of employment within three or four years. For females in the same age bracket, fifty per cent will leave within two to three years.

The Committee was constantly made aware of the changing attitudes of the work force. It was assured by many witnesses that the work ethic is indeed alive even if altered in its application. This fact has been recently documented in a study published by the Strategic Planning and Research Division.<sup>1</sup> While people want to work, they do not necessarily want to work every week in the year or all day every week. There has been a substantial reduction in the total number of years making up an average working life.

For many reasons workers are more selective about the jobs they are willing to fill. The alteration in the traditional relationship by which increased job vacancies used to reduce the rate of unemployment is an indicator of this new selectivity. Dr. Raynauld told the Committee that since 1971 this relationship has broken down. Job vacancies have increased considerably without affecting the rate of unemployment. (18:8) There are a number of factors contributing to this change. In 1951 less than one-third of all families had more than one bread winner. Today two-thirds are multiple earner families. Yet in only one family out of three such families experiencing unemployment at present has the principal wage earner been affected. The improvement in Unemployment Insurance benefits has allowed people to wait a longer time for the right job to come along. Unemployment insurance may also lead to increased participation in the labour force by people who are working the minimum period to qualify for benefits.

Job choices are also influenced far more than previously by perceptions of prestige and the desire for challenging, interesting employment. Unpleasant working conditions and unsocial hours of employment are important factors contributing to the problem of turnover in industry. Employer representations to the Committee were explicit that the fluidity of movement into and out of the work force had created severe recruitment problems in many sectors.

The intensity of activity in the job search has changed. Dr. Raynauld emphasized that in the surveys made by the Economic Council of Canada it was found that "most persons whether young or old, male or female showed a

<sup>1</sup> *Canadian Work Values: Findings of a Work Ethic Survey and a Job Satisfaction Survey.* Department of Manpower and Immigration April 1975.

pretty weak effort in searching....They averaged less than two responses to advertising or contacts with employers per month, less than two." (18:19)

The demand for labour by economic sectors has also altered. The service sector now utilizes 65 per cent of the work force. Work in the service sector is most likely to be compatible with the flexible attitudes towards hours of work which are emerging. Much of the growth of the service sector is related to the increased demands of Canadians for better education and health care which in turn creates a demand for expansion of government services.

These changes in the characteristics of the Canadian labour market affect the context in which the public employment service functions—"the environment in which the Department operates" as the Minister called it. The Committee received much information from the Manpower Division on how it is attempting to shape its programs to fit the evolving employment situation.

It seems relevant as an introduction to the more detailed assessment which follows to suggest briefly some relationships between the evolving state of the job market and the on-going activity of the Manpower Division. These will be elaborated in the context of the appropriate activity later in the report.

In considering the placement operation of the Division, the fluidity of the work force must be borne in mind. The problems of turnover faced by employers puts pressure on the services available in Canada Manpower Centres. The instability of attachment to the work force affects the application of the specialized programs developed to assist both employers and job seekers.

Part-time employment is a phenomenon directly related to the changing work scene. Twelve per cent of all jobs are now estimated to be part-time. Twenty-five per cent of all females and seven per cent of all males work less than 35 hours a week at part-time jobs. In fact the Minister asked for the comments of the Committee on whether Canada Manpower Centres, should enter this expanding area of placement.

The development of techniques within the operations of Canada Manpower Centres including any future adaptations of the Job Information Centres will have to take into account the surveys of the Economic Council which documented the generally weak effort of the unemployed in their search for a job.

The discrepancy between the rate of unemployment and the number of job vacancies has implications for the formulation of training plans by the Division and for the ordering of its purchase of training seats from the provinces. In setting out training priorities there must also be recognition of the fact that many do not want full-time employment. The training requirements for employment in the service sector must be weighed against those required by industry.

These are just some of the areas where the strong interrelationship between developments in the world of work and the programs of the Manpower Division are already evident. Some approaches to these developments can only

be taken in cooperation with other departments of government. The Division does collaborate with many of them.<sup>1</sup>

**Attitudes toward employment in Canada have altered in recent years. Canadians change their jobs more frequently; they are selective about the jobs they are willing to fill and surveys show that on average their job search effort is weak. These attitudes affect the competence of Canada Manpower and must be kept in mind in assessing the effectiveness of the services provided.**

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<sup>1</sup> As indicated in the table on page xxix, the coordination of programs and services with other departments and agencies both federal and provincial absorbed \$1.2 million of the total expenditures on manpower programs in 1973-74.

CHAPTER 3

THE FORMIDABLE TASK  
AN INTRODUCTION TO CANADA MANPOWER'S PLACEMENT  
SERVICES

PART II:

MATCHING JOB SEEKERS AND JOBS:  
THE PLACEMENT FUNCTION

The crowded and competitive labour market flows of quits, layoffs, hires and new entrants to the labour force impose a formidable task of matching men and jobs which requires large amounts of time, information and money. The Manpower Division is the major agency in the government responsible for matching job seekers and jobs. The major activity of the Division is the placement function. The direct costs of this function in 1973-74 were \$63,662,752 or 10.07 per cent of the total expenditure of the Division. It utilized 1,341 man-years or 15.14 per cent of the total staff of the Division (9/30).

What did all these people accomplish? In terms of raw data--how many persons placed in how many jobs--The Division provided detailed operational statistics which have been printed in the Proceedings (9/11). In summary, for the year 1973/74, Divisional records showed 2,950,000-leave registrations by persons seeking employment. Employers listed 1,505,000 vacancies by which 2,886,000 persons resulted in 1,042,000 job-time placements, full-time being understood to describe a placement for at least one full week.

In the light of these figures how extensively are Canada Manpower Centres used by persons looking for work? Many more contact the Centres than actually are placed in employment by them. Dr. Reynolds estimated that "less than one in six job seekers find employment through CMCs, although three out of five contact the Centres." (18/15).

How many of the total number of job openings which occur in Canada each year are filled by referrals from Canada Manpower Centres? The

1. Dominion Council of Canada, *Report on the Labour Market*, page 70.

2. Manpower Division, *Proceedings for 1974-75*, which reported registrations and referrals were made to find job openings and those placements resulted.

Registrations or re-registrations	2,950,000
Employers Listed	1,505,000
Referrals by CMC's	1,042,000
Regular Placements	1,042,000

Source: Annual Report 1974/75, page 11.



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## CHAPTER 3

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### THE FORMIDABLE TASK: AN INTRODUCTION TO CANADA MANPOWER'S PLACEMENT SERVICES

"The enormous and continuous labour market flows of quits, lay-offs, hires and new entrants to the labour force impose a formidable task of matching men and jobs which requires large amounts of time, information and money."<sup>1</sup> Thus the Economic Council characterized the challenge faced by the Manpower Division. No matter how formidable, placement in the sense of matching job seekers with job opportunities is a fundamental activity of the Division. The direct costs of this function in 1973-74 were \$65,663,762 or 10.02 per cent of the total expenditure of the Division. It utilized 5,341 man-years or 65.14 per cent of the total staff of the Division. (5:30)

What did all these people accomplish? In terms of raw data—how many persons placed in how many jobs—the Division provided detailed operational statistics which have been printed in the Proceedings. (5:31) In summary, for the year 1973-74, Divisional records showed 3,950,000 active registrations by persons seeking employment. Employers listed 1,508,000 vacancies to which 2,886,000 referrals resulted in 1,043,000 full time placements, full-time being understood to describe a placement for at least one full week.<sup>2</sup>

In the light of these figures, how extensively are Canada Manpower Centres used by persons looking for work? Many more contact the Centres than actually are placed in employment by them. Dr. Raynauld estimated that "less than one in six job searchers find employment through CMC's, although three out of four contact the Centres." (18:19).

How many of the total number of job openings which occur in Canada each year are filled by referrals from Canada Manpower Centres? The

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<sup>1</sup> Economic Council of Canada, *Eighth Annual Review*, 1971, page 90.

<sup>2</sup> Comparable figures on placement for 1974-75 show increased registrations and referrals were made to fewer job vacancies and fewer placements resulted:

Registrations or re-registrations	4,300,712
Job Vacancies Listed	1,491,538
Referrals by CMCs	3,448,475
Regular Placements	1,034,547

Source: *Annual Report 1974-75*, page xi.

Minister appeared anxious to demonstrate that the Division handled a significant proportion of placements.

Although we do not have accurate data on the total number of job openings which occur in Canada each year, our best estimate is that CMCs fill 25 to 35 per cent of job openings. (4:9)

He assured the Committee that Canada was first among six countries used for comparison of the effectiveness of placement by public employment agencies—the United States, the United Kingdom, Sweden, France and West Germany. This estimate is in line with the recent observation of an American researcher:

Around the world, few employment services can claim that their penetration rates (the share of the employment service in all placements) are above 25%; all employment services recognize that most people find their jobs through other channels, especially by direct application to employers or the aid of relatives and friends.<sup>3</sup>

The Division is apparently meeting the international standard in sheer numbers of placements. However, the bald figures do not convey very much in terms of real effectiveness of placement. "Clearly, Canada Manpower is much better at finding people for jobs, than finding jobs for people." This was Mr. Baetz' comment on the statistical evidence that in 1973-74 only about one-third of referrals actually led to an offer of employment. (12:7) The basic cause for this imbalance is that a government placement service cannot refuse any one who wishes to register. The Minister commented that the quality of referrals in part "depends very much upon the competence and number of our worker clients. The less qualified our clients are, the less capable we are going to be in meeting employers' needs." (26:6) A senior official was more blunt:

Many people do not appreciate the real difficulties which the Department has in working with the kind of labour market we have. The fact of the matter is that we can only refer people who want to be referred. We can only refer to firms people we have got. (24:16)

This is in strong contrast to the conditions under which private placement agencies operate. While they must provide service to the job seeker, they know that their prime function is to serve the employer. They are not restricted in their search for the right person for the job to those who are unemployed. They are highly rated by employers because they offer fully screened applicants who fill the job requirements.

Canada Manpower Centres in contrast must serve the unemployed job seeker. This imposes a limitation which only a government supported agency could live with. The government is in effect running an *unemployment agency*. But within this limitation the match between those who register with Canada Manpower Centres and the jobs offered by employers who have specified qualifications for those jobs must be made to serve both parties as well as

<sup>3</sup> Beatrice G. Reubens, "Employment Services: The Global View" *Manpower*, Sept. 1975.

possible. Where the quality of the match cannot be assured it is particularly important that employers understand that there are limitations in the service which can be given to them. Their cooperation must be secured before a really effective public placement function can be realized.

Many advantages would follow if the cooperation of employers was encouraged through improved service and particularly through better understanding of the Division's obligation to the job seeker. The employers' capacity to complement the Division's efforts to assist specialized groups of job seekers could be more readily called upon. Cooperation in the design of practical training programs would be enhanced.

**Canada Manpower is restricted in its placement service activities by two conditions. It cannot refuse to assist any job seeker who registers and it must fill vacancies from persons registered with it. It follows that the Division's first responsibility as a public service must be to the job seeker and especially to the unemployed job seeker.**

**This fact must be faced. To be effective the Division must therefore seek the understanding and cooperation of employers by explaining the limitations which its role as an *unemployment* agency places on the services they can expect from Canada Manpower Centres.**

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## CHAPTER 4

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### THE CANADA MANPOWER CENTRE

The placement activity of the Manpower Division is carried out through 600 points of service. These include 450 permanent Canada Manpower Centres and 172 locations regularly covered by an itinerant service, together staffed by approximately 4,000 counsellors. In its presentation to the Committee the Division described the range of activities carried out in a Canada Manpower Centre.

The CMC is the point at which manpower policy takes concrete form. Here placement, employment, counselling, testing, employer services, selection for manpower training, the provision of training allowances and mobility grants and the creation of job opportunities actually take place. (11:31)

With over 450 CMCs there is obviously a danger of generalizing. Some of the following comments may have general application, but many do not. Some may be relevant to a category of CMCs such as those in large urban centres. The majority of comments will concern cases or situations which occur on a random basis in some CMCs and not in others mainly for historical and personal reasons. Sometimes the directives from headquarters may be at fault; in other instances, the local CMCs may be ignoring an instruction.

#### **The Job Description**

The actual procedure of placing people in jobs is put in motion in the Canada Manpower Centre when the employer places his job order. This form describes the nature of the work to be performed and the qualifications desired in those referred for employment. It is at present dealt with in Canada Manpower Centres at various staff levels ranging from the anonymous telephone operator to the occupational specialist counsellor. The accuracy of the information recorded when the order is taken and the understanding of the nature of the job have a direct bearing on the referral of a job seeker. The job order must be accurately recorded and understood in the Canada Manpower Centre by both those who receive it from the employer and those who refer applicants to fill it.

Unfortunately, the very streamlining of recording job orders by a telephone clerk in urban CMCs is a source of frustration to employers who want to work through a counsellor they know, or an official they can call back by name. This desire should be met. The development of the essential rapport between the counsellor and the employer which will benefit the job seeker begins with this initial contact.

Employers are apparently not always explicit and this was acknowledged by them. They assume knowledge of their occupational field. They put the onus for getting a complete job description on the manpower representative taking the order. A telephone clerk can only record the general category of the job order. The employer should be referred to a counsellor or counsellor assistant who has an understanding of the nature of his business and who will follow through with that employer the final disposition of the job order.

To assist counsellors to understand employers' requirements, the Division has developed occupational reference guides which classify jobs more precisely. They provide guidance to counsellors about training prerequisites and prevailing rates of pay. *The Canadian Classification and Dictionary of Occupations* gives information about 20,000 different jobs. Mr. Manion told the Committee:

It is being generally used, and will be increasingly used throughout the educational and training system in Canada, and throughout the counselling system in Canada. It is by far, I think, the most sophisticated and accurate device available to counsellors in this country. (6:21)

Even so at least one association of small employers, the Canadian Restaurant Association, was specifically critical of this occupational guide as being "vague in its terminology in some areas and difficult to fully understand if one is not experienced in the food service industry." The brief submitted to the Committee by this Association called for revision and updating of the guide.

There was no consensus among employers writing to the Committee about the speed with which the job order is processed. While many complained that very little attention was paid to the urgency of a particular opening, others stated they were satisfied with the time taken to make referrals. The Division is fully aware that successful placements most often result from prompt action on a job order and that delay leads to cancellation. It regards the time factor as one indicator of the effectiveness of its placement services. The Committee was told that in 1973-74, 63 per cent of all job orders were satisfactorily filled within ten days of receiving the order. It is apparent that job orders have a distinct 'shelf-life', an effective time-limit. The job order placed by an employer should carry an agreed time-limit after which referrals are only made if it is established by direct contact that that employer is still interested.

The consequences of the incorrect appraisal of the job description will be assessed in connection with the entire screening process.

**The employer who seeks workers should be given a contact in the Canada Manpower Centre who should be a manpower counsellor or a counsellor assistant. This is necessary to secure the cooperation of employers and thereby to fulfill Canada Manpower's responsibility to the job seeker.**

**The Committee recommends that the Division improve arrangements for the receipt of job orders to ensure that all relevant information is included and that the order is an accurate description of the work and the working conditions.**

**The counsellor contact handling the order should personally verify that appropriate action has been taken in the CMC and that the employer is satisfied his job order has been given attention.**

### **The Job Information Centre**

The Division has introduced a new facility for speeding up the processing of job orders, for generally improving the placement service. This is a section of the Canada Manpower Centre known as the Job Information Centre (JIC), a store-front, self-service operation. JICs were installed in 350 Canada Manpower Centres by March 31, 1975 with the remaining ones scheduled for completion in 1976. In the JIC all job orders are publically posted in printed listings or on cards by occupational category for quick reference by a job-seeker. The name of the employer is not shown. Referrals to actual employers are made by counsellors usually assigned on rotation to work in the JIC area. In this system, the amount of screening is minimal. The job seeker interested in the job has a brief interview with the JIC counsellor who checks that the job is still open and arranges an interview with the employer. Only minimal verification is made of the job seeker's qualifications for referrals of this kind.

The development of the Job Information Centres followed a suggestion by the Economic Council in 1971 that the Division carry out pilot projects to test the "open-file" system of listing available jobs. Ottawa and Hamilton were first selected. The pilot projects drew on the experience in the self-service approach already in operation in the public employment services of the United States, Germany and Sweden.

The Job Information Centre is designed for the job-ready client who can help himself with a minimum of assistance from a counsellor. This is an aspect which has an obvious appeal for the Division. "The idea here is that about sixty per cent of the people who are looking for a job do not need a heavy paternalistic approach to it", the Minister explained. (4:11) With the Job Information Centre in operation the flow of routine business is improved so that more counsellors are available to provide the more demanding specialized services developed to assist the hard-to-place, disadvantaged worker. It frees counsellors "to concentrate on the forty per cent of the people who need more than simply a referral." (4:12) The importance of this should not be underestimated. Mr. Manion has stated that the extra time for other activities which has become available "is the primary contribution of JICs and the most significant measure of their worth."<sup>1</sup>

The Division has promoted the benefits of this system to employers by pointing out the increased exposure given to their job orders. The employer potentially has a longer list of candidates to choose from. Fewer vacancies are therefore likely to be cancelled because of a lack of suitable candidates. The

<sup>1</sup> *Canada Manpower Review*, Second Quarter, 1974., page 14.

benefit to the job seeker is chiefly that he has a greater choice of jobs. The number of jobs listed under the occupational headings quickly establishes the current demand for labour in any skill. The job seeker has also the satisfaction that he is taking the initiative in seeking a referral.

There are several ways of judging the value to the placement process of this method of matching workers and jobs. At the very least it can be regarded as merely an alternative form of advertisement with a box number. As a technique however it commands academic approbation from manpower economists. Dr. Meltz called it "a major conceptual innovation."

I think it is an excellent concept, but where the conceptual breakthrough really comes in is in saying, 'We are not going to do all this matching. We are not going to make the decision as to which worker should go to which jobs.' We are going to open up the files and say, 'Here are the jobs. You decide which ones you are interested in. We will then determine whether you are job-ready or not.' (14:8)

Dr. Dupré also welcomed the development of the Job Information Centre concept. He urged its full development as a means of maximizing labour force information. In this he included listing known, if not registered, job opportunities existing in the community, for example listing the information that a particular plant happens to be hiring at a given time at the plant gate. (16:13) Many of his suggestions about the potential effectiveness of Job Information Centres to provide training opportunities have been put into effect. A Job Information Centre installed as directed from Headquarters will list out-of-town job orders. It will include a library of general information on employment opportunities and a training file showing current and planned occupational training courses. The opportunity to attend classes demonstrating the Creative Job Search Technique is also offered.

The effectiveness of the Job Information Centre depends on constant up-dating of the lists of job orders as referrals are made. As a technique it is clearly best suited to the work flow of the large urban Canada Manpower Centre where as equipment becomes available, computerized daily listings of job orders can be presented. Where there is a large volume of job orders to be processed, it has demonstratively speeded up the matching process, extended the dissemination of labour market information and helped the Division in its effort to reduce paper work.

There are limitations however to the extension of Job Information Centres which the Division did not perhaps anticipate when it established them throughout the Canada Manpower Centre network. The concept is not suited to the operations of all 450 Centres. Yet at the time of the Committee's hearings complete coverage was within sight. Over 90 per cent of CMCs had undertaken the installation of a Job Information Centre. In the small town CMC displays in the Job Information Centre are little more than a form of office decoration; the local information network about job openings is quicker and quite dependable. An office which services a rural area faces another situation. Casual job seekers are less likely to drop in and serious job seekers

are registered and known to the local counsellor; his contact with local employers is that of a neighbour in a small community.

In the large urban CMC where the operation is fully developed there are other incipient defects in the system. The 'store-front' presentation of the JIC listings means that it occupies the main public area of the Manpower Centre premises. "This is the first part the client would normally see when a JIC is fully introduced", the Committee was told. (5.8) But as a method of job search, the JIC should not be so actively promoted by staff that it discourages job seekers who require more intensive counselling assistance. The design of each CMC must be taken into account and in large offices in particular the Job Information Centre should be carefully situated to avoid this problem.

Moreover, the JIC reception area staff, including the monitor counsellors assigned specifically to circulate in the JIC area, should be constantly on the look out for those who cannot take advantage of this service, who have deeper counselling needs and who should be seen first by a counsellor. This is most important in urban CMCs servicing immigrant workers who may be unfamiliar with the 'self-service' approach and are further handicapped by language problems.

The minimum screening resulting from handling all job orders through the Job Information Centre risks further alienating employers who are already severely critical of the lack of screening of applicants. One Vancouver employer put it that the CMC must give "the individual some kind of job counselling, otherwise you might as well post a vacancy on the bulletin board at the laundramat." In fact, employers apparently do not always distinguish between referrals made of those job seekers who have been given a cursory review of qualifications in the Job Information Centre and those who are directed as a result of more intensive counselling.

Referrals to a job order listed in the JIC should be distinguished in some way. It would be helpful to employers if the referral form clearly stated that minimum screening had been given. In this way employers would become aware that, while the jobs listed in the JIC will receive maximum exposure to job seekers, effective screening of applicants for those jobs does not take place.

Employers were told in the brochure prepared to introduce the Job Information Centres that they could stipulate that job orders not be posted in this way. Unposted orders are handled by CMC counsellors directly as before. In practice such a request is seldom made. When the job order is taken the employer is asked to specify the number of applicants he would like to see. If there is a time limit to be met, it may become a "critical" order and given direct processing. All other orders automatically are listed on the JIC boards or lists.

**The Job Information Centre is an efficient method of handling job-ready clients, thus leaving CMC personnel more time for job seekers who require vocational counselling or training. The counsellor taking the job order should**

be required to ensure that the employer completely understands the limited screening of applicants likely to be referred to him from a listing of his order in the JIC. Referral forms should also indicate clearly that only limited screening has been given to the job seeker being referred.

The JIC staff, including the monitor counsellors assigned specifically to circulate in the JIC area, should be constantly on the lookout for those who cannot take advantage of this service, who have deeper counselling needs and who should be directed to counsellors responsible for giving this assistance.

### The Canada Manpower Counsellor—Duties and Qualifications

"The Manpower counsellor deals with people and their problems. You will agree that no two human beings are the same and therefore, there is nothing routine about the job of a Manpower counsellor." This observation was made by a manager of a CMC in a letter to the editor of the *Financial Post*.<sup>2</sup> From everything the Committee was told and from many personal visits to Canada Manpower Centres, it was apparent that the manpower counsellor is the key person in the effective promotion of manpower policies. In numbers they represent 57.9 per cent of the total manpower staff, about 4,000 in all. Nearly one-third of them are women. The Division estimated that counsellors annually conduct close to six million interviews and in 1974-75 Canada Manpower staff made 256,335 visits to employers.

Prior to 1966 this official was called a 'placement officer'. The designation 'manpower counsellor' which was adopted to reflect the new Departmental name in 1966, is more descriptive of the role now played in human resource development. The present range of responsibilities has been described by one counsellor:

We're a resource centre as well as a placement agency. We have to know where to send an applicant to live, get money or get treatment for alcoholism or a drug problem. And we're also an information centre; we have to know about UIC and Workmen's Compensation and labour law and regulations.<sup>3</sup>

Counsellors carry a heavy case-load. It was established in the hearings that there may be upwards of 800 jobs seekers on a single counsellor's file, albeit organized by his occupational interest and qualifications. Theoretically a system of purging removes the names of those who no longer need assistance every thirty days. The system of referrals through the Job Information Centre has improved the flow of paper work arising from the placement process. The Division is also introducing the concept that it is the responsibility of the individual job seeker to inform the counsellor that he still needs help after thirty days.

<sup>2</sup> *Financial Post*, September 20, 1975.

<sup>3</sup> *Industrial Canada*, Jan/Feb. 1973, page 21.

The diffusion of duties resulting from the increased emphasis on human resource development has disturbed some counsellors. One wrote privately to the Committee:

It was only a couple of years ago that our emphasis was on being an effective placement service . . . . Now we find the placement taking a secondary role, UIC enforcement and social workers have taken over as the first priority . . . . We can get so involved in helping the unfortunate that we lose sight of our main purpose—maximum utilization of the labour force.

This counsellor's concern that the range of special services directed toward the disadvantaged has reduced his effectiveness as placement officer was also expressed by others who appeared before the Committee. "The main goal of counselling in a Canada Manpower Centre to me is to serve the placement function", Dr. Dupré told the Committee.

If all of this in-depth counselling of individuals with personal as opposed to placement problems is conducted by the placement agency, you simply get that placement agency away too much from concentrating on what its prime objective should be. (16:18)

This objection is met to some extent, at least where there are sufficient counsellors on the staff of a CMC, by a division of duties made possible by the installation of the Job Information Centre. It separates those in need of in-depth counselling from those who are job-ready. Where feasible, given the size of the Canada Manpower Centre and the size of its workload, this functional division should be publicly acknowledged by reinstating the old title of placement officer to describe those whose duties relate primarily to the placement of the job-ready or nearly job-ready. The title of manpower counsellor would then be restricted to those who are specialists in vocational and personal counselling, a large number of whom have been recruited by the Division.

The Committee learned that many counsellors—to use the present undifferentiated title—spend a disproportionate amount of their time dealing with persons who have great difficulty getting or holding a job and who return to the CMC over and over again. When such repeaters are identified they should be transferred by a placement officer to the manpower counsellor. However the responsibilities of even the manpower counsellor should be limited. Some of their activities have left the impression that the CMC is an extension of the community social assistance agency. Manpower counsellors should, as far as possible, restrict their activities to the improvement of the job seekers' employment potential and should refer clients requiring guidance on personal problems to the appropriate agency.

The qualifications listed on posters recruiting manpower counsellors are first, university graduation or evidence of demonstrated capacity for administrative work; second, related experience evidenced by having carried out work assignments involving the provision of services for the welfare and social needs of individuals or the instruction, interviewing and guidance of individuals.

The criteria for selection of candidates for the position of Manpower counsellor has altered with the change in emphasis to a greater concentration on social objectives. The Minister told the Committee that counsellors are "recruited for both their experience in the real world of work and for their academic background. Today they are better educated than they were in 1966." Some fifty-three per cent have a minimum of a Bachelor degree. Many have post-graduate training in psychology, vocational training and related fields of specialization. (4.9)

Dr. Dupré and Dr. Meltz expressed doubts about the expanded employment of university graduates in manpower counselling. Based on his study of manpower activities in Ontario, Dr. Dupré told the Committee:

Our findings were that, by and large, this did not turn out to be a very good idea . . . CMC managers emphasized to us that what they really looked for in a counsellor was someone who had labour market experience related to the types of occupations in which placements were being made. University graduates . . . tended to lack this experience and in terms of counselling effectiveness were really only good, by and large, in dealing with people problems, as opposed to placement problems. (16:13)

The Division is developing techniques for post recruitment, in-service training but this has a limited value compared with a background of genuine working experience. Employers appearing before the Committee stressed this point.

The incompetent appraisal of the job placement request made by personnel of the Canada Manpower Centre, is possibly due to lack of their own qualifications . . . It would appear that many counsellors . . . employed by Canada Manpower are university educated, and one would assume that such an individual would know what a machinist is, what a marketing analyst is, and so forth, yet, our experience does not bear that out.<sup>4</sup> (19:14)

Another employer wrote:

. . . Unless the counsellor has at least some knowledge of the skills required and can ask the proper questions of the applicant and recognize his knowledge or lack of it, a written job description is just so many words on a piece of paper.<sup>5</sup>

The Minister rightly has a high regard for the dedication and concern of manpower counsellors. They are the foundation for the administration of the entire range of manpower programs. But if employers are going to take the objectives of the Manpower Division seriously and cooperate in the achievement of them they must have confidence that the counsellors who refer job seekers to them really understand the world of work and can relate to it from actual experience.

There is a logical connection between the duties and the qualifications required of counsellors in CMCs. The Division should, where possible, give explicit recognition to the functional division of duties they perform. The

<sup>4</sup> M. C. Dressler, Hoffman-LaRoche Limited

<sup>5</sup> Letter from E. J. Pollack, Leigh-Marsland Engineering Company

Committee therefore recommends that those directly involved in the actual referral of job ready clients to specific job orders should be designated 'placement officers'. A fundamental requirement for employment in this function should be genuine experience in work, especially work related to one of the occupations placed frequently by the CMC in the locality where the placement officer is assigned.

Those who retain the title 'manpower counsellor' would be responsible for in depth vocational and employment counselling of those clients who are more difficult to place. They should have an adequate specialized educational background for this responsibility combined with some relevant work experience. All counsellors should be limited to giving employment related counselling only.

In order to meet the diverse demands of their job, placement counsellors particularly need to have "at their fingertips a feel for what is going on in the community", as Dr. Dupré expressed it. Evidence was given of the quantity of research and information on current trends in the labour market, and occupational analysis which flows out from the department to CMC offices. It would appear however that in the end, regardless of the extent of informational support provided, there is no substitute for "the relentless emphasis on keeping in touch."<sup>6</sup> The effort is simpler for counsellors in a small CMC who are part of the community in which they work in every sense. Counsellors in the large urban Manpower office must create opportunities for keeping in touch with employers. They must make regular visits to the training and welfare facilities with which they have frequent contact.

Most important of all, counsellors must keep in touch with employers both through visits to places of work and by maintaining direct personal contact throughout the job matching process from the initial listing of the vacancy through the referral and the acceptance or rejection of that referral. Individual counsellors should have a specific assignment, a group of employers identified by either the type or the physical location of their places of business, for whom that counsellor is the specific continuing contact within the CMC. In normal practice this would also be the counsellor responsible for taking the job order. This would satisfy employers' wishes and would provide the basis on which to build mutual interest and understanding. Such understanding would enhance the counsellor's ability to assist job seekers. It would open up opportunities to persuade employers to be more flexible in their attitudes towards job seekers who lack the paper qualifications set out in the job order. Counsellors must undertake the important role of explaining to employers that the responsibility of the CMC is to the job seeker. They must foster the close continuing contact with their own group of employers which is fundamental to the fulfillment of that responsibility.

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<sup>6</sup> *Industrial Canada*, op. cit., page 15.

The Division should, where possible, give explicit recognition to the functional division of duties performed by counsellors in Canada Manpower Centres. Those directly involved in the actual referral of job-ready clients to specific job orders should be designated 'placement officers'. Those responsible for in-depth vocational and employment counselling should retain the title 'manpower counsellor'.

The qualifications for an assignment as a 'placement officer' in a Canada Manpower Centre should be a genuine experience in work, especially work related to one of the occupations for which placements are frequently made in that locality. 'Manpower counsellors' should have an adequate specialized educational background for this responsibility combined with relevant work experience.

Manpower counsellors should, as far as possible, restrict their activities to the improvement of the job seekers' employment potential and should refer clients requiring guidance on personal problems to the appropriate agency.

In order to keep the good will of employers placement officers should be assigned a specific list of employer clients. They should make every effort to become familiar with their employers' current manpower requirements through visits to the work site. Job orders from employers should be the direct responsibility of the designated placement officer who should follow the order through every stage from referral to acceptance or rejection of that referral.

### Computerization—A solution to the problem of the urban CMC

To formulate their response to the Committee's request for assistance in this study of the Manpower Division, associations of employers solicited comments from hundreds of their member companies. One was a general enquiry, "How well do Canada Manpower Centres serve in filling job vacancies?" "Do CMCs provide fast, efficient courteous service?" There was a resounding response that courteous service was received, but the intensity of employers' complaints about service increased almost in direct proportion to the size of the CMC. The large Canada Manpower Centres in the urban areas of Toronto, Montreal, Hamilton and Vancouver were the subject of particular complaint. Here is a typical answer to those questions.

Most CMCs are relatively fast and courteous. However, competency varies from one centre to the next. Generally, the smaller the centre the more competent. The amount of screening is again largely a function of the individual centre and the larger ones seem to do less than the smaller ones.<sup>7</sup>

The sheer size of the industrial community in the major cities which must be serviced creates problems for the Division. The largest CMC is the Industrial and Trades office at 200 Dundas Street East in Toronto. It has a staff of about 240. There are in all 15 CMCs in Toronto. "There are at any one

<sup>7</sup> Brief from Pulp and Paper Association, page 3.

time about 9,000 jobs in our files in a place like Toronto or Montreal", it was explained by the Director of the Manpower Co-ordination Branch. (5:9) It would appear that there is much less likelihood in smaller communities of tension developing between employers and the CMC. Frustration and criticism were most evident in the comments received from employers in the metropolitan areas.

How can these large offices be made more responsive and still deal with the tremendous volume of business? Dr. Meltz discussed some solutions with the Committee. One was based on research on private placement agencies by Lawrence Fric.<sup>8</sup> Dr. Fric found private agencies averaged about four counsellors per office; that there were few economies of scale in larger offices. This led Dr. Meltz to suggest that consideration might be given to "the establishment of small offices specializing in a few occupations and located near the firms which hire these kinds of labour." (14:30)

Large urban CMCs would be more effective if smaller subsidiary offices maintaining contact with a central authority could be established. Such offices could more readily respond to localized needs while at the same time have access to the pool of talent and job opportunities existing throughout the urban area.

The Division is aware of the general problem of the urban CMC. "We recognize that our manpower centres are far too big", Mr. Manion commented in reference to the Toronto-Hamilton area. He told the Committee about the development of an on-line mini-computer system which could be extended and which would eventually make it possible to breakdown the larger offices into small ones and still maintain instantaneous communication. (5:23)

In practical terms, this means that in Toronto for example, instead of having 15 we could have hundreds of small offices on a neighbourhood basis. . . . But we are far from that now, except as a possibility. (5:23)

The Hamilton CMC has been selected to test this system. This area has already been partially broken down. Job orders and referrals are processed daily by the main office computer to update information in JICs in the main office and in the four satellite branch offices. If relevant data from the registration of job seekers could be added the on-line system would further speed referrals for placement and reduce the paper work involved.

All CMCs, regardless of size, have been involved in the "paper war" caused by cumbersome procedures previously in use in the placement operation. The Division has carried out a number of studies of ways to eliminate the accumulation of recorded data. The increasing application of technological improvements like the on-line mini-computer together with the simplification of the process of placing job-ready clients through the Job Information Centre and the mandatory removal of outdated client registrations should do something to reduce the flow.

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<sup>8</sup> Lawrence Fric, *The Role of Private Employment Agencies in the Canadian Labour Market*, Unpublished Ph.D. Thesis, University of Toronto. 1973

There are no simple solutions for the distinctive big city problems which affect certain CMCs. It became evident many times throughout the hearings that the large Centres have such a problem and that effective relations with metropolitan employers are much more difficult to establish and retain. A real improvement in those relations could be achieved through a major investment in the computerization of the processes followed in urban CMCs. Some areas of simplification can be anticipated. The registrations of job seekers are still filed manually and the retrieval of data about job seekers including their vocational interests is still a manual operation. The computer could speed up the matching of available job seekers with the lists of job vacancies now computerized daily in several locations. The computer could identify job seekers who re-register frequently so that the specialized programs of assistance could be offered to them. Subsidiary data could be more easily collected on occupational demands and salary trends in occupations.

The substantial savings in counsellors' time resulting from the reduction in paper work and the consequent increased effectiveness of the service to both employers and job seekers would in the long run compensate for the initial cost. The Division's move toward the extension of the on-line computer system in its urban CMCs should proceed as quickly as possible. There are significant benefits to be derived from giving priority to the extension of computerized record-keeping in urban CMCs which amply justify this expenditure. Not only would routine paper work be reduced, but the link-up by computer of CMCs in a large urban area would permit the extension of CMC services through smaller neighbourhood satellite offices.

**In order to make large urban CMCs more effective, the Committee recommends that smaller subsidiary offices be established which would maintain contact with a central facility. Such offices could more readily respond to local needs while at the same time have access to information about job opportunities and job seekers in the surrounding area. For the same reason the Committee strongly supports the Division's move toward the extension of the on-line computer system in its urban CMCs. There are significant benefits to be derived from computerized record-keeping which amply justify this expenditure. Not only would routine paper work be reduced, but the link-up by computer of CMCs in a large urban area would facilitate the recommended extension of CMC service through smaller neighbourhood satellite offices.**

#### **A Community Role for the CMC?**

Another aspect of the administration of a Canada Manpower Centre is its relationship to its community—'community' meaning "the people in the area served by the manpower centre" by Mr. Manion's definition. (5:22) As it has expanded its programs for the development of human resources, the Division has also elaborated the view of the CMC as a community resource with larger objectives than those of an employment agency only. This was the first point about the role of CMCs made to the Committee by officials of the Division.

The current reorganization and renewal program of the Division has been built on this. The ideal CMC has been described in an authorized in-service paper, *The CMC in the Community*.

The CMC is the focus of federal manpower programs in the community. But it should also be the focus of community participation in those manpower programs. It should solicit and encourage community participation as well as consultation in departmental programs.

The responsibility of the staff of the CMC is developed in the paper, starting from this theme:

The CMC team, led by the CMC manager, is responsible not only to "deliver" approved programs and services to the community, but to represent the needs and problems of the community in the determination of policies, programs and services which are appropriate to meet those needs.

The paper concludes:

The **community** has a right to expect from the CMC . . . that the CMC co-ordinates its services and programs with other agencies in the community for the benefit of the community.

To facilitate their specialized services for those in need of intensive in-depth counselling—that is counselling for clients with hard-core physical, social and cultural difficulties as the Division describes this level of service—CMCs in many locations have established a strong working relationship with both UIC offices and local provincial and municipal welfare agencies. Increasing cooperation between the CMC and various public organizations within communities has also arisen from the development of job creation programs and from the social security review. It is now evident in the part to be played by the CMC as the co-ordinating agency in the implementation of the Community Employment Strategy.

A proposal for a direct community role for CMCs was presented to the Committee by Mr. Charles Caccia, M.P. In his view "Canada Manpower Centres in rural areas provide a fairly good example of community integration, whereas those in the urban areas, particularly in Montreal and Toronto, lag behind in this respect." (17:5) The detail of his picture of the CMC as a "community information centre", cooperating with neighbourhood activity groups can be found in the printed proceedings. He suggested that this expanded role be undertaken with the guidance of a "board of directors" drawn from three groups within the community, in fact the same three groups involved in the placement function, employers, employees and officials of the CMC.

If the Canada Manpower Centre were to have an advisory board, the local advisory board would be able to inform Ottawa, the head office, what kind of jobs were needed in the community, and what funds were needed in order to fill those jobs for the local unemployed at certain times of the year, or for those who are chronically unemployed as well. (17:11)

There are no such committees advising large urban CMCs at the present time, although the Local Agricultural Manpower Boards have a similar

function in relation to the Farm Labour Pools organized by CMCs to serve rural employers. Similar committees were tried in the 1960's by the old National Employment Service but were abandoned after the formation of the Division and the establishment of Canada Manpower Centres in their present form in 1966. Provision was retained for the establishment of local committees however within the Canada Manpower and Immigration Council Act 1967-68.

The Division has the authority to develop consultative committees to open up channels of communication between officials and those who use the services of the Manpower Division. However the Committee does not support Mr. Caccia's specific proposal for a board of directors with a mandate to propose administrative as well as policy changes.

It is the Committee's opinion that community views can be adequately solicited through existing advisory committees and that the Division has provided for their wider application if this should become desirable as a result of the present emphasis on the use of the CMC as a community resource.

## THE JOB SEEKER AND THE CMC

Potentially the entire work force in Canada, just over 10 million persons, could at some time become clients of a Canada Manpower Centre. Mr. Manion told the Committee that of the registered clients in CMCs at any given time:

75 per cent of them are active members of the labour force without employment; about another 5 per cent are active members of the labour force with employment and looking for a change in jobs; and about another 20 per cent are 'labour force unknown'... largely new entrants, or people who have been out of the labour force for some time seeking to return... (4:17)

The service suffers a good deal from its image as a source of unskilled, low-paying jobs whether this is entirely true or not. Possibly because of its earlier association as the National Employment Service under the Unemployment Insurance Commission, this impression persists. Executive and professional placement particularly remains largely the business of private placement agencies or professional associations.

The occupational characteristics of vacancies open to those registered at CMCs in 1974 are listed in the proceedings. (6:55) The two largest groups in a sample survey were clerical, (28.6 per cent) and services (17.5 per cent). Overall the average weekly wage offered for job vacancies at CMCs was 26 per cent below the average industrial wage in Canada. Statistics collected by the Division show the distribution of weekly wages for CMC clients placed and on job orders to be very close to the minimum wage. (6:92)

While the figures lend support to the stereotype of the CMCs as a source of low paying jobs, this is only partly true. As the Division pointed out, CMCs do receive job orders that "are competitive in terms of wages and working conditions, in semi-skilled, skilled, professional and managerial occupations." (6:56) Their monthly lists of registered clients and vacancies cover a wide range of occupations.

### **Are Canada Manpower Centres Employee Oriented?**

The employers who appeared as witnesses were unanimous in their view that the services of Canada Manpower are employee-oriented. But it was evident that they have not been made fully aware of the reasons for this orientation. Mr. Manion cited various reasons for giving priority to worker clients, especially unemployed worker clients—the rapid growth of the labour force, immigration and the rise in unemployment.

The Division has recently taken steps to improve its services to job seekers. In the paper circulated recently to all CMCs to focus attention on the Division's change and renewal program, counsellors are urged to demonstrate "a visible perceptible interest" in the job seeker. Continuity of service is stressed. The counsellor should exert "continued persistent efforts to help a client resolve his problems rather than the "band-aid" approach in which we "BF" our clients like our files".<sup>1</sup> A complete service of assistance in job search is projected in this paper. For the hard-core unemployed it proposes an aggressive marketing of the client backed up by the various specialized programs. "If job barriers exist they must be attacked by information, persuasion or any other legal means at the disposal of the CMC."<sup>2</sup> Service standards of CMCs are set out in this paper including the services the worker has a right to expect. These include:

- information about jobs, training and other manpower programs openly displayed and readily accessible in the CMC with an absolute minimum of paper or procedural barriers;
- advice and referral to jobs for which he is qualified and if he lacks skills, or his skills are obsolete he will be given realistic advice.<sup>3</sup>

A description of the kind of service the job seeker should receive has therefore been laid down for the guidance of CMC counsellors. If they follow it evidence of the concern of the CMC for the job seeker should increase confidence in the CMC as a placement agency. The Committee was interested in determining if other factors might inhibit job seekers from making more use of Canada Manpower Centres. The Job Information Centre was developed to provide a facility for casual search by those already employed but contemplating a change, as well as a source of direct placement of active job seekers. The full use of this facility for casual job searching is restricted to some extent by both the location of CMCs and their hours of opening. In spite of the fact that each CMC has the authority to determine hours of operation best suited to their location few are open beyond normal business hours.

**Canada Manpower Centres should be open at certain times outside the usual hours of business so that job seekers who are employed have access to the extensive labour market information available in the Job Information Centres.**

### **Priority in Referral**

Job seekers are contacted when suitable job opportunities arise, chiefly by telephone. Those already registered have a priority before jobs are placed on the Job Information Centre boards. However it is no longer a rule that the longest registered client is called first. The counsellor's responsibility is

<sup>1</sup> *The CMC in the Community*. Page 10.

<sup>2</sup> *Ibid*, page 11

<sup>3</sup> *Ibid*, page 14

primarily "to select people who meet the job requirements specified by the employer." But for many routine jobs there may be over a hundred people registered who could meet the requirements. Who then is given the first referral? "We will then try to pick people whose needs are greatest; maybe they have been unemployed the longest, or they have substantial family responsibilities, or they have been the victims of neglect or discrimination . . . Things being equal the person who is a veteran gets priority in referral." (6:17)

### **Counsellor Contact**

The amount of attention a counsellor can give to the needs of individual job seekers varies greatly. Many instances were reported where the initial contact upon registration was followed by weeks of apparent indifference. The time factor in the placement procedure depends to a large extent upon the diligence of the CMC counsellor. Close contact is hard to maintain when the caseload of one counsellor may be as high as 800 client registrations, but it is very disheartening if a client is registered for a length of time without any indication that he is being considered for possible referral. Letters received by the Committee suggested that many have experienced this frustration. The following is representative:

I applied to the . . . office of manpower five months ago, in search of employment assistance...In the ensuing five months I received absolutely no communication regarding any possibilities for or against job placement. I inquired twice during that time and was assured that I would be notified in a matter of days and to do nothing in the interim. . . As time has past, I assume that I lack the necessary abilities for every vacant position available during that time period . . . I do feel some mention should be made of the absence of communication.

Officials were questioned about procedures followed in CMCs to keep in touch with registered job seekers. Previously the Division retained registrations on the active file for thirty days. In theory if a placement had not been made by that time the CMC wrote the client to find out if he was still without employment. This routine has recently been altered. CMCs are now attempting to establish the principle that it is the direct responsibility of the job seeker to review the opportunities listed in the Job Information Centre and to keep in touch with the counsellor assigned to him. After thirty days, unless specifically validated, the client's file will automatically be withdrawn. The Division gave an assurance that files of certain categories of job seekers would not under any circumstances be withdrawn. These include welfare recipients, unemployment insurance recipients, people referred from other agencies including recent prison inmates or recent inmates of mental institutions.

This procedure requires that job seekers must be warned when they first register that it is their responsibility to keep their registration active.

It was apparent from other letters that job seekers expected that job opportunities outside their own area would be offered to them. The public is aware that Canada Manpower is a national employment service whose offices

are linked by a telex system. Those who wrote to the Committee found it difficult to believe there were no job openings anywhere in Canada for people with their qualifications. Out of town vacancies are supposed to be listed in all CMCs, but this is not always done. The extension of the use of computerized listings by CMCs would go some way to meet this deficiency.

Other correspondents suggested that records of referrals and placements are not always accurately kept. Job seekers are sometimes sent to interviews only to find that the job has already been filled. A variation of this complaint came from employers who felt that the nature of the job is often not well enough understood by the counsellor. One employer told the Committee:

They do not describe the job to the employee, so the prospective employee lands on the employer's doorstep and says, "what is the job?" and sometimes he is quite surprised to find out what the job is. (19:18)

The blame of course does not always lie with the CMC. Job seekers may assume the initial registration is all that is required of them. Employers may be dilatory in reporting the acceptance of a referral. The nature of these complaints about the service being provided by Canada Manpower to their clients is recognized by the Division.

**CMCs must warn job seekers that unless validated their initial registration will lapse after 30 days and that it is the job seekers' responsibility to keep their registration active.**

### **A Facility for Complaint**

In dealing with over four million registrations a year, standards of service—however well intended—will not always be observed. It would assist the Division to minimize the effect of assumed neglect if the client was offered a facility for complaint. The Division has had considerable success with the box number technique to encourage its own employees to make comments or suggestions about their work. It is called Box 321. The suggestions sent to it go to an office of the Division in Ottawa. A similar facility could surely also be offered to job seekers through well placed notices in the CMC and in the literature about Manpower programs given to clients when they register.

This facility should be organized regionally or preferably nationally but not locally. It would afford an avenue for communication about how manpower services are seen by those most directly affected. Such an opportunity for direct communication with the regional or headquarters authorities of the Division would be welcomed. The advertisements inviting the public to write to the Committee about their experiences with Canada Manpower appeared only once in seven papers in five cities across the country. The substantial number of replies from persons with genuine grievances far outweighed those from malcontents. A standing invitation proclaimed in the Canada Manpower Centres would undoubtedly elicit a far greater response.

Those who use Canada Manpower Centres should be offered a facility which would encourage comments on the service. This could be a postal box number at the regional or national headquarters of the Division. This facility should be evaluated and the evaluation made public after a reasonable trial period.

Unemployed people are too readily classified as "unemployable". They may have the necessary skills they may be in the wrong place and unable to benefit as they would from available jobs.

Up to this point the job seekers' view of placement has been discussed in general terms. But the Division does not view job seekers in general terms. Programs are planned to meet widely varying needs, for assistance divided by the Division into three levels. First are those who are job-ready and can normally be found a job through the Job Information Centre. A second level of service is provided for the client who is, in most cases, an advertisement placed by the Department, not quite ready for work. He needs some counselling, aptitude testing or possibly a training course. The third level is for clients with hard-core difficulties. These may be physical, social or cultural. These people will require special counselling and possible assistance from an outside agency.

The number of specialized services created to assist job seekers on these three levels of need have burgeoned. The six major advertisements placed by the Division in connection with the inauguration of the Job Information Centre in Toronto stated that the JICs were "Only one of many services offered by Canada Manpower. Altogether there are about fifty programs and services, all of which are available in Mega."

This large number of identified special activities are a consequence of the explicit wish of the Division to cut and divide its area of responsibility across every possible angle in an attempt to provide adequate Manpower services to all Canadians. Under the Special Programs Directorate of the Manpower Client Services Branch there are special approaches, programs and services specifically directed toward the placement of such identifiable categories of job seekers as youth, women, native peoples, immigrants, students, ex-convicts and public servants. Counsellors view all of these specialized approaches as placement tools related to the levels of preparation for placement already described. Some will make application were recognized by the Centres.

1. Working Paper on Special Services to Clients, 1971.  
2. Conference Report, Toronto, February 21, 1972.  
3. Ibid.



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## CHAPTER 6

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### SUBSIDIARY PLACEMENT PROGRAMS FOR JOB SEEKERS

Unemployed people are not readily or easily matched to available jobs. They may have the wrong skills; they may be in the wrong place and unable for family or financial reasons to move to available jobs. . .<sup>1</sup>

Up to this point the job seekers' view of placement has been discussed in general terms. But the Division does not view job seekers in general terms. Programs are planned to meet widely varying needs for assistance divided by the Division into three levels. First are those who are job-ready and can normally be found a job through the Job Information Centre. A second level of service is provided for the client who is, to quote from an advertisement placed by the Department, "not quite ready for work. He needs some counselling assistance, testing or possibly a training course. . . The third level is for clients with hard-core difficulties. These may be physical, social or cultural. These people will require special counselling and possible assistance from an outside agency."<sup>2</sup>

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This large number of identified special activities are a consequence of the zealous effort of the Division to cut and divide its area of responsibility across every possible angle in an attempt to provide access to Manpower services to all Canadians. Under the Special Programs Directorate of the Manpower Client Services Branch there are special approaches, programs and services specifically directed toward the placement of such identifiable categories of job seekers as youth, women, native peoples, immigrants, students, farmworkers and public servants. Counsellors view all of these specialized approaches as placement tools related to the levels of preparation for placement already described. Some with wider application were examined by the Committee.

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<sup>1</sup> *Working Paper on Social Security in Canada*, page 7.

<sup>2</sup> *Globe and Mail*, Toronto, February 21, 1975.

<sup>3</sup> *Ibid*

### **Creative Job Search Technique**

On the job-ready level the Division offers job seekers through the Job Information Centre an opportunity to take a short course of lectures under the title of Creative Job Search Technique. Instruction is given on the preparation of résumés of previous experience and qualifications and on how to handle an interview with an employer. This program of lectures has been developed to help the job seeker who has skills but lacks confidence and know-how. It is being offered by CMCs at several locations. The Creative Job Search Technique provides practical assistance to the job seeker. The acceptance and apparent success of this program is encouraging and the Committee endorses it fully.

### **Canada Manpower Mobility Program**

A more formalized assistance program for the job-ready is the Canada Manpower Mobility Program. It was described to the Committee by the Division as "one of the most effective placement tools available to counsellors." It has been developed to help solve the "locational mismatch problem" referred to by the Minister in his example that in 1973 almost 40 per cent of all Canadian job vacancies occurred in Ontario but that province had only 27 per cent of all those in Canada who were without employment. According to the Division this program provides "a highly flexible remedy to problems caused by regional labour shortages" (6:36) The program provides grants covering actual travel and removal costs together with assistance in the purchase of housing in order to help workers take advantage of employment opportunities outside their own locality. Travel allowances are also provided under mobility regulations to persons referred to training by the Division. The cost of this program is an addition to the overall cost of placement. In 1973-74 it totalled \$11,027,719,<sup>4</sup> 1.68 per cent of the total expenditures of the Division. Administration of the program absorbed 2.34 per cent of the Division's total man-year utilization. (5:30) Statistical tables breaking down costs and numbers of grants by classification (exploratory, relocation, special travel, trainee travel and commuting allowance) for each province are given in the Proceedings. (5:28/29)

The principal qualification for a mobility grant is that a worker must be going to a job which could not be filled by workers registered in the area where the job is located. He must be unemployed, about to be unemployed or unable to use his skills or training in a full-time job in his own locality. The Division's evaluation for 1973-74 showed that 85 per cent of all those who moved with the assistance of a grant under this program remained in their own province; 44 per cent of all grants were authorized in the Quebec region. Mr. Manion confirmed that this was a deliberate policy. "We try to move people the shortest possible distance." (5:19) Analysis of the jobs to which grant recipients moved showed that positions in manufacturing and mining predominated. Representatives of the mining industry confirmed that they benefited from this program. One of them told the Committee that about fifty per cent of those

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<sup>4</sup> During 1974-75, \$11,397,967. was spent on this program. *Annual Report, 1974-75*, page 9.

who were hired from outside the location of the mine came to his company with the assistance of a mobility grant. (25:17)

The earnings received by recipients after one year in the new location were analysed. It was found that they were being paid consistently higher wages after moving. A cost-benefit analysis of their earnings projected that the ratio of benefits to costs was 12:1, that is for every \$1 spent on mobility grants the economy would eventually receive a return of \$12. It was estimated that the average grant made in 1974-75 was \$667.

Averaging out the personal characteristics of recipients of grants is deceptive. On this basis the evaluation report describes them as male, married and over 25 years of age. In fact there are marked variations across the country. While overall 92.1 per cent were male, east of Ontario they were more apt to be single and under 25 than in western Canada where grants were more often given to married men over 25 years. The Minister stated that 41 per cent of the grants made under the Mobility Program were expended on people whose incomes were below the poverty line. (26:26)

The Mobility Program is a legitimate means of counteracting regional disparities in job opportunities. There is a great deal of natural mobility in the Canadian labour force and inevitably some grants will go to individuals who would have moved anyway. The risk that a percentage of those who move will not stay in the new job does not appear to be intolerable. The purpose of the program is more effectively achieved by giving assistance in the form of a grant instead of a loan. Officials confirmed that there have been few abuses of the grant system. This is initially ensured by careful counselling in the selection of recipients.

It would appear however, that the Mobility Program has been underutilized. There is a familiar recurring news story which usually has a headline indicating that so many immigrants have been given work visas despite the high level of unemployment. Many of these stories arise from construction projects. Such a news item about the recruitment of immigrants to fill job openings on a construction site in Glace Bay, Nova Scotia for example was raised in the hearings. Typically this case dealt with skilled tradesmen needed for a peak period.

There is a clear role for the Mobility Grants Program in this kind of situation. Dr. Meltz expressed a valid view on this point:

It is my personal impression that it is easier to recruit through immigration than through mobility. It is easier to bring someone in from outside the country than it is to mount a campaign and bring someone from the other side of the country. (14:18)

The rule regarding the recruitment of immigrants is that visas will only be given if no Canadian citizen or landed immigrant can fill the position. The mobility grants open up the search area for employees who are already available in Canada. The number of instances where immigration has been sought as the solution to shortages of labour suggests that employers are not fully informed about this program.

Officials maintained that out-of-town job vacancies are supposed to be listed in all CMCs. But some Committee members, staff and some witnesses observed during personal visits to CMCs that out-of-town listings are *not* always listed nor are they offered routinely to job seekers by counsellors. The possibility of qualifying for a mobility grant to facilitate a search for employment or to take up a job in another community is not well enough known. This is particularly unfortunate in areas of high unemployment.

Mr. Manion agreed that the Mobility Program was not fully promoted; that the lack of promotion is a problem. He suggested that one reason for this underpromotion was that "some of the provinces are very sensitive about what might appear to be an effort by the federal government to depopulate them by urging people to go and live elsewhere". (6:18) Both Dr. Meltz (14:19) and Dr. Dupré (16:18) agreed that provincial sensitivities could be an inhibiting factor in the full utilization of mobility assistance.

Since the Committee hearings on this program there have been some changes in it. Of particular interest is the extension of the special travel grants to workers living in isolated areas to permit them to visit their nearest CMC. Some allowances have been altered in line with the reductions in government spending under the anti-inflation measures. The home purchase allowance has been eliminated and the re-establishment allowance reduced. These changes do not significantly alter the essential nature of the program or reduce its potential effectiveness as a "labour market adjustment tool, capable of responding . . . to labour market imbalances." (6:72)

**The Mobility Grants Program is an effective tool for achieving necessary adjustments in the labour market. The Committee supports the recent extensions of the program and recommends that it be publicized more fully to job seekers and employers alike.**

### **Programs for Job Seekers Needing Special Assistance**

The Division has mounted an extensive interacting array of programs directed toward placement, training and job creation for those job seekers who are 'very difficult to place' as well as for the 'hard-core unemployed.' Counselling interviews have steadily increased. The demand for counselling evidently accounts for some of the increase in staff in recent years. In this connection Mr. Manion observed "We have put in place a couple of hundred counsellors who are specially trained and whose sole job is to look after the more disadvantaged people, the poor people." (5:25)

Within the CMC basic services of counselling and testing of aptitude and skills are available on an individual basis. A limited diagnostic service has recently been made available using private practitioners on a contract basis. Cooperation between counsellors and local welfare officials has been increased. A paper on assistance to welfare clients prepared by the Division for the Committee indicates the thrust of this cooperation. "At present 119 CMCs are supplying local welfare offices with listings of all job vacancies. In addition 92

CMCs are supplying welfare offices with manually prepared representative vacancy lists. Thirty CMCs supply these lists on a daily basis, 160 on a weekly basis, 14 on a monthly basis and 7 CMCs supply them as required." Continued expansion of this activity is anticipated by the Division. At least one province, Ontario, has proposed legislation which would require prospective welfare recipients to be registered with a CMC before becoming eligible for support. Other provinces have similar proposals under consideration.

### **Special Job Finding and Placement Drive**

The Special Job Finding and Placement Drive is carried out directly within the CMC by counsellors with specialized qualifications who work in cooperation with the Unemployment Insurance Commission as well as with local welfare agencies. It was first tried as a technique in 44 centres in seven metropolitan areas. Following assessment it is being extended in two phases to all CMCs. By April 1, 1975 it was hoped that 84 centres would have this program in operation. By April, 1976 it was to be extended to the rest of the CMC network.

This program is directed toward U.I. claimants, employable welfare recipients and selected CMC clients "who seem to require special assistance." (6:33) That is to say, it is directed toward those who are thought of as "very difficult to place." It requires the cooperation of the selected participants in an intensive marketing campaign to find suitable employment. The campaign is worked out for each participant individually by the counsellor. In the nine month initial period of this program, 344,959 persons were asked to participate. A total of 216,926 responded. Of these 30,248 were placed by the CMC, that is about 9 per cent of those originally invited to participate. Others found jobs on their own; training was provided for 5,431 and mobility grants were given to 233. The Division estimated that for the full fiscal year 1974-75 there would be a saving of upwards of \$40 million to the UIC fund as a direct result of the employment secured through this program. In cost-benefit evaluation terms this represented approximately \$5-7 return for each dollar spent (6:35)

Mr. Manion told the Committee that the Division was sufficiently encouraged by these results to plan the extension of the Special Job Finding Drive to all CMCs. There is a basic limitation arising from the voluntary aspect of participation. In the beginning participants had in many cases been on Unemployment Insurance or welfare for some time. "There is a resistance when people have been receiving income transfers for that length of time to losing it. They lose not only the income, but the security attached to it..." (6:19) A greater number are expected to take part in this program now that it is more closely tied in with the UIC. Participants will be encouraged to take advantage of this direct counselling service as soon as they apply for benefits.

It is hoped that this will increase the success rate of this program which in the beginning appears to the Committee to have commanded an unequal disposition of counsellors' talents and the Division's funds.

**The Division should maintain a continuous evaluation of the Special Job Finding and Placement Drive in order to ensure that the results obtained continue to justify the significant amount of available counselling resources required to place those selected for participation.**

### Outreach

At yet another stage of assistance the Division supports an extensive group of individual projects loosely grouped together as the Outreach Program. Through Outreach the Division seeks to extend its services into areas where they would not otherwise be provided to assist those who if left unassisted "would constitute an economic and social waste." (6:43)

Outreach is organized in two ways: the provision of CMC personnel and resources to projects designated 'Internal Outreach' and the provision of financial support by way of grants to projects sponsored by community organizations, 'External Outreach'. For 1974-75 there were in all 125 projects manned by 516 staff workers in the combined Outreach program. The total cost of all contracts was \$4,912,000.

CMC counsellors are involved in 'internal' Outreach projects, a few are seconded to 'external' Outreach but most Outreach project workers are not regular counsellors. They are hired specifically for the project. Many of them have had direct experience of the conditions experienced by those they are assisting to find employment. Outreach project counsellors include former welfare recipients, ex-convicts, paraplegics, Indians and Métis. The target groups of these projects are identified by the Division to be: women, unemployed, urban poor, welfare recipients, native peoples, the handicapped, youth, inmates and ex-inmates, and persons living in isolated communities. (6:78) In sum "the program uses the competencies of external groups and agencies to deliver services and to maintain close contact and identification with the various client groups." (26:26)

In 1974-75 Outreach projects recorded 25,200 regular placements and 24,418 casual placements.<sup>5</sup> The Department published an evaluation of Outreach in January 1975. It showed that 79 per cent of the clients of agencies receiving grants under the program were unemployed at the time of contact with the agency. Seven per cent were not in the labour force at all. (26:26)

The Committee received direct representation from two of the organizations assisted by Outreach grants, Le Coin du Travailleur, Ottawa, and Fairshare Incorporated, Montreal. They confirmed that clients of these agencies do not make use of services offered by Canada Manpower Centres. Le Coin du Travailleur found in their first year of operation that only 25 per cent of their unemployed clientele had been registered with the central Canada Manpower Centre in Ottawa although it was located less than two miles from Lower Town where the agency has its quarters. The reasons for the reluctance

<sup>5</sup> *Annual Report, 1974-75, page 11.*

of these people to go to the CMC was suggested in the brief this organization submitted to the Committee:

They are bewildered by the depersonalization they face, the red tape they are subjected to and the impersonality and the apparent lack of concern of the manpower counsellor they meet.

The representatives of Fairshare Inc. confirmed that their clients have similar attitudes about Canada Manpower Centres in Montreal. (15:12) Some others reached through this program have physical handicaps which restrict their opportunities for employment. They do not lack motivation, but require sympathetic assistance to find a job.

Mr. Manion explained that it is not possible for organizations to apply directly for an Outreach grant as such. It is given after a "process of negotiation, consultation and development" between the agency and the Division. (6:22) Grants are made through an annual contract with a general understanding that, subject to satisfactory evaluation and monitoring, they may be renewed for a maximum of three years. "At the end of that time they will either be phased out, or we will have to consider ways of incorporating them into our ongoing service." (11:25)

Many Outreach projects have been set up as agencies solely to respond to the Outreach concept. They are totally financed by the Manpower Division. Some have a direct line of development from other forms of assistance available in the Division. The Community Action Group in Hamilton is an example. It had its beginnings with an OFY grant in 1972. In January 1973 with the assistance of a LIP grant it expanded into a job-finding service for welfare recipients. In August 1973 it received the first of three yearly Outreach grants. Still other Outreach projects are an outgrowth of established community activities.

The Division takes pride in the fact that in Outreach it pioneered and developed the concept of using "individuals in the community who are independent of government to do things that could be better done by them than simply an extension of the bureaucracy." (26:23) Outreach is viewed by the Division as a continuing activity. In its submission the Division described it as "one of our most exciting and promising programs" but noted that it would "require additional resources to fulfill its potential." (6:72)

Outreach as a program will require continued intensive evaluation to establish unequivocally that the funds provided by these grants are entirely devoted to the fulfillment of the duties assigned by Parliament in the Department of Manpower and Immigration Act. Section 4 states that these duties include:

- a) the development and utilization of manpower resources and
- b) employment services.

There will always be a problem of control when a program like Outreach is given over to external groups or agencies in the community.

The first groups to receive Outreach grants and meet the conditions for renewal are just coming to the end of their authorized three years. These projects are facing the termination of financial support which many job creation projects have already faced. Like many LIP projects, agencies receiving the three year Outreach grants have apparently not made provision for alternative support when federal funds run out. Few are likely to become self-supporting. While many of the recipient agencies will qualify without difficulty for continued support, there are agencies now receiving Outreach grants which provide rehabilitation counselling for personal social problems and even temporary shelter, types of broad support measures usually provided by other community social services. This is a questionable interpretation of responsibility for the 'development of manpower resources'.

Many of the circumstances which inhibit the clients of urban Outreach projects from using Canada Manpower Centres could be met to a large extent if the Committee's recommendation that smaller branch office CMCs be established in communities were adopted. Other target groups of unemployed included in the Outreach program will eventually become targets of the Community Employment Strategy. This will give Canada Manpower the role of co-ordinator of a multi-level governmental attack on the problems of the unemployed. Many Outreach projects will presumably become part of a wider community responsibility. However until the Community Employment Strategy is in place, Outreach projects will need close supervision.

**The Outreach Program is doing a job that cannot now be done as well by Canada Manpower Centres. The focus should be limited to overcoming the severe employment problems of the hard-core unemployed and the Outreach Program must be continuously evaluated to ensure that funds provided are in fact used only for this purpose.**

#### **Concluding Comment**

Outreach has demonstrated an alternative innovative means of delivering services to groups with special needs. The starting point of an Outreach project is, in Mr. Manion's words, "some identified gap in the provision of manpower services to Canadian workers." (6:22) Outreach is one of several special approaches to the problems of the disadvantaged established for this reason by the Division. This explanation caused the Committee some concern. It is of course desirable that every gap in the provision of manpower services be filled. However there is a limit to the amount of unemployment amongst the disadvantaged that can be eliminated. Lack of employment is not the only difficulty faced by them, but it is the difficulty which the Manpower Division can do something about. It can do this best by making its existing services function as efficiently as possible. It can offer the disadvantaged direct employment counselling, mobility grants and training to improve skills. It can do all these things and do them better without extending the range of its special programs. Ample capacity exists to fill many of the needs of disadvantaged job seekers by the adaptation of existing basic services. The recent extension of the mobility grants to bring job seekers in isolated areas to the services of CMCs

shows such an adaptation. The development of small, itinerant satellite CMCs to take services into isolated areas is another. There are other extensions of existing services underway which will reach the disadvantaged. These include the direct exchanges being developed between CMC counsellors, welfare agencies and UIC offices. The co-ordinated approach of the Task Force on Manpower Services to Native Peoples is another example. The very basis of the participation by the Division in the Community Employment Strategy is to co-ordinate existing Manpower services with other community services, not to create new programs.

Beyond the adaptation of its own services, the Division through improved contact with employers and employer associations could also do more to encourage private industry to play a wider role in opening employment to those who are difficult to place because they are physically or mentally handicapped. The Canadian Chamber of Commerce has taken an initiative in this direction recently. The Division could build on this. In representing the needs of all job seekers to employers CMC counsellors have an unlimited opportunity to obtain the cooperation of the business community in placing those job seekers with special problems. These opportunities must be more fully exploited.

**The Division must recognize that there is a limit to the amount of hard-core unemployment that can be reduced. Lack of employment is not the only difficulty faced by the unemployed disadvantaged job seeker but it is the difficulty Canada Manpower can do something about through more efficient promotion and operation of existing services for counselling, training and placement.**

The Committee believes that many employers would accept the challenge of opening new avenues of employment to the physically and mentally handicapped if encouraged by Canada Manpower to do so. Improved counsellor contact with employers should provide increased opportunities to tell employers about this important community responsibility.

shows that the... (The text is extremely faint and largely illegible. It appears to be a multi-paragraph document discussing labor relations, possibly mentioning the Canadian Labour Congress and various agreements.)

... (Continuation of the faint text from the previous block, discussing the implications of the agreements and the role of the labor union.)

... (Faint text at the bottom of the page, possibly a signature or a reference.)

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## CHAPTER 7

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### THE EMPLOYER AND THE CMC

I think the basic point is that before you can perform an effective service for workers in the labour market, you have to satisfy the needs of employers. The two things are intimately interrelated. You simply will not have a range of job orders unless you meet the needs of employers as well as the needs of workers. The two are functionally interdependent. (Dr. W. Dymond 20:18)

How well Canada Manpower Centres meet the needs of employers was a matter of deep concern to the Committee because of its conviction that employers must be encouraged to assist CMCs in the fulfillment of their primary responsibility to the job seeker. Four meetings of the Committee focussed directly on employers' opinions. A series of questions was sent to employers across Canada about their experiences in using the services of the Manpower Division. The response was both generous and helpful. It was apparent that they welcomed the opportunity to assist the Committee.

Fundamental to the discussion of the impression employers hold of CMCs is the recognition that there is an inherent contradiction between the Division's overriding responsibility to try to place in employment every job seeker who registers—who may lack skills or training or experience, who may be unemployed—and, as the Minister said, the “understandable primary objective of the employer to get the most attractive, most effective, most trained person” to fill the job he has to offer. The Committee agreed with the Minister that there has to be some understanding that this contradiction exists, that ways must be found to “remove as much of the friction as possible.” (26:13) Canada Manpower Centres are in business to accommodate as far as possible both sides in the job matching process. The needs of the two sides are as Dr. Dymond expressed it “functionally interdependent.” But employers' requirements often conflict with the Division's responsibility to the job seeker which means that the Division must continually strive to minimize the friction resulting from this situation. Mr. Manion described the Division's difficulties in this regard.

We cannot, as an employment agency, force people into these jobs. We can try to persuade them and try to persuade the employer to improve the quality of the job offered. But we must constantly trade off between these two groups of clients and between these two objectives. (5:11)

Most employers are not aware of this contradiction. It was apparent that their expectations of service from Canada Manpower Centres frequently disregarded the Division's responsibility to their worker clients. The Minister was hopeful that the contradiction between the parties in the job matching process could be overcome “by more understanding on both sides.” (26:13)

### Specific Complaints of Employers

The Committee asked employers a series of questions to find out what services they expected from Canada Manpower Centres and how well their expectations had been met. Generally the responses contained more negative comments than words of praise. Many employers received the enquiry through a trade association which makes it difficult to be precise about numbers, but it would be fair to say that in one way or another the Committee received the views of well over two thousand employers across Canada. While their descriptive replies did not provide material for a statistical tabulation, the comments tended to concentrate on the screening process in the CMC and the calibre of referrals from that source.

The first question put to employers was "To what extent do you register job vacancies with the CMC?" Their replies indicate that employers see the CMC chiefly as a source of unskilled labour. Very few regard it as a place to recruit highly skilled, managerial or professional employees. Most employers list only some of their openings with CMCs and these jobs are most likely to be for unskilled labour, for factory help or to some extent for clerical jobs.

### Quality of Referrals

The second question asked employers whether they hesitated to register job vacancies with CMCs and if so why. Employers listed numerous reasons for hesitancy, suggesting considerable resistance. One of the most frequently stated reasons was dissatisfaction with the calibre of the applicants referred by the CMC to the employer. When an employer has been repeatedly sent unsuitable applicants without any explanation he stops listing vacancies with the CMC. One association summarized the views expressed by its members.

Most stated that they felt the calibre and record of job stability of applicants through Canada Manpower Centres was low...Many felt that those individuals registering with Manpower are generally those who drift from job to job and those whose work attitudes are generally poor. It was stated that good applicants bypass Canada Manpower. (Bakery Council of Canada)

A great many respondents complained that applicants from Manpower frequently came on referral solely to qualify for UIC benefits or welfare payments and that they had an indifferent attitude toward work. One employer told the Committee:

The situation I have in mind, is that of a man who came in, and who asked, before he filled out the application, "Is there any danger of getting a job here?" This is an attitude one does find. (22:21)

### Lack of Screening

Directly related to the complaints that the quality of the candidates discourages employers from registering vacancies with CMCs is the criticism that CMCs do not adequately screen applicants to establish that they have the specified qualifications. "We have to interview all those sent by Canada Manpower despite the fact that many are obviously not suitable," objected a

member of Canadian Paper Box Manufacturing Association. Poor preliminary screening by the CMC wastes the employer's time and money. Lack of screening was the outstanding complaint registered by employers. It was mentioned over and over in letters and before the Committee. The following comments are typical.

We have found that candidates that are referred to us, in many instances, have not been properly screened with regard to minimum age requirements, willingness to work shift work, and often do not meet the physical requirements to handle the work involved. (Rubbermaid (Canada) Ltd.)

Usually the applicants sent by Canada Manpower have the minimum qualifications for the vacancy. . . For example a request for a typist may produce a person who can operate a typewriter, but who lacks knowledge of spelling, of how to set out a business letter. (Hudson's Bay Co.)

Job specifications such as education, experience are often mixed up or not followed by Manpower staff. (19:10) (Hoffmann-LaRoche Ltd.)

The most frequent comment (from members) related to the slowness of service and the lack of attention to selecting according to requirements (Montreal Board of Trade)

The amount of screening is again largely a function of the individual centre and the larger ones seem to do less than the smaller ones. As a result we do receive referrals from some CMCs who are in no way trained to do the jobs listed (Canadian Pulp and Paper Association)

Further examples of comments from employers may be found in the Proceedings where replies from members selected by the Vancouver Board of Trade and the Montreal Board of Trade are printed (23:27)

### **Alternative Placement Methods**

Generally speaking respondents felt that CMCs were much less effective than other sources in producing candidates for job vacancies.<sup>1</sup> Of the alternative methods of filling job vacancies, newspaper advertisements were regarded to be the most effective. Employers attributed this to the fact that an advertisement is quick, simple and reaches a wide number of people. One association put it this way.

Many employers use newspaper ads to fill vacancies because they are taking "instant action" and there is a good possibility that the advertised position will be filled much sooner than registering with Manpower. (Canadian Restaurant Association)

Private placement agencies were also regarded as a highly effective method of recruitment, particularly for skilled jobs. The complaint about the lack of screening by CMCs was frequently emphasized by comparison with the superior screening done by private placement agencies whose services are

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<sup>1</sup> The *Proceedings* for June 11, 1975 (# 25) contain the presentation made to the Committee by the Canadian Construction Association on behalf of its members. It was explained that construction employers make very limited use of Canada Manpower Centres because they are required to fill vacancies for building trade skills through union operated hiring halls. The Committee did not consider this aspect of placement.

purchased by the employer. Vacancies are frequently filled also by direct personal application, often as a result of contact with employees already on staff.

### **Effectiveness of CMC Services**

The answers to the question, "How well does the CMC serve you in filling job vacancies?" were not altogether spontaneous. The sub-sections of the question provided the key words, "fast, efficient, courteous service", "a competent manner." Responses tended to assess the effectiveness of CMC services using those terms. Most employers felt that CMCs provided courteous service. There was a difference of opinion about whether CMCs provided fast service. A significant portion were satisfied that orders did receive attention within a reasonable time. Opinion was also divided in the responses about efficiency. More felt the service to be inefficiently and incompetently handled but again there were those who were satisfied. It was apparent that employers regarded CMCs to be more competent in making referrals for unskilled or clerical positions. Three major retail chain stores wrote that CMCs were efficient in launching major recruiting drives when new stores were being opened.

### **Suggested Improvements**

Finally employers were asked "What improvements to these services provided by Canada Manpower Centres would you suggest?" Employers had many proposals. Better pre-screening of applicants was by far the most widely expressed suggestion. Other ideas variously expressed can be summarized as:

- more visiting by CMC staff of employers and job sites.
- assignment of a single CMC official to be the contact with the employer.
- selection of counsellors with previous work experience related to the occupations to which they make referrals.
- a more effective public relations campaign about services available to employers.
- increased liaison, or even integration with the Unemployment Insurance Commission.

The last suggestion was most often made by employers who attributed their difficulty in filling vacancies to the availability of support through unemployment insurance and welfare. On the other hand the Montreal Board of Trade specifically rejected liaison of CMCs with the UIC on grounds that such an association would affect the CMCs image as an employment agency.

### **Discussion of Employers' Specific Comments**

This lengthy catalogue of comments from employers was studied by the Committee with great interest. Three subjects particularly dominated the discussions with the employers who appeared as witnesses. These were the issues of screening and the quality of referrals, employer visits and counsellor contact.

## Screening

The amount of screening expected by an employer differs widely from the amount thought to be necessary by officials. When an employer places a job order he is asked to state how many referrals he wishes to see. Mr. Manion described the procedure for the Committee:

He may have one job and he wants five people referred. In that case we will refer five people. In selecting those five from our lists of clients the first priority is to select the people who meet the job requirements specified by the employer; in other words we will refer qualified people to him. If we do not have enough qualified people we will refer under-qualified people, with the suggestion that perhaps they be trained, or we will try to persuade the employer to take under-qualified people. (6:17)

Employers acknowledged that under-qualified persons are certainly referred to them, but the reasons for doing so are not often explained in advance. Employers' complaints seem to arise because the employer expects referrals will be selected to meet all the requirements of the job as listed with the CMC. The employer is therefore critical when referrals patently have not been fully screened. He expects the CMC to treat his order with the same regard for his requirements that a private placement agency might apply. In effect Canada Manpower Centres are often expected to be an extension of the employer's personnel department. Dr. Meltz questioned this.

The problem is that when you get these massive droves of people . . . job searching, is it possible for Canada Manpower or an agency to do the work that would be done in a personnel department doing that screening?...Basically I am not sure whether a public agency can act as an extension of the personnel office. (14:9)

The responsibility of the CMC to assist the job seeker restricts in some degree the selectivity it can apply in making referrals. At the same time screening must be sufficiently thorough that employers are not discouraged from placing job orders.

The failure of referrals to meet the requirements of listed vacancies may arise because of incomplete descriptions of requirements when the job order is placed. When this point was raised with them most employers felt that they did provide adequate job descriptions, but they acknowledged that they counted on the familiarity of the counsellor with their industry to make up for the deficiencies in the actual order. The Division on the other hand told the Committee that a lot of employers probably add to their problems by making their qualifications for the job "so restrictive that they deny jobs to people who could in fact perform work satisfactorily." The Minister explained this view:

Personnel officers, to reduce the number of candidates they must see, impose screens of education, age, experience, height, weight, bonding and all sorts of barriers. (4:10)

Counsellors frequently attempt to alter unrealistic qualifications stipulated by employers when these are likely to prevent the CMC from making a qualified referral.

The complaints of employers about the lack of screening of referrals to them from Canada Manpower Centres would be reduced if counsellors con-

scientifically followed the principle established in the Department's paper *The CMC in the Community* of October 1974:

The employer has a right to expect from the CMC that where we cannot fill an order satisfactorily an officer of the CMC will call or visit the employer to explain and explore the alternatives such as immigration, training, improving wages, working conditions and the image of the industry, etc. (page 14)

The Committee approves this principle, but would go further. In the final analysis, CMCs must act in their own interest and in that of their worker clients so as to gain and retain the confidence of employers. Where under-qualified referrals are made the employer should be told of the situation and asked to agree to the interview. As the Committee has already suggested, continued contact with a knowledgeable counsellor should make up for the inadequacies of written job descriptions.

**The responsibility of the CMC to assist the job seeker restricts in some degree the selectivity it can apply in making referrals. At the same time screening must be sufficiently thorough that employers are not discouraged from placing job orders.**

**In processing job orders counsellors must admit quickly and frankly that they do not have suitable candidates when employers' requests cannot be met. Underqualified referrals should not be made by CMCs unless the employer explicitly agrees to consider them.**

### **Employer Visits**

The Committee was told that officers of Canada Manpower Centres made 215,643 visits to employers in 1973-74. This was the first year that records of visits were kept. In 1974-75, 256,335 visits were reported. Even so employers evidently feel that not enough visiting is done. They want counsellors to visit the job site to become familiar with the conditions of work which can then be explained to job seekers before referrals to vacancies are made. Employer visiting is viewed as an important part of the placement process by officials as well, but it has always been left to the local office to determine the amount of visiting that is actually done. Departmental officials appearing before the Committee agreed that this was an area "where we are not doing as good a job as we would like to do." (5:16) It is recognized that the volume and quality of visits have a direct influence on the number of vacancies listed with CMCs. Within the past year a concerted program of employer visiting has been promoted by senior management of the Division. Vigorous efforts in this direction would help to gain employer confidence and improve the performance of counsellors.

It would often be an advantage too for an employer to become familiar with the CMC he works with. The formal openings of the Job Information Centres were made the occasion by managers to invite employers to come to the CMC to see how job orders would be set out. Further invitations to employers to visit CMCs should be extended by managers and counsellors.

### Counsellor Contact

There is simply no substitute for being able to attach a face to a name. It removes the impersonality that is the biggest drawback to good communications with employers in a city the size of Toronto.<sup>2</sup>

This comment was made by a CMC counsellor in a published interview. It could equally have been made by any of the employers who came before the Committee. Employers want to establish with the counsellor in the CMC the kind of close contact they often have with private placement agencies. This is particularly important in the large urban CMCs. The Hudson's Bay Company brief put it this way:

As it is now, one has to contact a different person for each type of work one wishes to hire for. A single contact could develop over time a more complete understanding of the employer's needs and wants and could eventually ensure that the applicants referred would be exactly what is wanted. A single contact could also make the whole process of listing vacancies, etc. less impersonal and could leave the employer with an impression of individualized service. When dealing with a private agency, the agency normally tries to develop a close person-to-person relationship with the firm's employment people, in order to secure repeat business. Canada Manpower could well do the same.

A member of the Meat Packers Council of Canada who had established such a satisfactory relationship described how it had been fostered in a letter to the Committee.

It must be pointed out that we attribute our satisfaction with Canada Manpower to dealings with one individual only, at the Manpower Centre. He has evolved into an "account executive" relationship with us. We have brought him into our operation to experience our environment and to see how we work. We believe his referrals reflect his understanding of our company.

A counsellor in a private placement agency can establish an account executive relationship without difficulty. Employers' interests come first. The CMC counsellor must divide his time between employers and a large caseload of job seekers. While the employer side of the placement equation must not be neglected, the Division's first responsibility is to the job seeker and this must be explained to employers.

The Minister told the Committee that he and his officials had taken every opportunity to speak to employers and to explain the services available to them from Canada Manpower Centres. Something more is required in these contacts between the Division and employers. The cooperation of employers is essential to the CMC if it is effectively to promote the interests of job seekers. The good will of employers will be greatly increased by improved communication between them and the manpower counsellor assigned to handle the requirements they list with the CMC.

**In dealing with his group of employers the counsellor must try to convince them that they too have a responsibility to the job seeker. In this regard the counsellor should try to gain the employers' cooperation to adapt job require-**

<sup>2</sup> *Industrial Canada*, Jan/Feb. 1973; page 22.

ments to fit those of the job seekers' registered with the CMC, even if this means accepting an employee who is under-qualified and who will have to receive on-the-job-training.

Employers should be encouraged by CMCs to list better paying and more challenging job vacancies. Better jobs offered by Canada Manpower Centres will also encourage better candidates to come forward to fill them.

### **A Word to Employers**

It is in the interest of both employers and the Canada Manpower Centres that impediments to the provision of a quality service be removed. Employers could play a stronger part in this by making direct, immediate contact with the CMC when referrals are unsuitable. The quality of the service they receive will only be improved if inadequacies are consistently reported. Employers have a right to expect that the public employment service will respond to their requests to the best of its capacity, but the demands of the unemployed job seeker restrict its ability to meet all employers' needs. The Committee agrees with the Minister that:

Employers can assist in the improvement of CMC selection by advising the CMCs of a poor quality referral and by being open and candid with CMCs and regional directors so that improvements can be made. (26:7)

There is another action employers could take to improve the service they receive. The information supplied with the job order needs to be as complete as possible. It is not enough to say "You know the kind of man we need." One counsellor made this direct request:

Sometimes employers take for granted that we know what they want. We don't always, and if our referrals are way out, is it too much to come to us and say "Look, we're not on the same wave-length, lets get together on this", instead of just writing us off as incompetent?<sup>3</sup>

**The Committee urges employers to accept the explicit invitation of the Minister of Manpower and Immigration to contact the CMC and to insist on an explanation when they receive unsatisfactory service. Employers can assist counsellors to meet their requirements by giving complete details when the job order is placed.**

### **Post-script: The Departmental Response to Employers' Views**

The Committee has been informed that the Division has already begun in a number of ways to respond to the criticism of employers brought out in the hearings. On June 26, 1975 a meeting was organized on the initiative of the Division between representatives of the Vancouver Board of Trade and the managers of the CMCs in that city. At the Division's request, thirty-five of the companies who completed questionnaires for the Committee agreed to give their answers to officials. In other locations meetings have been held with employers who appeared before the Committee.

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<sup>3</sup> *Industrial Canada*, op. cit., page 19.

The Division has also sent the Committee a copy of "a policy statement concerning the standards of service to employers", which was sent on August 22, 1975 from the Ottawa headquarters to all CMC managers. It contains fourteen standards elaborating the first principle which is stated to be:

After determining employers' manpower needs, the Department should explicitly state to employers just what services it can provide and then deliver these services to the best of its ability. The employer visiting program will reflect this objective.<sup>4</sup>

The Committee is pleased to note that the Manpower Division has got this message.

**The Division has responded to a number of critical comments made by employers in public testimony and is taking steps to introduce some of the reforms which the Committee is recommending.**

### Subsidiary Programs for Employers

#### Consultative Services for Employers

Employer relations are the responsibility of the Manpower Employer Services Branch within the Division. "Its sole concern is to work with employers, employer associations and industry sector groups and endeavour to determine and meet their needs", Mr. Manion told the Committee. (6.10) This Branch organizes the one-day seminars and other meetings which various associations of employers mentioned with enthusiasm. The revised standards of service recently circulated in the Division support the Committee's recommendation in a later chapter that greater emphasis be given to holding employer seminars at national and local levels.

The Employer Services Branch through its Consultative Service has developed a number of ways to ameliorate the problems of job displacement created by economic, technological or organizational change. Consultative Service officers are located in the five regional offices of the Division. Their expertise in labour and industrial relations can be called upon. Agreements may be entered into with employers faced with a situation where the Adjustment Program carried out by the Consultative Service can be of assistance. Three kinds of activity are put in motion. First, research and advance planning to assess the manpower implications of impending changes; secondly, joint consultation between labour and management about the plans; and thirdly, co-ordination of private and public adjustment measures.

The effect of the three approaches was explained to the Committee.

In simple terms what we are trying to do is encourage employers, together with their employees, to try to help resolve their own problems where this can be done, and in addition to this provide our own programs to supplement those they have developed. (6:8)

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<sup>4</sup> Quoted in a letter to the Chairman, August 21, 1975.

Although officials and employers were not questioned about this small but highly professional service, it appears to be very effective. At the time of the hearings it had a staff of 45. During the past four years just over 150 agreements have been entered into each year.

This is a service that can be called upon by employers. However they may be restricted by their reluctance to make their plans for changes in operation known in advance. It has been the experience of the Division that companies hesitate to publicize changes fearing the effects on their competitors or on the stock market.<sup>5</sup> The Committee regards the Adjustment Program as a particularly useful placement activity which could be better publicized to encourage participation by employers.

### **Programs for Agriculture**

The Canadian Federation of Agriculture pointed out in its brief, "farm labour needs can be generally classified into two broad classes; year-round general farm assistance and seasonal labour required for planting and harvesting." These needs are felt by primary producers and by those who process food. The Committee invited both the Federation and the Canadian Food Processors Association to appear to discuss the group of specialized programs which the Manpower Division has developed to facilitate the operation of the agricultural labour market. The oldest of these are the Federal-Provincial Agricultural Manpower Agreements which have been in effect for nearly thirty years. The federal government assists the provinces to absorb the costs of provincially administered programs to fill farm labour requirements. Among the more recent programs the Committee was satisfied that the formation of the Local Agricultural Manpower Boards (LAMB) had been accepted by employers. This consultative committee which includes provincial and local representatives as well as manpower officials offers considerable potential for meeting farm labour needs. The Farm Labour Pool system was established first in 1974 under the direction of the LAMBs. It sets local wage rates, forecasts needs and supervises working conditions. An expanded program was planned for the summer of 1975 to function in all provinces but Newfoundland. The Federation assured the Committee that the labour pools had proved useful. The Committee commends this new approach to meet the seasonal needs of agriculture for labour, but the limited experience of the first year of operation prevented a real assessment of it.

Officials of the Division and employers were questioned in some detail about the Caribbean Seasonal Workers Program which has been in operation since 1967. In 1974 Mexican workers were also brought to Canada under similar agreements to meet peak harvest labour demands. Off-shore workers will apparently continue to be required.

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<sup>5</sup> *Industrial Canada*, op. cit., page 22.

A member of the Canadian Food Processors Association assured the Committee that "The Caribbean Program . . . has been a lifesaver as far as our industry is concerned and this program has been developed by Manpower." (22:6) It provides only a portion of the manpower needs of agriculture; 5,300 in all came to Canada in 1974 under these agreements. The main body of seasonal assistance in agriculture are housewives, students, local people who are recruited through Canada Manpower Centres. While employers had many of the same general criticisms of the screening of these Canadian workers by CMCs, they did confirm that in recruiting this kind of unskilled labour "Manpower does a pretty effective job". (22:11) The network of CMC offices saves these employers from mounting an expensive recruitment drive. The Committee concluded that the Caribbean Seasonal Workers Program and other forms of seasonal assistance to agriculture were operating satisfactorily.

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**Technology and Strategy**

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## CHAPTER 8

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### THE COMPLEMENTARY ROLE OF PRIVATE PLACEMENT AGENCIES

The Committee invited representatives of two private placement agencies to assist it in the study of the Manpower Division, recognizing that their experience was germane to an understanding of the role of the public employment service. The replies to the questionnaire sent to employers made it clear that private placement agencies provide a valued service. The Committee wanted to find out why there are so many customers for the services of commercial employment agencies when a public agency exists which will provide the same services without fee. The assistance of these witnesses was helpful because very little information has been published about the operations of private placement agencies.<sup>1</sup>

Placement services on a fee-paying basis are provided to employers through a variety of agencies from management consulting firms to the large multi-office agencies specializing in some rather narrow occupation classifications. Private agencies concentrate on those occupations in which excess demand exists in the labour market. Clerical placement agencies predominate. One researcher found that over eighty per cent of private placements were of this type.

The existence and continued growth of private placement services is characteristic of the American and Canadian labour markets. Such agencies are specifically prohibited in a number of European countries. Canada has not ratified the relevant Convention of the International Labour Organization (#96) passed in 1949 which proposes the abolition of "fee charging employment agencies conducted with a view to profit." (17:6)

Mr. Andras told the Committee that no federal action is at present under consideration which would "arbitrarily insist on the elimination of all private agencies which operate under business licenses from the provinces. . . we do receive many recommendations. I believe we are receiving more representations that we should take over than that we should get out." (26:20)

Provincial legislation regulates the operations of private agencies. Two-thirds of them are located in Ontario and two-thirds of their total volume of

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<sup>1</sup> The Committee also used two recent studies: *A Report to the Ontario Minister of Social and Family Services*, Ontario Task Force on Employment Opportunities for Welfare Recipients, Toronto, 1972; *The Role of Commercial Employment Agencies in the Canadian Labour Market*, Lawrence Fric, Unpublished Ph.d. Thesis, University of Toronto, 1973.

business is done there. The Ontario Employment Agencies Act, 1960 provides for the licensing of placement agencies and consultants with offices in Ontario. Many have their head-office in Ontario and so fall within the regulations of this Act. To be licensed an agency has to be judged "worthy of public confidence." The industry has provided its own code of ethics through its national organizations, the Association of Professional Placement Agencies and Consultants and the Canadian Association of Temporary Help Services.

The existence of these two bodies points up that there are in fact two types of agencies. Ordinarily private placement agencies operate much as Canada Manpower Centres in matching job applicants with employment opportunities. But in doing so their objectives are clearly focussed. They are to meet the needs of the employer who pays a substantial fee when referrals result in successful placement. On the other hand, temporary help agencies become the primary employer, renting out casual labour to a secondary employer who pays an hourly rate for the services of workers arranged by the agency. Payment for these services goes directly to the agency. It covers the actual rate of pay received by the worker plus about 12 per cent to cover mandatory employee check-offs of Unemployment Insurance and Canada Pension Plan, as well as an additional amount to cover office overhead and profit to the agency. (13:14) The Committee established with the witnesses that only the employer pays a fee. It is "blatantly illegal" Mr. Coke said to charge the job-seeker for whom a placement is arranged.

Accurate data on the numbers of private placements has not been extensively collected. Mr. Manion testified that in broad terms private agencies made about 60,000 placements per year, compared with over one million in 1974-75 by CMCs. On average a sample survey for research purposes showed counsellors employed by private placement agencies made about 42 placements a year compared to about 150 per counsellor in the CMCs. (26.6) Mr. Coke suggested that upwards of 65,000 permanent placements would be made in total annually by private agencies, with an additional 10,000 executive placements and about 150,000 engaged for temporary help services. (13:9)

Private agencies have a high success rate in placement. While he could not base his comments on statistics, Mr. Coke felt "the success ratio would be something of the order of 80 per cent." (13:10) Satisfactory employee performance is guaranteed for from three to twelve months after a placement is made. This results in a two-way effort to ensure that the matching process meets requirements. For the agency, profit is diminished if the guarantee has to be honoured and a replacement found. This promotes careful preliminary screening and the development of familiarity with the employers' particular work environment by the counsellor. The employer who pays for the service will insist on satisfaction. Follow-up is therefore ensured by both parties to the placement process.

The fee for service to the employer can be substantial. It is related to the level of the job. Mr. Coke explained that the fee is calculated on a percentage of the first year's salary ranging from 6 to 25 per cent.

The higher the job position in terms of its economic value the higher the fee. The reason for that is that the search for an individual becomes much more complex when one gets into the upper echelons. (13:10)

Employers are obviously prepared to pay well for the intensive search and testing services offered and the protection of the guarantee of satisfaction with the person placed. Companies apparently use more than one agency and choose the best candidate presented to them regardless of the fee. The fact that private placement agencies exist in spite of the fee charged indicates that they are providing a useful service.

Job seekers who are attracted to private placement agencies do not on the whole register with CMCs. Those who register with them are not necessarily unemployed. The Ontario Task Force in 1972<sup>2</sup> estimated that some 70 per cent of the business of private agencies was in placing people who had jobs already. Mr. Coke agreed that this estimate was reasonable. (13:18) Employees called upon by the temporary help services are likely to be registered with many agencies at the same time.

Placement of disadvantaged job seekers is limited in the private sector principally to the temporary help agencies who can employ the handicapped and the socially disadvantaged for short term unskilled assignments. The Committee was told in detail by the representatives of Fairshares Ltd., of Montreal how their operation provided a real source of support for the hard-to-place worker. This agency is not typical of private services in that it is assisted by the Division. In 1972 it received the first of three annual Outreach grants to enable it to provide both employment and counselling on a non-profit basis.

### **Executive and Professional Placement**

Officials of the Division and the representatives of the private placement agencies sought the Committee's opinion on their relative responsibilities in certain specialized fields for placement. The private sector appears to believe that the public sector through the action of the Manpower Division should restrict its activities to the "social dimensions" of manpower policy, to "areas of service which are vitally needed," and geographically to "areas in which there are employment problems and it is just uneconomic for the private sector to be present there because they cannot do enough business to survive." (13:7 and 13:12)

Mr. Coke identified the specific responsibilities of the Division he considered to be appropriate. These were training and educational programs, mobility grants, counselling and the special programs related to the disadvantaged and chronically unemployed. (13:6) He specifically exempted Outreach projects which operate as temporary help agencies like Fairshares Ltd. He felt

<sup>2</sup> Ontario Task Force on Employment Opportunities for Welfare Recipients; op. cit.

the grants they received made it possible for these organizations to operate in what he considered to be unfair competition with commercial temporary help agencies. (13:7)

Mr. Coke presented the view of a number of people in the private sector that the Department of Manpower and Immigration should withdraw completely from the executive and professional placement field. (13:7) This suggestion was supported by the assertion that executive placement is an area already adequately handled by the private sector.

Only a few large metropolitan CMCs now offer a separate service of this kind. "We tend to deal more with the fringes of the executive and professional market, with the executive who is unemployed", Mr. Manion told the Committee. (26:21) A pilot project for Toronto is under consideration which would mount such a service with specially trained staff who would have "greater flexibility to handle the clients in the way in which they would be handled by a private concern." (5:17) Canada has also been studying the policy recently initiated in the United Kingdom of handling executive placement by the public employment agency on a fee-for-service basis. The fee is set in relation to the level of income the position commands. A special service for professional placement within the public employment service exists in Germany.

Rather than abandon executive and professional placement entirely as the private sector suggested, the Division is attracted to the idea of expanding into this field. Executive and professional placement has not before been a high priority of the Division because of other pressing needs. The Division has provided on-campus placement facilities to assist university graduates staffed and operated as branch offices of Canada Manpower Centres. This is a successful operation. Employers frequently mentioned their satisfaction with the university offices.

The Minister ascribed certain possible advantages which could be expected to result from the successful extension of Canada Manpower services in executive and professional placement.

If we could improve our image with the senior management of corporations with whom we would be working in such a service, we might achieve a better response on their part with respect to using our service. We would have to up-grade the whole system, but it would not be to put the private agencies out of business. (26:21)

The German experience in professional placement was discussed by Mr. Baetz of the Canadian Council on Social Development who made the point that in Germany "the system has prestige and no stigma." (12:14)

The key point in the discussion of whether an expansion of executive services should be undertaken was the factor of the fee for services. Mr. A. E. Gotlieb, the Deputy Minister commented:

If we were to enter this field on a self-supporting basis by means of charging fees such as the British have done, in my opinion it would be necessary to demonstrate that we could add something which could not be added by the private sector and that we could do a better job with respect to professionals and executives than is being done by the private sector. (26:21)

The Minister directly invited the comments of the Committee on two aspects of this question, "not just as to the principle, but perhaps the method, should we charge a fee?" He made it clear that any fee would only apply to executive placement.

I would not ever wish to see us charging a fee for the general volume we carry on because we must help those at the low end who cannot afford it. However, at the top end it might be valid to charge a fee. (26:20)

The opinion of the Committee was somewhat divided on this question. On the one hand there were those who agreed that private placement agencies should have a clear mandate in the specialized field of executive placement where they have been very successful and clearly meet a demand; where CMCs now have a limited capacity, lacking both the necessary trained counsellors and employer contacts.

On the other hand, the majority of the Committee agreed in principle that CMCs should continue to offer placement assistance to all levels of job seekers including executive and professional. Employers should be able to list all employment opportunities and receive referrals from the public employment agency without paying fees. The choice of the employer in selecting the method of recruitment of staff should not be restricted.

However the Committee has reservations about the Division taking on a new and highly specialized task of providing services for executive and professional placement in the manner suggested. To be confident of reaching the effective corporate level an expanded service would require additional funds to pay for suitable premises and the salaries of counsellors with superior training. Authorizing a scale of fees for one level of placement would be an anomaly in a service otherwise offered at no cost.

It would be difficult for the Division to take over a viable part of the market from the entrenched private agencies who have a high degree of acceptance by employers. Unless the Division were conspicuously successful the image of the public employment service held by employers would be further damaged. It is more important that the Division concentrate on making its basic placement function more effective without adding any new areas of activity requiring expensive specialization.

**The Committee agreed that extensive expansion of the professional and executive placement services would be a questionable use of public funds and recommends that the Division should not develop a distinctive specialized service in executive and professional placement, even if a fee were to be charged for this service.**

### **Casual and Part-Time Placement**

The private sector objected to another area of placement carried on in a limited way by CMCs, the operation of casual centres in the larger metropolitan areas. As described by the Division, they provide service to employers who seek workers on a short-term basis and to workers who want jobs of a short-term nature. The jobs handled by these casual centres are of a week or

less in duration, for example a few days unloading trucks or box cars or a few hours shovelling snow. This is true casual labour, the labourer being paid directly by the employer when the work is completed. It should not be confused with the temporary help operation where the job orders are for short term work, but those who perform it are employed and paid by the employment agency.

In Mr. Coke's opinion casual centres in CMCs "serve no real purpose because the particular markets are adequately served by the private sector." (13:12) Unscrupulous employers who pay off in cash defraud the employee sent by the CMC of his entitlement to Unemployment Insurance and Canada Pension plan contributions. The allegation that the casual centres operated by CMCs encouraged circumvention of the law was rejected by the Division:

The job orders accepted for servicing by the "casual centres" meet the legal requirements as set out in provincial and other legislation. . . . Furthermore, the payroll and related activities of employers are subject to legislation that is enforced by other governments and government departments, e.g.: departments of Labour, National Revenue-Taxation.<sup>3</sup>

The responsibility of the public sector in the whole area of part-time work is a subject of concern in the Division. The Minister pointed out that "12 per cent of all jobs in the labour market now are of a part-time nature, and this seems to be increasing." (26:8) Recognition of this new attitude toward employment has led to a re-examination of the role of Canada Manpower in this area of placement. A move to expand beyond the limited services now provided in the casual centres to something like the temporary help services provided by the private sector is apparently now being considered by the Division, although the Minister confirmed that no decision to do so had been made. (26:22) Such a move would bring the public sector into direct confrontation with the private sector. The private agencies have vigorously defended their interest in retaining exclusive brokerage in this type of placement through the representations of the Canadian Association of Temporary Help Services. The private agencies appear to provide an adequate service in the provision of temporary help. An intrusion into this area of placement by Canada Manpower Centres is not warranted at the present time.

**The placement of job seekers who prefer part-time employment is in general terms a proper responsibility of the public employment service. It is presently fulfilled through the operation of Farm Labour Pools and the referral of job seekers to casual employment. However Canada Manpower Centres should not set up separate formal temporary help services for which they become an employer of record.<sup>4</sup>**

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<sup>3</sup>Letter to the Chairman, July 17, 1975.

<sup>4</sup>An employer of record retains a list of registered employees who are available for assignment to jobs of limited duration. The customer pays a fee for service. The employer of record pays all wages and makes the required deductions.

### Compulsory Listing of Vacancies

One further proposal involving private placement agencies was presented to the Committee by the Canadian Council on Social Research. The suggestion was made that private agencies "should be required to give their vacancies information (without the name of the employer) to CMCs." (12:71) This suggestion was in turn based on a recommendation by the Economic Council of Canada in 1971<sup>5</sup> that compulsory reporting of vacancies by private agencies be included in the open file job listings which have since become the Job Information Centres. This the Economic Council believed would extend the availability of information about the total job market.

In 1973 the Division undertook four pilot projects in cooperation with private placement agencies in Toronto and Montreal involving reciprocal referring of vacancies. Both parties only exchanged vacancies for which they had no qualified clients. Lists of vacancies exchanged in Toronto showed a high volume of similar vacancies.<sup>6</sup> No further exchanges have taken place, but a measure of informal contact between CMCs and private placement agencies continues to exist.

From time to time the suggestion has also been made in the press and elsewhere that employers should be required to list all their job vacancies with Canada Manpower Centres. The Committee considers that such a requirement would not benefit either the employer or the job seeker and that the present free choice of employers to recruit staff by any method or through any agency they may wish should continue. Canada Manpower Centres must represent the interests of the unemployed job seeker, but that interest can be better served by improved service and strengthened contacts with employers than by any compulsory measure to increase the listing of job opportunities.

**Employers should not be required to list all vacancies with Canada Manpower Centres. This also applies to private placement agencies.**

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<sup>5</sup> Economic Council of Canada, *Eighth Annual Review*, 1971; page 194.

<sup>6</sup> Letter from J. L. Manion, April 30, 1975.







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## CHAPTER 9

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### THE FEDERAL-PROVINCIAL RELATIONSHIP IN TRAINING ADULTS FOR EMPLOYMENT

The most critical problem in facilitating the adjustment of manpower is the lack of sufficient basic information and technical training of many workers, which makes their adaptability to the changing work environment unduly difficult. . . . *A Declaration on Manpower Adjustments to Technological and other change*. Economic Council of Canada, 1966.

Since 1966 the Manpower Division has directly assumed the financial burden of sponsoring "educational upgrading and training for Canadians to develop satisfying and productive careers while meeting the manpower requirements of employers and the economy." (Program Objective: 5:30) In 1973-74 it cost \$418,198,424, or 63.84 per cent of the total budget of the Division to meet this program objective. At the same time staffing this program utilized 20.83 per cent of the total authorized man-years.

There are two main delivery systems under the Canada Manpower Training Program: an institutional component comprising training purchased from educational institutions under provincial jurisdiction, and industrial training contracted for directly with employers, although subject to approval by provincial authorities.

The federal government has been involved in the broad field of manpower training for over sixty years. Throughout this time there has been a tacit understanding that, while education under the British North America Act is a provincial responsibility, the federal government could share in the cost of technical education provided by the provinces as a means of increasing the employability of young people. Between 1913 and 1960 total federal expenditures for this purpose amounted to only \$110 million. In 1960 under the Technical and Vocational Assistance Act the federal government expanded its support of the capital cost of building vocational and trade schools to 75 per cent. Federal contributions to the provinces under that Act for a six year period (1960-1966) totalled \$592 million toward capital costs and \$259 million toward operating costs. This created a substantial expansion of technical and vocational facilities in Canada. At the same time the federal government paid up to 97 per cent of the cost of training allowances for those undergoing adult training. However, only about one third of this was spent retraining adults displaced by technological changes. It was essentially a youth program.<sup>1</sup>

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<sup>1</sup> Richard Simeon, *Federal-Provincial Diplomacy*, Toronto, 1972, page 80-81.

The formation of the new Department of Manpower and Immigration in 1966 gave effect to the new directions in manpower policy suggested by the OECD. Training and retraining of manpower for employment is a vital aspect of that economic policy. Provincial authorities were notified at the Federal-Provincial Conference in October 1966 that the old cost-sharing arrangements were terminated, that under new legislation the federal government would purchase courses directly from the provinces for adults specifically referred by Canada Manpower Centres and would pay support allowances directly to the trainees. This much more narrow and direct approach was authorized by the Adult Occupational Training Act, 1967. Through this Act not only were the new objectives of the Department in Manpower policy better served, but a more equitable distribution of funds was assured. Under the old arrangements the rich provinces had been financially able to make better use of federal funds.

The Committee therefore had for review a program of expenditure in the field of adult training based on eight years experience in the operation of the new Act. It was revised in 1972 when the required time of attachment to the labour force to qualify for training was reduced from three years to one. In the beginning purchases had to be made from courses available and financing was based on guarantees of federal purchases of at least 90 per cent of the training days purchased the previous year at actual audited cost. Both the planning of courses and financing have now been improved. New agreements with all the provinces under the terms of the Adult Occupational Training Act have been signed within the past year.

Since 1966 the cost of training, as of all education in this period, has steadily risen. While the number of trainees has remained between 300,000 and 350,000 per year since 1968, the actual expenditures have more than doubled. In all approximately two million adult trainees have participated in the Canada Manpower Training Program (CMTP) at a total cost of more than \$2 billion.

To put this continuing contribution to adult education in Canada by the federal government in perspective, it should be noted that in terms of numbers of trainees the CMTP is as big as all of the Canadian universities put together. "It is a huge program", Mr. J. P. Lefebvre, then Director-General of the Training Branch told the Committee. (9:20)

All observations about manpower training funded by the Manpower Division are affected by the fact that delivery of it is a joint federal-provincial responsibility. Dr. Dymond clarified the relationship of the two governments vis-à-vis manpower training.

The federal government has a responsibility for the economic, labour and manpower resource development of the country, and training is one of the important instrumentalities by which you achieve the objective of having adequate and well qualified manpower supplies...the activity of training, regardless of where it takes place, the instrumentality so to speak, is a provincial responsibility.

As a result the two levels of government have assumed distinctive roles in relation to education as a preparation for employment. Young people now enter

the work force with more years of academic education behind them, acquired through the provincial school system. At the same time the federal government has become increasingly involved in their preparation for actual employment in jobs requiring specific skills. Dr. Dymond emphasized the need to reconsider this situation.

There has to be some new approach to gearing education to employment. We are stuck with two very rigid institutional structures now, the manpower training structure and the educational structure...we have to invent ways of coming to grips with this problem of the interrelationship between education and the labour market in effective ways...somehow institutionally we will have to bridge this gap and that will have financial consequences for both levels of government. (20:17)

No such reassessment took place before the new agreements were concluded with all the provinces in 1974-75. They established the upward limit in dollars of federal funds committed toward the purchase in any province of institutional training and training of apprentices and the reimbursement of some of the direct costs in industrial training contracted for with employers. A further small amount has been designated for a variety of training improvement projects. While no two agreements are exactly alike they all contain the following basic provisions: the amount of the money available for course purchases is fixed and the provinces are obligated to give complete financial reports of their disbursements annually. In all provinces but Ontario, the province agrees to provide as many training days as it can for the fixed amount. The Division as well as the provinces clearly prefer this open arrangement. It makes provinces accountable for their administration, but gives them the guarantee that they will not lose if the per training day cost of courses should rise. It was made clear that trainees referred by Canada Manpower Centres are entirely financed by the federal government.

Ontario has negotiated a different method of delivery and costing, a fixed total price for a set number of training days according to an agreed scale of fees relating to the kind of course provided. Thus the volume and the mix of courses is established, but the location and occupational skills to be taught are left open. The federal government does not pay for training days not utilized.

### **The Federal-Provincial Manpower Needs Committees**

Each new provincial agreement broadens the authority of the joint federal-provincial Manpower Needs Committees. These committees were provided for under Section 13 of the Adult Occupational Training Act, but until 1972 they remained largely inoperative. At that time their revitalization was recognized as desirable by the Manpower Division and arrangements to bring this about have been welcomed by the provinces. The duties of these committees are variously described, but in general they are required to "co-ordinate federal and provincial programs relating to manpower training" and to "assess manpower needs, recommend training plans and priorities, assess training results, and recommend improvements."<sup>2</sup> Manpower Needs Committees are now oper-

<sup>2</sup> Department of Manpower and Immigration Press Release, July 15, 1975 announcing the agreement with Ontario.

ating in every province. There are variations in membership, methods of operating and in the structure of sub-committees.

The introduction of these committees has led to better co-ordination of relations with provincial authorities. In some provinces three or four departments can be involved in training arrangements. The existence of the Manpower Needs Committees has also made it possible for other federal departments with interests in manpower training policy to take part in planning when appropriate. Representatives of the departments of Regional Economic Expansion and Indian and Northern Affairs have been included. This cooperation has evidently been welcomed by the provinces. (21:8) Through sub-committees it is possible to involve employers, industry and unions in establishing priorities in course development. The Minister stated that the operation of the Manpower Needs Committees "has begun to clarify and purify our purchases. I think our purchases now, by agreement with the provinces, are much better than they were in the past." (26:14)

Direct testimony was received from two active members of Manpower Needs Committees. Mr. W. J. Hurd, Director-General, Manpower Training Branch, Pacific Region, is a federal representative on the Committee in British Columbia. Mr. W. B. Thompson, Chairman of the Community College of New Brunswick is a provincial representative there. Both enthusiastically confirmed that the Manpower Needs Committees had improved the planning and the allocation of training resources.

The Manpower Needs Committees must allocate training days on a percentage basis to various target groups. To a great extent decisions are based on the demand experienced in previous years and the rate of completion and the drop-out rate of participants. This information is weighed against occupational forecasts from Manpower sources such as the regional economists as well as advice from the sub-committees. The experience of federal training branch representatives and CMC counsellors is also taken into account. From this composite picture the training requirements for the following year are forecast.

The input from all these sources provides protection against provincial interests keeping alive vocational courses which are no longer required to meet occupational shortages. While the province is responsible for the content of training, the federal Manpower Division does have an indirect influence. Mr. Lefebvre explained:

If we feel that a course is not really effective, not well designed, we can speak to the provinces about it. We are in general on very good terms. . . We discuss problems. There is no way we can impose on all the provinces, and I don't think the federal government could think of a system where it would impose a course content that is going to be similar in all provinces. We do encourage comparison. (9:14)

While the Manpower Needs Committees have clearly improved the planning of opportunities for manpower training, they are also required to assess results of courses and recommend improvements. But the Manpower Needs Committees consist of one set of civil servants talking to another set of civil

servants. There is provision for sub-committees to function which could open this representation. Mr. Thompson touched on an important point in this regard:

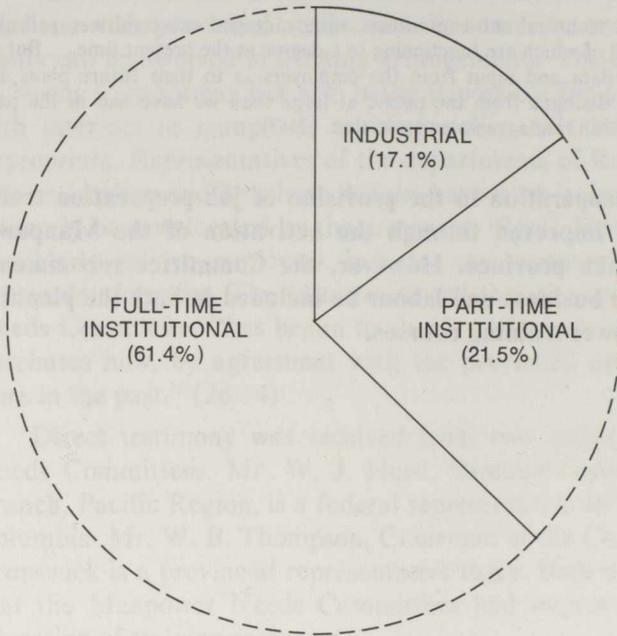
We have sub-committees, technical sub-committees, disadvantaged sub-committees and sub-committees of all sorts, all of which are functioning to a degree at the present time. . . But we need a great deal more data and input from the employers as to their future plans and activities, and also more dialogue from the public at large than we have had in the past. There is the possibility within that agreement to do that. (21:7)

**Federal-provincial cooperation in the provision of job preparation training for adults has been improved through the activation of the Manpower Needs Committees in each province. However, the Committee recommends that representatives from business and labour be included in both the planning and assessment of manpower training courses.**

APPENDIX 3

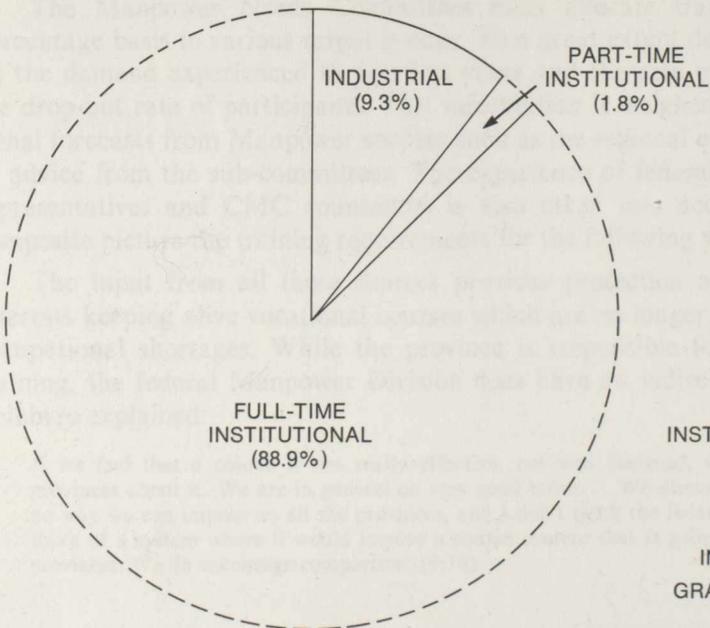
**CANADA MANPOWER TRAINING PROGRAM**  
**Institutional and Industrial Trainees Enrolled and Expenditures**  
**1974-75**

TRAINEES ENROLLED



INSTITUTIONAL	
Full-time:	178,986
Part-time:	62,635
TOTAL:	<u>241,621</u>
INDUSTRIAL:	<u>49,952</u>
GRAND TOTAL:	291,573

EXPENDITURES



INSTITUTIONAL	
Full-time:	356,718,873
Part-time:	7,185,350
TOTAL:	<u>363,904,223</u>
INDUSTRIAL:	<u>37,288,029</u>
GRAND TOTAL:	401,192,252

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## CHAPTER 10

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### TRAINING: THE TRAINEES' POINT OF VIEW

Nothing you can do will hurt a man more than to train him for a job that is not there or is not likely to be there and in which he has put great hope. (A member of the Committee) (9:16)

Wide latitude is given in the choice of courses to which a manpower officer may refer an adult for occupational training. The course need only be judged to provide an adult "with the necessary skills to increase his earning capacity, or his opportunities for employment". (Adult Occupational Training Act). Elaborate cost/benefit statistics were presented to the Committee to prove that training increases the earning potential of a previously unemployed worker. The estimates of the long term benefits of training were challenged by Dr. Dymond. In his view the estimated long-range dollar benefit "is shot through with so many assumptions that it is very difficult to interpret its real meaning." (20:12)

Officials of the Division provided other evidence of the direct personal benefit trainees derive from training courses. A statistical analysis of those sponsored participants in institutional training courses in 1973 whose pre-training income was below the poverty line showed that after training 47 per cent found employment which provided an income above the poverty level. (9:67)

#### **Participants in the Canada Manpower Training Program**

To be eligible for training under the Canada Manpower Training Program a person must be an adult, that is, a person whose age is one year greater than the authorized school leaving age of the province where he resides; and not have attended school on a regular basis for any period for at least twelve months since attaining the school leaving age. Apprentices must be adults, but do not need to have been out of school for any period of time to be eligible for training. The statistical profile of trainees enrolled in the Canada Manpower Training Program shows that over half of those enrolled for training in 1973-74 were unemployed when referred.<sup>1</sup> During the past five years females have been increasingly referred to training. In 1974, 35.9 per cent of trainees enrolled in institutional training were female, 64.1 per cent male. In age nearly half of all trainees were under 24 years; only 10 per cent receiving training were over 45. Fifty-four per cent had no dependents.

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<sup>1</sup> This data may be found in Table 3, *Proceedings* 9:60

In terms of years of schooling before training, 30 per cent of all trainees had between 1 and 8 years, 45.7 per cent between 9 and 11 years, 18.8 per cent had 12-13 years, that is, the equivalent of high school graduation, and 5.5 per cent had 14 years or more. Compulsory attendance at school for a minimum of 10 years is now established in Canada. The proportion of pupils who remain in school through to grade 12 has steadily risen. In 1972-73, 71 per cent of those who had been enrolled in grade 2 ten years earlier were enrolled in grade 12. A comparative statistic for 1961-62 showed that by the time they reached grade 12 only 36.4 per cent were still enrolled.

Creation of new jobs in the private or the public sector has been insufficient to absorb the rapid increase in the labour force which is largely attributable to the entry of young workers. As a result young workers under 24 years not only account for approximately 50 per cent of all registrations at Canada Manpower Centres, they take up 47 per cent of all forms of institutional training. In the skill training component they take 69 per cent of the available training seats, while in industrial training courses assisted by the Division, they utilize 40 per cent of the opportunities.

Mr. Thompson as a provincial educator raised an objection before the Committee that young workers should not necessarily be required to have one year attachment to the work force before becoming eligible for federal sponsorship for training. In New Brunswick many provincially supported trainees go into skill courses directly upon graduation from secondary schools.

The present one year attachment has been in effect since the amendment to the Adult Occupational Training Act in 1972. It originally was three years. This restriction reinforces the principle that the federal government through the Manpower Division is primarily responsible for assisting adult workers in training for employment. To remove the element of experience in the work force would alter this basic assumption. Instead of providing training as part of a pattern of recurrent work and education, the federal government would effectively be assisting students in their continuing education.

**The Committee recommends continuation of the present rule that trainees must have spent one year in the work force before becoming eligible for a federally sponsored training course.**

#### **Basic Training for Skill Development (BTSD)**

"Education is a luxury the poor cannot afford", was the observation of Senate Committee on Poverty.<sup>2</sup> The Manpower Division has attempted to deal with the employment ramifications of that statement directly through two of its training programs, in a small way in industrial training but predominately through institutional training in the Basic Training for Skill Development (BTSD) program.

It is an unattractive statistic to face, but Canada still has over one million people with only four years of formal schooling or less. This is the portion of

<sup>2</sup> *Poverty in Canada: A Report of the Special Senate Committee 1971*; page 116

the adult population of Canada which is considered to be functionally illiterate. Their under-employment can be directly attributed to this fact. It has been established that the unemployment rate among those who have not completed primary school is six times higher than among high school graduates.<sup>3</sup>

The cost of Basic Training for Skill Development (BTSD) accounts for about one-third of the cost of all institutional training, well over \$100 million. This form of training is offered in community colleges on a continuous entry basis. It provides basic instruction through grades 1 to 12 in mathematics, science and communication skills. It is viewed as a preparation for further skill training courses for which there are achievement grade entrance requirements or to assist workers to meet employers' education requirements. Welfare agencies also refer trainees to these courses.

For some clients who face what the Division describes as "special barriers that prevent them from participating in the labour force", (9:39) Basic Training for Skill Development includes two specialized activities, Basic Job Readiness Training and Work Adjustment Training which were developed as part of the concerted effort within CMCs to find employment for clients who are identified as having serious problems in getting and keeping employment. Approximately 1,500 training places were assigned to these two forms of BTSD in 1973-74. Basic Job Readiness combines training to remedy lack of educational qualifications with in-depth counselling to overcome personal problems inhibiting successful placement in employment. Some of this counselling is done within the CMC with available resources. Work Adjustment Training is purchased from experienced outside agencies. This flexible approach which uses outside expertise in a direct but limited way to extend facilities existing within the CMC is commendable.

Essentially the development and continuation of the Basic Training for Skill Development courses involves the federal government in financing a program of academic up-grading for adult drop-outs of the provincial school systems. The Minister discussed with the Committee the reasons why his department had assumed the cost of BTSD. He agreed that the need for it could be interpreted as a failure on the part of the provincial education systems, but underlined the fact that his department could not for this reason refuse to give adults this kind of training.

The fact is they do exist. What happened to them in the past, or whether it is their fault or the fault of the educational system, does not enter into it. They are now on our doorstep ... requiring employment, requiring income from employment and their skills are such, by virtue of having dropped out, or whatever the reason, that they cannot get jobs unless they get this job readiness training. (26:14)

The need for educational upgrading to open employment to a significant portion of the work force cannot be ignored by the Division. But the persistence of this need on the present scale indicates that the division of federal and provincial responsibility for adult literacy programs should be re-examined.

<sup>3</sup> Ibid; page 121.

**The Committee is disturbed by the fact that basic educational training, an area which is essentially a provincial responsibility, is costing the Manpower Division in excess of \$100 million annually. The Committee recommends that this situation be reassessed and remedial action taken if necessary.**

### **Skill Training**

The assignment of exclusive control over occupational training for adults to the federal government rests on the need to link training to opportunities in the labour market. Skill training as now organized takes place almost entirely in the classroom. This is the most important and expensive feature of the Division's total training program. More than half of the institutional training days purchased are for training workers in specific occupational skills, either to prepare them to enter the occupation or to upgrade their qualifications.

The Division regards the follow-up of trainees of the Canada Manpower Training Program as an essential measure of the effectiveness of training referrals. This is accomplished by mailing questionnaires four months after course completion to all persons finishing skill courses. This has recently been augmented by a further survey of a sample group fifteen months after completion of their training program.

The Division published a *Report on Training Outcomes* for 1973-74 in the summer of 1975. (Tables from this Report are on pages 84 and 85). This Report shows results of training in terms of the employment status of graduates who completed training under the Canada Manpower Training Program between October 1, 1973 and September 30, 1974. The data is based on a 61 per cent return from the questionnaires sent to 41,702 graduates.

The Report is prepared on a continuing basis to provide essential statistics to departmental officers planning future purchases. Statistics are coded for 81 occupational groups based on titles in the *Canadian Classification Dictionary of Occupations*. These in turn are summarized into seven main areas of occupational activity. This Report provides the Manpower Needs Committees a basis on which to judge by how well the skills for which training was offered matched the employment opportunities available when training was completed, but it is not the only source of information on which the Manpower Needs Committees decides the skills requiring allocations of resources. Data on job opportunities collected by Statistics Canada are reported quarterly. The occupational trends, of vacancies listed in Canada Manpower Centres are also reviewed. The Training Outcomes survey, however, provides specific information on how well previous decisions about training related to actual employment. It is therefore of particular interest.

In the 1973-74 survey 73 per cent of graduates were working when they replied to the questionnaire, but only 54 per cent were employed in the same occupation group as the course from which they had graduated. A further 16 per cent were seeking work, while 10 per cent were neither seeking work nor

taking further training. Only one in four of those who took Basic Training for Skill Development were surveyed and fewer of them responded. Of this group only 56 per cent replied, but even so the results suggest that this training program did not entirely meet its objective. Only 39 per cent were employed, 20 per cent were taking further training, 24 per cent were unemployed and seeking work and 17 per cent were described as "not in the labour force."

While some allowance must be made for the personal preferences of trainees, the implications in the results of this short-term assessment of training are clear. Referrals for training frequently miss their targets. Courses provided for referral do not reflect current labour market demands. It is worth noting that the most successful match in terms of employment in the same occupation group as the course occurred in the farming, horticulture and animal husbandry occupations where 86 per cent of trainees had found related employment. The federal representatives of the Manpower Needs Committees must become more insistent that the courses organized by the provinces provide an adequate preparation for employment in occupations for which demand can be seen to exist.

**The Division, through the federal representatives on the Manpower Needs Committees in each province must become more insistent that skill training courses made available by the provinces for purchase under the Canada Manpower Training Program are more closely related to current local labour market needs.**

### **Referrals to Training: The Responsibility of the CMC Counsellor**

*Trainee Selection* is the title of a pamphlet available in all Canada Manpower Centres. It states:

1. Formal consideration of a client for training commences when the client indicates to the manpower counsellor his desire to undertake training . . . .
2. The final decision to refer a client for enrollment rests with the manpower counsellor . . . .
3. The client, the manpower counsellor and the training authority will normally be the chief participants in training decisions . . . .

All referrals to training, either institutional or industrial, rest with the counsellor, who must compromise in referring workers between those courses the trainee wishes to take and the skill in most demand in the labour market. Unfortunately as Dr. Dymond pointed out, "The consequences fall on the individual of bad and unwise decision-making with respect to training." (20:12). The numbers reported to be employed in other occupation groups than the training course they had recently completed indicates that unwise decision-making does happen.

CANADA  
 LABOUR FORCE STATUS OF SKILL COURSE GRADUATES AFTER TRAINING  
 CMTP FOLLOW-UP-SURVEY OF CLIENTS COMPLETING COURSES  
 OCTOBER 1, 1973 TO SEPTEMBER 30, 1974

COURSE	EMPLOYED			NOT EMPLOYED			TOTALS		
	IN SAME OCCUPA- TION GROUP AS COURSE	IN OTHER OCCUPA- TION GROUPS	TOTAL RESPOND- ENTS EMPLOYED	SEEKING WORK	NOT SEEKING WORK	TAKING FURTHER TRAIN- ING	TOTAL RESPOND- ENTS	TOTAL GRADUATES SURVEYED	RESPONSE RATE
MANAGEMENT, ADMINISTRATION, PROFESSIONAL & TECHNICAL	1588 40%	812 20%	2400 60%	573 14%	516 13%	487 12%	3976 100%	6584	60%
CLERICAL, SALES, SERVICE & RECREA- TION	3641 52%	933 13%	4574 65%	1544 22%	762 11%	175 2%	7055 100%	11596	61%
FARMING, HORTICULTURE & ANIMAL HUSBANDRY	4350 84%	540 10%	4890 94%	138 3%	136 3%	35 1%	5199 100%	7066	74%
FISHING, HUNTING TRAPPING, FORES- TRY LOGGING, MINING, AND QUARRY- ING	389 37%	324 31%	713 68%	264 25%	55 5%	16 2%	1048 100%	2013	52%
PROCESSING, MACHINING FABRICA- TION ASSEMBLY & REPAIR	2252 46%	1365 28%	3617 74%	905 18%	281 6%	98 2%	4901 100%	8644	57%
CONSTRUCTION TRADES	739 43%	499 29%	1238 72%	418 24%	34 2%	29 2%	1719 100%	3105	55%
TRANSPORTATION, MATERIAL HAN- DLING, OTHER CRAFTS & EQUIPMENT OPERATION	780 51%	423 27%	1203 78%	283 18%	26 2%	30 2%	1542 100%	2615	59%
NOT ELSEWHERE CLASSIFIED	5 15%	9 26%	14 41%	7 21%	6 18%	7 21%	34 100%	79	43%
TOTAL	13744 54%	4905 19%	18649 73%	4132 16%	1816 7%	877 3%	25474 100%	41702	61%

CANADA  
 TRAINING OUTCOMES FOR NON-SKILL TRAINEES\*  
 OCTOBER 1, 1973 TO SEPTEMBER 30, 1974

	PERCENTAGE OF RESPONDENTS				RESPONSE RATE
	EMPLOYED	UNEM- PLOYED & SEEKING WORK	NOT IN LABOUR FORCE	TAKING FURTHER TRAINING	
B.T.S.D.	432 39%	269 24%	188 17%	216 20%	1976 56%
LANGUAGE	326 63%	101 19%	42 8%	50 10%	1109 47%

\* the survey sample in this group is 1 in 4

Counsellors would be more aware that an unwise training decision had been made if in addition to the impersonal mail survey conducted by headquarters' personnel for statistical purposes, they were required to personally follow up trainees. The Division should impress upon counsellors that when referrals for training are made interest in the future of the trainee does not cease.

**The Committee recommends that it should be the responsibility of the counsellor who makes a referral to training to make an assessment of the relevance of that training to the employment finally secured. The results of such assessments should be made available to the district economist and through him to the Manpower Needs Committees.**

### The Fifty-Two Week Rule

It is evident from the training information pamphlets prepared for prospective trainees by the Division that a career planning strategy is supposed to be promoted by counsellors arranging training. While it is possible for the trainee's wishes regarding the school and even the province where he will undergo training to be met, there are other limitations. The Adult Occupational Training Act stipulates that attendance at full-time courses can only be authorized for a total of 52 weeks. After that a trainee must return to the work force. It is official departmental policy that the trainee then work 52 weeks before becoming eligible again for training unless no employment can be found. In this case the interim time period is frequently shortened. The Act does not restrict the number of courses a trainee may take. An exception is made for those taking Basic Training for Skill Development. If the BTSD trainee moves directly to skill training he is allowed a further 52 weeks. This rule obviously affects training decisions made for the client by the counsellor. Access to employment at the end of training must also form part of the training strategy.

The 52-week limitation was discussed before the Committee by many witnesses who deplored it. It has been retained by the Division as a deliberate

policy, part of a concept of training adopted from the OECD—the principle of recurrent education. This is described in another departmental pamphlet titled, *More than a Second Chance*. It is explained that, “the recurrent education model offers a way of making coherent complex career patterns involving various types of work and learning experience.” This pamphlet comments on the limitation of the duration of training as follows:

The so-called 52-week rule is retained, but greater flexibility is introduced in its application. The formalization of the concept of training, skill development and career development plans for trainees, and the emphasis on the relationship between learning in the classroom and learning on the job, should help to foster a more comprehensive approach to improving the client's employability and earning capacity. (p. 20)

This is an acknowledged rejection of the traditional view of education and training as a continuous process before entering the labour force. There is much merit in the new approach of the Division toward recurrent education. The ‘52-week rule’ will obviously have to be reassessed before any revision of the Adult Occupational Training Act is made.

**The Committee supports the Division's view that the so-called 52-week rule does not seriously impede training for employment.**

### **Apprenticeship Training**

The Division pays for up to 12 weeks of the classroom training which forms a part of provincially regulated apprenticeship training. This is a direct subsidy of a provincial program. Apprentices are referred to courses by the provincial Director of Apprenticeship. Approximately seven per cent of the funds available for institutional training are used in this way.

### **Language Training for Immigrants**

A further ten per cent of the institutional training purchased goes to language training for immigrants. Technically it could be extended to a Canadian migrant to learn a second language but in practice this has not happened. Immigrants are also routinely referred to the other training programs of the Division.

### **Allowances to Trainees**

In addition to assessing a client's prospect for success in employment following training, the counsellor must also assess the trainee's financial needs during the time he is undergoing training. The provision of allowances for trainees was accepted from the beginning as an important factor in opening the program to adults.

Allowances now account for 40 per cent of total training costs. The allowance given relates to status, number of dependents and distance of domicile from the training centre. The rate is reviewed annually and is kept just slightly ahead of UIC and social assistance benefits. For 1974-75 the minimum paid weekly was \$60. and the maximum \$154.

It became apparent that there are some anomalies in the allowance system. These often arise in the case of self-employed persons who may take training during periods of the year when they cannot work at their regular employment. The example of the full-time farmer was cited. The Committee was told the Division is reviewing the policy regarding training allowances for self-employed people, as well as the allowance structure generally. The Director-General of Training explained:

The rationale for our allowance system is not too clear, as to whether it is a question of a training incentive, or if it is an income maintenance allowance, or what exactly is the nature of this program. We are not satisfied with it at all, on any ground, so we are looking for an improvement in this area. (9:25)

In view of the fact that the allowances given to trainees absorb such a high percentage of the total amount spent on training it is important that they do in fact provide more than income maintenance. Otherwise the training function is not being served. They are not a substitute support payment. They are provided to ensure that the trainee will complete the course of study which will improve his employability.

A problem arises in connection with the provision of training allowances to some disadvantaged trainees. In many provinces federal training objectives are thwarted by provincial regulations. Substitution of the training allowance for the welfare allowance results in the loss of other forms of provincial support like free medical and dental services. This discourages a number of welfare recipients from undergoing training which might make them self-sufficient.

**Allowances to support trainees are an integral part of the CMTP. They are provided to encourage trainees to complete the course of studies intended to improve their employability. Referrals to training should therefore only be made on that basis. The training allowance should not be used to provide a temporary substitute for other forms of maintenance.**

**The Committee urges the Division through its representatives on the Manpower Needs Committees to seek modifications of any provincial welfare regulations which inhibit participation in courses offered under the Canada Manpower Training Program.**

### **The Newfoundland Pilot Project**

On several occasions during the hearings the officials of the Division referred to a joint training project developed by the Unemployment Insurance Commission and the Division being tested as a pilot project in Newfoundland over a two year period to end in 1976. It is described by the Division:

In cooperation with UIC to utilize insurance funds for the purpose of providing training in shortage occupations to unemployed clients in Newfoundland and to experiment with a more constructive use of UIC funds. (9:23)

A recipient of unemployment insurance who agrees to attend courses to upgrade his skills or to open a new avenue of employment, receives income

support from UI benefits at his rate of entitlement plus an additional \$10 per week from the Division as a training allowance together with transportation and living away from home allowance if applicable. Thus the income support/allowance side of this training predominately comes from UIC funds. The Division however finances the cost of the courses. The total project in Newfoundland will involve expenditures by the Department of up to \$3.5 million during the two years. The Unemployment Insurance Commission participates in the Manpower Needs Committee's decisions concerning the type of training to be provided.

This project is essentially geared to provide seasonal workers with an alternative skill which can equip them to work at something else during the seasonal lay-off period from their regular employment rather than draw UIC benefits. It was presented as an example of the way in which the Division in cooperation with the UIC seeks to extend its training objectives to reach those who could benefit from an opportunity to improve their earning potential. If successful the results of the Newfoundland project will ultimately be shown in the reduction of UIC payments arising from seasonality of employment. The Committee agrees that this is a desirable goal.

However the Committee cautions that referrals to training should not be based solely on the fact that the prospective trainee is drawing unemployment insurance. The decision to refer a person to training should always be made on the basis that the person wants training, that the training is useful and that the person will likely find a job as a result of training. This will be even more important when the merger of the UIC and Canada Manpower announced in May, 1976 is complete. It is the declared intention to extend the experiment tried in the Newfoundland project, to use UIC funds for training UIC beneficiaries in other parts of Canada.

EMPLOYERS' INVOLVEMENT IN TRAINING: THE CANADA  
MANPOWER INDUSTRIAL TRAINING PROGRAM

In 1971 the *Eighth Annual Report* of the Economic Council of Canada made the observation that "very little is known about the extent and nature of privately financed manpower training in Canada." The Council suggested that more information was required on which to base a positive policy regarding training in industry to be sponsored by the Manpower Division.

With our present knowledge, we do not really know whether an expansion of public expenditure on training-in-industry will act as a complement and catalyst for privately financed training or merely as a substitute for it. (page 130)

In the spring of 1975 the Manpower Division still did not know in exact terms "the size, nature or total content of industrial training conducted under the responsibility of employers." (9:28)

Training-in-industry has been a part of the overall training strategy of the Division since 1966. As a program it has gone through various stages of experimentation in content and direction. The Canada Manpower Industrial Training Program now in operation started in 1974. It contains elements of previous programs but these have been merged to make it more responsive to the needs of employers who initiate, develop and improve their in-house training activities. It operates under the Adult Occupational Training Act so that the restrictions on trainees within that Act apply to those being trained in industry equally with those trained institutionally.

Training-in-industry however has received minimal funding in comparison with the institutional training arranged under provincial agreements. The Division gave the Committee estimated totals for 1974-75 showing that 72,000 industrial trainees had enrolled in programs assisted by the Division compared with 263,000 enrolled in institutional programs. Estimated costs were related: \$37,300,000 provided for 2,300,000 days of industrial training (\$16.22 per day) while \$368,517,000 bought some 15,000,000 days of institutional training (\$24.57 per day). (9:59)

The final figures from the Annual Report 1974-75 indicate that this estimate was over-generous.<sup>1</sup> In percentage terms in 1974-75, 17.1 per cent of all trainees sponsored by the Division undertook training in industry. The cost of their training absorbed 9.3 per cent of total training expenditures.

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<sup>1</sup> See Chart on page 78.

The sustained and unbalanced commitment to institutional training is a distinctive feature of federal Manpower Training programs in Canada. The Economic Council drew attention to this in 1971. At that time in the United States about 80 per cent of federal training expenditures were devoted to training and 'work experience' in industry. The United Kingdom and several other industrialized countries placed a similar emphasis on training-in-industry. This comparison led the Economic Council to observe:

The heavy—in fact, almost exclusive—emphasis on institutional training in Canada is difficult to understand when experts generally agree that, for many occupations and for many individuals, training-in-industry appears to be preferable.<sup>2</sup>

Officials pointed out that expenditures by the Division on industrial training had risen slightly from the level of five per cent in 1971. The Division has been cautious about expanding industrial training expenditures because such assistance might be construed as a concealed subsidy to employers. The official view is stated in the forward to the pamphlet describing this program to employers:

Employee training is, of course, the responsibility of the employer. Nevertheless, financial incentives to training-in-industry are a sound investment for the Government of Canada in terms of economic and social benefits.

Reimbursements of an employer's expenses are determined on a scale. If he agrees to give priority to training of special needs clients he is reimbursed for up to 85 per cent of their wages during the period of their training. Previously unemployed adults or those whose continuing employment is threatened who are accepted for training by an employer will have 60 per cent of their wages reimbursed. If a training program for employees already on strength is approved, 40 per cent of the wage bill will be met from federal funds. The maximum paid by the Division towards the wages of an employee is \$130 per week. All costs incurred by the employer for any classroom portion of industrial training are reimbursed by the Division. The provincial authority must approve the content of all courses.

No detailed statistics relating to the labour force status of industrial trainees after training was given to the Committee. A short table for 1973 indicated that overall 79 per cent of them were employed when surveyed, 48 per cent having remained in the employment of the firm where training had been given. Fourteen per cent were unemployed and seven per cent were shown as no longer in the labour force. (9:64) This suggests that opportunities for employment are enhanced to some degree for those who train in industry over those who take institutional skill training.

### Employers' Complaints

Employers were asked by the Committee if they had taken advantage of the Industrial Training Program, if they had experienced any difficulty in obtaining grants and if in their view the training assisted by these grants had

<sup>2</sup> Economic Council of Canada, *Eighth Annual Review*, 1971, page 104.

been worthwhile. On the whole employers had fewer remarks to make about training than they had about the placement function of the Division. The responses from the Boards of Trade indicated a large number of employers in those associations had never heard of the Industrial Training Program. Of those who had taken advantage of it a clear majority felt that it had been worthwhile.

Those who were critical both in their written responses and in testimony before the Committee concentrated their comments on two main problems—the selection of trainees, which must be done in cooperation with the Canada Manpower Centre, and the amount of what employers regarded as ‘red-tape’ in working out the details of the training contracts with the two levels of government involved.

Employers are told in the official literature put out by the Division promoting the Industrial Training Program;

The choice of trainees is up to you, since they are your employees. If, however, you have to hire new employees, it is the responsibility of the Canada Manpower Centre to check the training needs of the candidates and determine their eligibility.<sup>3</sup>

In practice, the range of payments directly relates to the type of trainee involved. In this way the Division exercises control over selection. Payment is withdrawn if the criteria for the training program is not adhered to. An employer mounting a program for those employees already on his payroll, who have been selected by him, receives the least amount of the financial assistance. Referrals from Canada Manpower Centres are required for the enrolment of unemployed or disadvantaged trainees.

Employers' views on the lack of sensitivity of Canada Manpower Centres to their particular needs have already been stated. Employers who complained of this aspect of the Industrial Training Program insisted that if they had more control over the choice of trainees there would be fewer drop-outs. Employers who shared the expense of mounting training courses resented the loss of their investment when trainees abandoned the course before completion.

The experience of one employer is relevant to the two main complaints of employers about training by Canada Manpower. Mr. M. R. Mallory testified that his company had sought training grants on one occasion in 1974.

The Canada Manpower representative proved most helpful in securing the necessary approvals for the training grants, even though it took two months to secure these approvals . . . we were totally unsuccessful in Canada Manpower sending us any referrals for trainee openings . . . we finally obtained the six trainees by using newspaper advertising.

We are presently running the same program again with other candidates. We made the assumption that . . . to repeat the same program would require only formal approval. Once more we were frustrated and decided to forego the grant system because of the exigencies of time for this second training program. (19:7)

The negotiations between an employer, Canada Manpower Centre, and the provincial authority can indeed be confusing for the employer and this has

<sup>3</sup> Pamphlet: *Canada Manpower Industrial Training Program*, page 9.

undoubtedly discouraged many of them from proceeding with plans to participate in training programs assisted by the Division. The responsibilities of the two levels of government in this program are interdependent and interrelated, but for the employer who has an immediate need to train workers for his operation this double bureaucratic barrier is formidable. Another employer, Mr. A. C. Dibblee told the Committee of his experience in this regard under the earlier form of industrial training:

Paper work and reports simply overwhelmed us, and would have necessitated hiring an additional clerk, plus a welding supervisor who, we calculated, would have spent a quarter of his time on it. (19:12)

The Division has admitted that complaints of this nature by employers were valid. The Committee was told that the Division was actively exploring ways to reduce the complications in documentation.

### **Criteria for Assisting Employers in Industrial Training**

A further confusion arises from the criteria adopted by the Division to decide what level of industrial training qualifies for assistance. Mr. Manion explained that funds under the program are not used to pay for activities which an employer would normally pay for himself, "and one good indication that he would normally pay himself is that he is already running a training program." (4:27) Further, funds are only provided for the first one or two programs. Once a program is established the employer is expected to carry it on himself. This interpretation of what constitutes a new direction in training over an on-going program is a source of misunderstanding between employers and the Division. The Division appears to have been zealous in its interpretation in order to prevent employers from making what are considered to be fraudulent claims for training grants. Mr. Lefebvre assured the Committee that it is "a little more difficult to beat the system with the permanent Industrial Training Program that we now have, because it is operated under rather rigid constraint, and it is quite seriously monitored." (9:20)

Much of this confusion and misunderstanding could be cleared away. Mutual respect and rapport should be carefully fostered between the counsellor associated with the development of the industrial training contract and the employer involved in it, in the same way that confidence in making referrals for employment must be fostered and for the same reason. Employers have demonstrated that they are willing to take a much larger part in the extension of occupational training in the work situation where learning by practical experience predominates but can be supplemented by on-site classroom lessons. For the job seeker there are benefits in employer-centered instruction over institutional instruction in terms of both financial reward and experience gained.

### **Increased Emphasis on Industrial Training**

The Minister and his officials were questioned at some length about the overwhelming emphasis now placed on institutional training and about future plans of the Division regarding industrial training. The Minister acknowledged

that "there is a big element in industrial training that I do not think we have totally exploited yet." (4:24) The Division receives more requests from employers to enter into industrial training contracts than it can meet with the existing allocation of funds. It is clear that the institutional side of training commands an unreasonable proportion of training funds. As a result the Division is locked into a set of commitments to the provinces on the level of institutional training it will finance which seriously restricts the assignment of additional financial resources to the industrial side of training.

The Division is also still apparently unhappy about its relations with employers in earlier on-the-job-training programs which were discontinued when evaluation suggested that the employers were exploiting them, and little return was received for the investment in real training terms. Before any expansion in industrial training takes place the Division apparently wishes to develop enough safeguards to prevent such a program from affording a straight subsidy to those employers who participate for training they would ordinarily finance themselves.

This resistance of the Division toward assisting courses mounted by employers is unfortunate. Training an employed person to a higher usable skill opens a vacancy for someone else. Training a new entrant in the labour force in an actual work setting provides that practical experience he must have to compete in the job market.

It is now time that a substantially increased proportion of training financed by the Division should take place in the employment environment as opposed to the community college classrooms. This is not a new suggestion. As already noted it was made by the Economic Council in 1971. It was also made by the Ontario Task Force on Industrial Training in 1973 headed by Dr. W. Dymond, with whom the Committee discussed the extension of employer-centered training. The Task Force decided that there were significant advantages to be gained by placing more emphasis on this kind of training. Because it is directly linked to employers' needs it is likely to be "more cyclically sensitive to variations in the labour market than institutional training." (20:8) The apparatus of mounting courses in an institutional setting inevitably makes it more difficult to make needed changes in the volume of training. The Canada Manpower Training Program *Report on Training Outcomes* already referred to confirms this.

Dr. Dymond pointed out a further probable advantage that industrial training would likely be less costly in public resources to operate than institutional training.

A decision to reduce the institutional training component and to increase expenditures on the development and expansion of industrial training would require some difficult negotiations with the provinces who have now built up an extensive investment in buildings, equipment and staff to support the institutional training of adults sponsored by the federal government. Obviously institutional training would continue, and provincial cooperation would be required to expand employer-centered training. As the Ontario Task Force

suggested the provincial community colleges could be directly associated with the extension and application of employer-centered training. Calling on the expertise of community college staffs in curriculum development would ensure that employers put on a really effective training program. Dr. Dymond put the point to the Committee succinctly:

In other words, it is a question of matching the capacities that exist in our public training institutions with the capacities employers have to engage in training. (20:10)

**The Committee recommends that a substantially increased proportion of total training funds be used to purchase courses for adults to receive skill training in an industrial or working environment because training-in-industry can swiftly be adapted to demands of the labour market. At the same time the Committee recognizes that institutional training will continue to be required for certain skills which are better taught in the classroom and for upgrading basic educational qualifications for employment.**

### **Institutional Training in Industry**

Another approach to the present division of adult training for employment into institutional and industrial components might be found in a combination of the best elements of both, in an alternative which would draw much more directly upon the capacity of private industry to provide both training and experience. Lack of practical experience is a serious handicap for the young trainees who emerge from institutional courses with only paper qualifications. Employers are understandably reluctant to take on untried workers.

The Division should consider mounting a group of pilot projects to test an extended training program which would combine institutional style courses with training on the job site. This could be administered by approaching employers who have facilities to submit competitive bids on which contracts would be awarded to set up training courses on their premises. CMCs would refer trainees to these courses as they now do to provincial institutional training courses.

Support for trainees enrolled in these courses would differ from the present arrangement in the Canada Manpower Industrial Training Program. Under the proposed program trainees would be paid allowances during the period of instruction rather than salaries partially met by the Division and the employer-trainer. The CMC would thus retain supervision of the trainee in a course which would combine classroom and practical experience but would not necessarily imply the offer of a job with the employer-trainer upon completion of the course. Since this form of training would utilize facilities already in place it is reasonable to assume that the cost of mounting the course in a facility already organized for productive purposes would be less than the cost of present institutional training courses. Even quite small industries and institutions offering services to the public could accommodate small groups of trainees. Training given in the work environment would also be easier to monitor for effectiveness than present institutional training courses.

This alternative differs from the earlier Training-on-the-Job Program in the proposed method of administration and control. It is flexible enough to include contracts with the service sector which is providing employment for an increasingly high proportion of the labour force.

A move toward institutional training in industry would obviously still require provincial cooperation. Indeed the provinces could be expected to resist too abrupt a move away from present institutional training arrangements. Provincial sensibilities notwithstanding this proposal should be given serious consideration. Substantial benefits are to be derived from conducting training in this way which are not available through the present training programs of the Division.

**The Committee recommends the preparation of a pilot training project to explore the potential of private industry to give trainees institutional style courses combining practical experience with the theoretical background. Such institutional training in industry might be commissioned on the basis of a review of competitive tenders submitted by interested employers.**

### **Control of Future Training Expenditures**

Officials of the Manpower Division have been quite candid that the volume of training offered to job seekers in Canada needs to expand. The Minister told the Committee that the general trend of manpower policy in advanced industrial countries is to put increased emphasis on training. (4:24) In fact a complete review of the adult education/manpower training picture is now in progress. Those taking part include officials of the Division assisted by officials of other interested departments. The objective of the review is to establish the "major thrusts of the federal training policy over the next several years." (26:9) Presumably the results of this review will provide the basis for any revision of the Adult Occupational Training Act.

In comparative terms Canada's current expenditure on manpower training is higher as a percentage of the Gross National Product than Germany, France, the United Kingdom and the United States. It is second only to Sweden. (4:9) This is in large measure a result of the exceptional growth in the working age population in Canada as compared to other industrialized countries in the 1960's and early 1970's, the period during which the Canada Manpower Training Program was developed in its present form. That growth has now slowed. The Canadian labour force is becoming more mature. This alone is ample justification for re-shaping manpower training to the OECD pattern of recurrent training. The Committee accepts that. But training already absorbs nearly two-thirds of the total annual expenditures of the Division. Training courses are well attended and referrals to training fill almost all available courses supported by Canada Manpower. The Committee is convinced that while any projected expansion in total training activity should allow for reasonable growth, at the same time the Division must establish an upward limit on federal support for a program which would otherwise be limitless. Parliament

should be given a full explanation in the Annual Report of the Department of any future extensive expansion of manpower training.

Such a limitation would not mean that there could not be more effective training of more people than the present program achieves. The Committee's review of the entire training program has suggested ways in which some improvement of effectiveness might be accomplished without an expansion of expenditures. It is worth mentioning some of these again.

Control of training expenditures begins with the planning of courses. The number of training days are allotted and the CMCs are notified of the quantity of courses they may use for referrals to training. Selections are then made to fill all available places from those already assessed to be in need of retraining. While some places become vacant through illness, drop-out or because the trainee takes a job, the full utilization rate of training seats purchased in all provinces has been quite high. The Committee was told that in 1973-74 it was 82.9 per cent. (9:23) It is all the more important therefore that the Manpower Needs Committees plan the volume and content of courses in the most constructive way. That planning must be based on hard data about real and immediate needs of Canadian job seekers of all ages for employment and Canadian employers for trained employees. Courses must be relevant and responsive to current manpower demand as well as anticipate future demand as far as possible.

This can best be assured by increasing the proportion of training in the actual work environment, in both the industrial and service sectors. The present Canada Manpower Industrial Training Program and particularly institutional training in industry should be more fully exploited. The dollar cost per trainee through this controlled competitive approach should be lower than training in an institutional setting.

If there is thoughtful planning and an adjustment of allocations from institutional to industrial courses the investment of available training dollars should bring an acceptable expansion of really relevant manpower training.

**The Canada Manpower Training Program now absorbs 63 per cent of total expenditures of the Manpower Division. The Committee recommends that strict control of any future expansion be exercised to ensure that this program is more directly related to the provision of immediate opportunities for employment than it appears to be at present. The justification for any future expansion should be fully explained to Parliament in the Annual Report of the Department.**

To offset increases in the cost of mounting courses the Division must concentrate on improving the effectiveness of present manpower training. Courses offered should be relevant to the needs of the economy. This is most likely to result if more manpower training takes place away from formal training institutions, on the job site using the capacity of employers to provide courses.

JOB CREATION PROGRAMS

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should be given a full explanation in the Annual Report of the Department of the number of courses expanded or of manpower training.

Such a Evaluation would not mean that there could not be more effective training of some people than the present program achieves. The Committee's review of the entire training program has suggested ways in which some improvement of effectiveness might be accomplished without an expansion of expenditures. It is worth mentioning some of these again.

Control of training expenditures begins with the planning of courses. The number of training days are allotted and the CMC are notified of the quantity of courses they may use for retention. Subscribers are then made to fill all available places from those already allowed to be in need of retaining. While some places become vacant through illness, drop-out or because the worker takes a job, the full utilization rate of courses must be purchased in all instances has been quite high. The Committee noted that in 1973-74 it was 82.3 per cent. (93) It is all the more important to ensure that the Manpower Board Commission plan the training of workers in the most cost-effective way. This planning work is done in close consultation with real and immediate needs of Canadian job seekers and of firms for employment and Canadian employers for trained employees. It should be relevant and responsive to current manpower demand as well as to possible future demand in far as possible.

This can best be achieved by increasing the proportion of training in the actual work environment, in both the industrial and service sectors. The present Canada Manpower Vocational Training Program and particularly institutional training is inferior should be more fully expanded. The dollar cost per trainee through this institutional approach should be lower than training in an actual work setting.

If there is a significant planning and an allocation of allocations from institutional to industrial training the cost of training in actual working settings should bring to a certain extent of state-subsidized manpower training.

The Canada Manpower Training Program will number 13 per cent of total expenditures of the Manpower Division. The Committee recommends that either control of any future expansion be exercised or ensure that this program is more directly related to the provision of immediate opportunities for employment than it appears to be at present. The justification for any future expansion should be fully explained in Parliament in the Annual Report of the Department.

To offset increases in the total of expanding sources the Division must concentrate on improving the effectiveness of present manpower training. Courses offered should be relevant to the needs of the economy. This is most likely to result if more manpower training takes place away from formal training institutions, on the job site with the capacity of employers to provide courses.

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## CHAPTER 12

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### JOB CREATION PROGRAMS

In looking at the work of the Job Creation Branch, the Committee turned its attention away from the established methods of achieving manpower policy objectives to review a group of highly visible programs developed by that Branch. Mr. Manion described the job creation program area as:

The least traditional and the most unusual program we operate. We think it is highly innovative. We believe we have only just begun to explore the possibilities of this program. (7:5)

At the end of 1975 as a result of the restriction on government expenditures arising from the anti-inflation program, some of the programs of the Job Creation Branch considered by the Committee in reviewing the Division's estimates for 1974-75 were altered or in the case of Opportunities for Youth, were terminated. The Committee's views on these programs are relevant and have been included.

The Job Creation Branch was created in 1973 to bring under unified administration three distinctive programs designed to reduce unemployment. The programs themselves in some form, however, have been in operation since 1971. These are: Opportunities for Youth (OFY), a summer student employment program which was transferred from the Department of Secretary of State; Local Initiatives Program (LIP), essentially a winter works program; and Local Employment Assistance Program (LEAP), a program directed toward raising the level of work skills of the chronically unemployed.

The genesis of these programs was the belief that a flexible approach was required to deal with the cyclical character of seasonal unemployment. The innovative aspect of this approach was the decision to draw on the direct initiative of local community groups and municipalities to originate short-term, labour intensive non-profit projects for which the federal government would pay a grant to cover the remuneration of the participants. In the beginning the prime requisite to qualify for a grant was that a project create employment for those who otherwise would be unemployed.

The breakdown of expenditures by the Manpower Division for 1973-74 shows that \$156,531,479 (or 23.80 per cent of the total) was spent to reduce unemployment through job creation programs. This money was provided through a vote in the Supplementary Estimates, the wording of which established the authority for the payment of grants "for the purposes of providing employment to unemployed workers and contributing to the betterment of the community." (Estimates 1974-75; 14-14) The job creation programs have not

been integrated as continuing programs of the Division. The need for them has been reconsidered each year and the decision to continue them has been made against the background of the current unemployment situation.

The permanent staff of the Job Creation Branch is quite small. Those working directly in the supervision of approved projects have largely been recruited on a term basis with the option of reappointment annually after the decision to continue the program was made. Thus while these direct employment programs absorbed an increasing share of the Division's budget, their contingency character has been maintained in theory and administration.

The basic concept of the job creation programs was developed in 1971 as a response to rising levels of unemployment which have not abated. The Committee was told that there is virtually nothing comparable to the Local Initiatives Program and the Opportunities for Youth Program in other countries, except those which have adopted the Canadian example. These programs have attracted a good deal of international attention and commendation. The conceptual break-through attributed to them has been the shift of responsibility for finding solutions to problems to localized seasonal unemployment from the administering bureaucracy of the Division to those directly affected. Observers from many countries have seen the Canadian application of direct job creation as providing an effective but flexible instrument of manpower policy capable of application to varied conditions and situations giving rise to unemployment.

As a measure of the effectiveness of LIP specifically the Division cited calculations originally established on the basis of the relevant figures for 1972-73 that unemployment could be reduced by .3 per cent for every \$100 million in LIP funds expended. This statistic was determined essentially to permit the effectiveness of LIP programs to be compared in dollar terms with alternative ways to reduce unemployment, but it has been widely quoted as evidence of the success of LIP. This is an unfortunate simplification of the relationship between the limited reduction in unemployment likely to result from the application of limited funds during the limited period of time authorized. The fact is that LIP and OFY grants have been concentrated on specific areas of unemployment. As Mr. Manion said, they were "not applied like a coat of paint across the country . . . Very large amounts were spent in some areas with particular unemployment problems." (7:10) The LIP 1975-76 Allocation Report showing the distribution of LIP funds by constituency and province was tabled in the Senate on February 10, 1976. It clearly indicates that LIP funds were concentrated on areas of high unemployment.

### **Opportunities for Youth (OFY)**

This program was launched in 1971 to cope with anticipated student unemployment on an unprecedented scale. To make an application for an Opportunities for Youth grant the applicant had to be of legal age to work in the province in which the project operated. Participants were generally between 16 and 25 years. For 1974-75, 8,703 project proposals were received and 3,876

projects were approved which engendered 27,525 jobs with a total commitment of \$26,335,000. (7:31) A two-tier formula for distribution of funds regionally to the 33 management areas was evolved, based on the geographic distribution of the 15 to 25 year age group according to the 1971 census, and the known number of private sector jobs normally available for students. An advisory group was attached to each management area made up of nominees suggested by members of Parliament and appointed by the Minister annually. Those appointed were required to be representative of community interests. At least one member of the advisory group had to be under 25 years of age. The Committee was assured that the bulk of applications recommended by the advisory groups were officially authorized to receive grants. (7:14)

The objective of the program was to provide short-term employment for students. In 1974 grants were about equally divided among secondary school students, and post-secondary school students from community colleges/CEGEP and universities. (7:33) Preference was given to projects that attempted to find new solutions or created new approaches to community services without duplicating existing programs. Projects developed from apparent community needs. They involved students in various types of work—social service, information, recreation, culture, environmental studies, research or business. (7:32) The balance between male and female participants was almost equal and the ratio of rural to urban projects was also about one to one. In recognition of the fact that those participants who were post-secondary school students needed more financial assistance to facilitate the continuation of their education, the wage rate per week was deliberately established at a higher rate for them than for secondary school students. Experience in the administration of this program led to the alteration of specific regulations each year. The Division obviously felt that in 1974, and in their plans for 1975, a much better defined and regulated program had been put in place.

Projects approved under this program were increasingly tightly monitored by field officers appointed by the Division. Each such officer was assigned a caseload of OFY projects and kept in constant touch with the progress of the project throughout the authorized period. Officials of the Audit Services Bureau of the Department of Supply and Services also carried out audits of OFY projects.

The criticism most often made of the Opportunities for Youth Program was that it provided employment chiefly for students with adequate family support behind them. The Division attempted to answer this criticism statistically by indicating that on the basis of the 1972 program, 51 per cent of the student participants came from families whose income was in the \$5,000 to \$15,000 range and 18.5 per cent came from families earning less than \$5,000 per annum. (7:38) But this means that just over 30 per cent of the grants still went to students from families with earnings over \$15,000 per year.

The Committee was satisfied that the OFY program was adequately monitored. Obviously only short-term objectives could be attempted by projects which were to last but ten weeks. The concept of giving responsibility for the

organization of projects and their execution to the youthful participants was a beneficial experience for many. However, OFY remained a peripheral program in the total manpower policy field. The decision to provide funds for it each year was rightly weighed against other demands to finance wider manpower objectives. In this context OFY had a low priority in the opinion of the Committee.

### **Student Manpower Programs**

It seems appropriate at this point to state that a preferable form of assistance is provided for students seeking summer employment by the continuing program mounted especially for them through Canada Manpower Centres. The Committee was told that in 1974 more than 300 Student Manpower Centres were opened. These Centres placed 216,740 students in jobs in the private sector, where 85 per cent of all summer jobs materialize. In the same summer Opportunities for Youth created jobs for 27,525. Employers have been encouraged by the Division through a deliberate campaign of advertising and by the direct appeal of officials to make employment available to students during the holiday season. The Division should continue the operation of specialized Student Manpower Centres wherever appropriate. Every CMC should have a clearly defined student employment referral activity in operation.

**The Committee recommends continuance of the Student Manpower Centres because they provide a placement facility for students seeking holiday employment as well as assisting employers who require seasonal workers. It also supports the public relations programs designed to encourage employers to provide jobs for students.**

### **Local Initiatives Program (LIP)**

The LIP program began and continues as a direct response to an economic need. In the fall of 1971 when the rate of unemployment reached six per cent in Canada LIP was initiated as a replacement for the usual *ad hoc* winter works programs. It was designed to draw on the direct initiative of local community groups and municipalities. The program provides federal contributions through individual contracts to finance labour-intensive community improvement projects of a non-profit nature. The maximum contribution per project was \$75,000 in 1974-75, and \$100,000 in 1975-76. This represents a reduction from \$200,000 in 1972-73 and \$500,000 in the first year 1971-72.

Regulations for putting a project into operation are quite precise. All projects must create not less than 15 man-months employment for a period not to exceed 26 weeks.<sup>1</sup> Project sponsors must hire workers through Canada Manpower Centres, where priority is given to suitable applicants receiving UIC benefits or welfare payments. Those hired must be Canadian citizens or landed immigrants. They may not be members of the sponsor's immediate family. The Department pays sponsors up to \$140 a week. Employee participants receive

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<sup>1</sup>Figures quoted are for the year reviewed by the Committee, 1974-75.

the local going wage up to a limit of \$115 per week. Additional funds are provided to cover mandatory employee check-off payments. Sponsors are most frequently individuals, but local government bodies, service clubs and welfare agencies, citizens' committees and recreation organizations have also been sponsors.

The allocation of funds is made according to an involved formula designed to concentrate them as much as possible in those parts of Canada where unemployment is most severe. In the period reviewed federal constituencies were used as the geographic unit of organization. A minimum of \$75,000 was allocated for application in every constituency. The effect of the recently announced restrictions will confine LIP grants to areas of high unemployment only. Total funds available for distribution in 1974-75 for LIP were \$84,356,100. In the first three years of the Local Initiatives Program approximately 44,000 applications were received of which approximately 15,000 were approved. Projects have been classified by the type of work undertaken. Grants toward the provision of social services (28.3 per cent) predominate, followed by building construction (21.8 per cent) and non-building construction (15.5 per cent).

Low income was a decisive factor in the involvement of both males and females in the Local Initiatives Program. These projects brought into the work force a small percentage of workers who had not previously been counted. Housekeeping was given as the status of 7.3 per cent of the participants immediately prior to being employed in a LIP project in 1972-73. (7:54) But LIP attracted workers primarily from among the unemployed; 30 per cent of all workers who had been unemployed before their involvement in a LIP project had been without employment for a minimum of 21 weeks; five per cent had experienced a period of unemployment longer than 50 weeks. The fact that LIP attracted participants who had been unemployed for a long time is regarded by the Branch as a major accomplishment for the program.

In sum the Local Initiatives Program created approximately 238,000 jobs in the first four years. The Division's submission discussed at length the strengths and weaknesses of the Local Initiatives Program, making it clear that the original economic objective has now been extended to include wider social goals. LIP is now seen as a means to "enhance the quality of communities through the provision of innovative and imaginative projects." The selection of projects rests ultimately with the Minister who is advised in each case by a local Constituency Advisory Group. Members of Parliament are invited by the Minister to nominate up to twelve persons to these committees. A variety of backgrounds is desirable. Representatives of local municipalities, social and voluntary agencies, and previous LIP sponsors are most frequently appointed. Nearly two hundred Constituency Advisory Groups have been established. Where no group has been formed, officers of the Division meet with community organizations and agencies to seek their advice before making recommendations to the Minister.

The Local Initiatives Program has received an increasing measure of acceptance from the public during its years of operation. There has been continuous reassessment and adaptation of the program. Each year it has been restructured to eliminate weaknesses revealed by experience. The Local Initiatives Program has proved to have the capacity for flexible application to situations unforeseen when the program was started. The provision of financial assistance up to \$500,000 by the federal government to the community of Springhill, Nova Scotia following the disastrous fire in July 1975 for example was not given as an outright grant. It was organized and controlled through a special phase of the LIP program. Approved projects were designed for immediate implementation to aid the community and to provide employment for local people.

Many LIP projects have not been welcomed on the provincial level. By their nature they have forced the pace of development of community services. Provincial and municipal authorities have been placed under pressure to find alternative funding for these services when federal support ran out. Officials of the Division were asked to describe the amount of liaison the Division had with the provinces and municipalities in deciding on priorities for LIP grants. Mr. Mackie replied that both before and after program announcements are made consultation does take place. The provinces are asked which projects they feel should be given priority; which projects "they would not be prepared to support should they create a continuing demand, largely service projects often day-care centres, sheltered workshops and the like." He gave specific details of this consultation:

During the approval process two things occur. First of all, projects are all referred to the provinces for their comments. There is no absolute veto by any means, but we seek the advice of the provinces in relation to those types of projects which, in their view, meet their priorities. In addition, at the local level, wherever possible, there is consultation with officials—not so often at the municipal level unless it directly relates to a project which would require municipal funding or municipal licence, but certainly with organizations that might be affected by the operation of the project.

The information resulting from such consultation becomes part of that which is considered when the constituency advisory group reviews projects and ultimately when the minister makes his decision. (7:8)

In spite of what would appear to be a considerable degree of prior consultation with other levels of government likely to be called upon to provide financially for the continuation of projects when LIP funds are finished, ample evidence of dissatisfaction was available to the Committee. At least two meetings have been called by provincial Ministers responsible for manpower policy during which a strong resentment about what has been termed the 'parachuting' of programs onto the provinces was voiced. The view was expressed by a provincial public servant appearing before the Committee that there is a need to involve provincial authorities to an even greater extent in the discussions about which projects will receive approval.

The people as a whole are not concerned whether you have a federal tag or a provincial tag on this. If you do something and you help them out—it may be over a short-term—they want

that project to continue. Unless there is good dialogue between the provincial and federal people something may be started which the province is not in a position to carry out afterwards. It creates a lot of problems. (21:10)

There have been many such problems. Many projects have initiated social services for neglected groups in the community which previously received only minimal voluntary support if their need had been identified at all. When the LIP money is gone the need remains. Public funds and private donations must be solicited—sometimes without success. The plight of such projects makes good press copy. In such cases, the original limited job creation benefit of the project started by a LIP grant is lost sight of, outweighed by the disappointments and distress resulting from its termination.

One of the criteria for grants in future which should be more stringently enforced is the requirement that participants in projects which have no clearly defined limits state how they will support the project when the Local Initiatives Program grant runs out. This is particularly important in the case of grants given to finance projects providing broad social services; it is unnecessary for short-term construction projects. Well over half of the projects authorized for 1973-74 for example fall into the social service category. (Table 7:47) In these instances the Constituency Advisory Group has a particular responsibility since its members have the background and knowledge of the community to anticipate the future needs of projects begun with LIP funds.

The Committee has a further concern. While the Division has improved its procedures for preliminary consultation, the Committee received evidence that the LIP program continues to arouse some provincial resentment. For this reason the consultation and selection process for LIP grants should be restructured to ensure that ample opportunity is given to other levels of government to reject proposals.

**The administration of the Local Initiatives Program has been improved to the point where it has become a useful technique for reducing the adverse effects of seasonal unemployment. The Committee recommends that the LIP program continue on a contingency basis subject to a full annual reassessment.**

**The Committee recommends that in future applications for LIP grants to initiate community projects which have no clearly defined limits must indicate how the project will be financed when the LIP grant has been spent. The consultation and selection process for LIP grants should be restructured to ensure that when a LIP project will affect provincial or municipal governments they are given an ample opportunity to reject the proposal.**

### **Local Employment Assistance Program (LEAP)**

This program emerged from LIP when it became apparent that a number of chronically unemployed Canadians were not being assisted in any way to find jobs. Under the Local Employment Assistance Program funds are contributed to small entrepreneurial enterprises for a basic period of three years. To qualify for a grant the operation must provide employees with "occupation-

al training, life and communication skills, counselling and placement." The program directly encourages participation of employees in management. These projects fit into a long-term framework in the general community development process. Unlike OFY and LIP, proposals for projects under this program are not solicited from the public. LEAP is entirely organized and developed by the Job Creation Branch whose representatives in the region identify possible projects and foster their development in a direct social worker, caseload way.

In each of the main program areas of the Division provision has been made to meet the specialized needs of the disadvantaged. LEAP is the program under the Job Creation Branch directed specifically towards that group. For that reason support grants are authorized for a much longer time than required for seasonal unemployment programs. It was recognized that "in order to deal with the most difficult problems of people it takes time." (7:19) Federal contract funds pay for wages, employee benefits and reasonable administrative overhead costs. Theoretically over time projects should become self-supporting.

Through this program the Division is in effect providing its own on-the-job-training for the severely disadvantaged or handicapped, many of whom were considered unemployable but who have been channelled into competitive employment or have acquired management skills by way of a LEAP project. Since the beginning of the program 142 projects have begun, employing in total about 2,700 persons. For the year 1974-75, \$12 million was committed to support 126 projects which provided some 1,746 jobs. (7:73)

The Local Employment Assistance Program is directed towards assisting in yet another way the same target groups who are served by other specialized programs for the disadvantaged. The descriptive groupings listed in the analysis of the distribution of LEAP grants are "urban/rural poor, welfare recipients, handicapped, natives, inmates/ex-inmates, youth, women, social problems, and ethnic groups." (7:65) This program is one that the Division has become particularly attracted to. The Director of the Job Creation Branch told the Committee:

LEAP which...in my opinion has the greatest potential for its long term application to the really disadvantaged people who need it most, is very definitely a developmental and experimental program. We have not established the parameters of its usefulness... I suspect it can best be used in conjunction with, as it evolves, other programs such as training and economic development...it has demonstrated to a number of other federal departments and provincial departments approaches which they can and are now beginning to apply. (7:10)

There appears to be a realistic view within the Job Creation Branch of what can be accomplished by this program. Mr. Mackie acknowledged that about 20 per cent of LEAP projects "in some way, shape or form will require some continuing subsidization if they are to go on beyond the term of LEAP in that the people involved are not producing at a level that allows them to be economically viable." (7:19) There is, the Committee was told, no shortage of demands for LEAP funds and no shortage of jobs that could be created by this program. LEAP is in fact a program administered by the Division by adapting

existing services of the Division and other departments of government in a meaningful way to achieve the basic goal of helping individuals obtain personally satisfactory employment. It demonstrates the kind of controlled assistance to the disadvantaged which the Committee felt was missing in the Outreach Program.

There is, however, a measure of commitment by the federal government in sponsoring a LEAP project which does not exist in the other short-term job creation programs. This commitment carries with it the responsibility to determine as far as possible that the training received will allow LEAP project workers to sustain themselves as members of the labour force when they leave the sheltered situation of the project. Again in the end it will be the Canada Manpower counsellor who will have the job of referring these protégés of the Division to employers. It is not enough to establish the need for a LEAP project. A full and realistic assessment of the possibilities for successful placement of the participants should form an important part in the preliminary planning.

The direct objectives of the Manpower Division are being met by the expansion of the job creation concept into the concrete area of entrepreneurial activity through the Local Employment Assistance Program. But all the stages of development and operation of projects within this program must be carefully planned and monitored by responsible officers to ensure that the disadvantaged participants can ultimately become self-supporting through regular employment.

The weakness of the LEAP program which Mr. Mackie pointed out should not be minimized. There is every possibility that projects will not become self-sustaining after three years and may therefore become an expensive form of welfare. For this reason particularly LEAP projects should not be restricted to non-profit sponsorship. Projects could also be conducted by the business community if in undertaking such a contract the training employer accepted that the subsidy given by the Division with LEAP funds was provided to train the participants in skills which would provide for continued employment in that business when the grant expired.

**LEAP demonstrates the kind of controlled assistance to the disadvantaged which the Committee feels is missing in the Outreach Program. However it is not enough to establish the need for a LEAP project. A full and realistic assessment of the possibilities for successful placement of the participants should form an important part in the preliminary planning.**

**The Committee recommends that contracts to provide for the establishment and supervision of LEAP projects be extended to suitable profit-making organizations which agree to accept disadvantaged job seekers for a period of training and possibly retain the trainee in employment at the conclusion of the contract training.**

### Community Employment Strategy

The Minister of Manpower and Immigration together with the Minister of Health and Welfare has undertaken a lengthy review with the provinces of all the elements involved in the definition of an income security policy for Canada. In connection with this review the Manpower Division is participating in what has been designated as the Community Employment Strategy (CES). This will involve the co-ordination of community activity by all levels of government formally acknowledged by an exchange of letters of understanding between the Minister of Manpower and Immigration and the provincial or territorial governments. The objective of the Community Employment Strategy, as defined in the letters, is to assist people "who experience particular and continuing difficulty in finding and keeping satisfactory continuing employment, and who therefore tend to rely for most or all of their income on some form of transfer payment."

The Minister told the Committee that the Community Employment Strategy is a reflection of a new attitude toward those people.

It is only recently that we have begun to refuse to accept the unemployability of a great number of people who up until now have been thought of as requiring income support with no effort being made to get them into gainful activity . . . . That is what the Community Employment Strategy is all about. (4:15)

The Division does not really know how many people there are whose entry into the labour force could be made possible through this program. "Our best guess is that there may be about 400,000 workers plus families and dependents who may fall into this category." The Minister further acknowledged that this group was "generally speaking on welfare." (4:15) The so-called 'target population' of the Community Employment Strategy will also include single parents (mainly single mothers), the mentally and physically handicapped, people with low skills, ex-prisoners, ex-mental patients and native peoples. It is not the intention to focus on individuals alone but also on the types of employment situations and job barriers which contribute to their problem. The so-called community in which the new strategy will be tried has been widely interpreted. The Minister described it to a public gathering: "It could be a town, part of a city, or a rural region. It could even be that we try to help all the single parents in a province, or half of a province . . . . or we could focus on native people in a given area for example."<sup>2</sup>

The federal government has announced that it will spend \$50 million over three years on some 20 pilot projects during the developmental phases of the Community Employment Strategy. The first phase involves the identification of these target groups in the selected communities. The appropriate agencies of the federal and provincial governments will then work together to find a solution applicable to their localized chronic unemployment problem. Their action will be supervised at the senior policy level by the Manpower Needs Committees in each province.

<sup>2</sup> Speech to Kiwanis Club of Grand Falls, Newfoundland, March 25, 1975.

"The LEAP program is probably the key to our efforts in job creation and it will be a spearhead of much of the Community Employment Strategy", Mr. Manion told the Committee. (7:22) In addition to LEAP, it is expected that the Division will bring into play many other existing services through the action of the Canada Manpower Centres in the target areas. All the specialized programs for the disadvantaged in both placement and training are relevant, including the services purchased from outside agencies through Outreach. The emphasis however, on the part of the Division will be to utilize as far as possible private sector jobs before extending its commitments in direct employment programs.

The new thrust in manpower policy embodied in the Community Employment Strategy is the deliberate planning of a cooperative attack on an old and widespread problem for which federal, provincial and municipal funds have long been available, but which could be more effectively applied in concert. The Minister identified the key point in the initiation of this new approach:

The most delicate part of the Community Employment Strategy, from my personal observation, is to get the break-through in recognizing that we and the provinces particularly, and beyond that the communities and other people engaged in this whole area, have to work together rather than in some kind of competition or opposition. (11:13)

To avoid raising expectations beyond the ability of the Division to fulfill them, the Division is moving cautiously to implement the Community Employment Strategy. In assuming the role of co-ordinator of all available federal and provincial as well as private resources the Canada Manpower Centres involved in CES projects can do a great deal to forward the equity objective of the Division in a most practical way. The assurance that existing resources will be used first before turning to new employment-related expenditures is welcomed by the Committee.

**The Committee recommends that the Division's contribution to the Community Employment Strategy be limited to direct placement, training and the Local Employment Assistance Program. Beyond that the Division should confine its role to the co-ordination of the social services provided by other agencies.**





# THE TESTING OF MANPOWER POLICY

THE TESTING OF MANPOWER POLICY

## THE TESTING OF MANPOWER POLICY

FORECASTING, EVALUATING AND MONITORING MANPOWER  
POLICY AND ITS APPLICATION

Towards the end of the Committee's hearings one meeting was entirely devoted to an examination of the range of assessment and planning activities carried out by the Strategic Planning and Research Division which services both the Manpower and the Immigration activities of the Department. The witnesses on that occasion were Mr. D. R. Campbell, Assistant Deputy Minister, Strategic Planning and Research, and Mr. P. B. Fay, Director General, Strategic Planning and Evaluation Group. This testimony assisted the Committee to determine how effectively the policies and programs of Canada Manpower are planned and executed.

The work of the Strategic Planning and Research Division is directed toward two main objectives which were described in the *Annual Report* for 1973-74:

- The development of mechanisms for occupational forecasting and manpower planning . . .
- The collection, collation, and distribution of labour market information, and the detailed analysis and the interpretation of the impact of Departmental programs.

In terms of the total Manpower budget this Division's activities on behalf of the Manpower Division cost less than one per cent of the total expenditures for the Manpower program. In 1973-74 it utilized only 155 man-years out of the total of 8,199 man-years for the Manpower program, or 1.89 per cent. (5:30)<sup>1</sup> The work of this Division provides the statistical framework for the formation of Manpower programs and the crucial evaluation required to assess whether the objectives set out for them have been met.

The organization of the Strategic Planning and Research Division gives some indication of how it covers various duties assigned to it: Research Project Groups, Economic Analysis and Forecast Branch, Strategic Planning and Evaluation Group, Occupational and Career Analysis and Development Branch. Mr. Campbell told the Committee that his Department probably made the greatest proportional commitment to the evaluation of its programs of any federal department, that few have had more experience in the field of evaluation.

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<sup>1</sup>See also page 17 of this Report.

The idea of a basic, thorough and comprehensive evaluation was built right into the Department's structure and its philosophy about nine years ago when the Department was begun. At that time we established what was one of the very first planning and evaluation branches that any department in Ottawa had. (24:6)

In general terms the Committee agreed that the Department of Manpower and Immigration carries out an impressive range of the evaluative procedures compared to many other government departments. However, several witnesses were critical of both the technique and the accuracy of the data collected by this Division. The Committee's concern centered more on the availability of that data through publication, and the application of it to adapt and change existing programs to make them more effective in meeting their objectives.

### Forecasting

*A sine qua non* of manpower planning is an adequate system of occupational forecasting. Efforts in this area are still sadly lacking, so that the determination of the type of occupational training to be given from year to year has amounted to 'groping in the dark.' (Canadian Council on Social Development) (12:77)

The Division is confident that with the operation of its two newest forecasting tools, Canadian Occupational Forecasting Program (COFOR) and Forward Occupational Imbalance Listing (FOIL), it will no longer be 'groping in the dark' in establishing priorities for both types of courses and numbers of participants in the training program of the Department.

COFOR provides a six year forecast for the five hundred main occupations in Canada for each of the ten provinces based on the definitions in the *Canadian Classification and Dictionary of Occupations*. The first projections of future demands from this program were published in June 1975. Mr. Campbell told the Committee:

It represents the very best that can be done, in my view, given the state of the art in Canada at the moment. It is something that could not have been done nearly as well three or four years ago. The data was not available, the developed models were not available. I think it represents fairly a truly major development on the forecasting scene. (24:10)

COFOR results, however, do not pick up localized market situations or provide data for more immediate planning. This need has led to the development of Forward Occupational Imbalance Listing (FOIL) which was produced for the first time in March 1975 and will be published quarterly.

FOIL can be regarded as a short-term eclectic COFOR...FOIL is the distillation of varied indicators...both quantitative—job vacancy survey data, Unemployment Insurance claimant data, operational data, selected COFOR results, etc., and qualitative judgements of some twenty-five members of the regional economic staff, employment development specialists and headquarters employers services branch.<sup>2</sup>

While five hundred occupations are reviewed the list does not include labouring and other low-skilled occupations, agricultural occupations or profes-

<sup>2</sup> FOIL, Volume One, Number Two, June 1975, Introduction.

sional occupations requiring university training. The ratings in the FOIL reports should reflect situations of persistent excess supply or demand expected to continue in the current program planning period, thus making it possible for corrective action to be taken. "The numeric output of COFOR can be utilized in background planning and the establishment of priorities. In a day-to-day program management sense, FOIL results can be utilized for fine tuning and update."<sup>3</sup> FOIL should therefore be of great assistance to the provincial Manpower Needs Committee.

It will not be possible to judge the accuracy of these forecasts for some time. It will be even longer before their effect on manpower training programs will be evident. To a large extent the advice provided in these forecasts rests on qualitative judgements provided primarily by the district economist, on his interpretation and synthesis of information about occupational shortages. The district economist reports directly to the regional economist and through him to the headquarters' Economics Analysis Group. He is responsible for identifying manpower needs for at least two years ahead by active observation of local conditions and comparison of local needs with national and provincial projections of need. In addition to providing data for FOIL projections of occupational demand, he must also forecast other operational variables based on a continual analysis of the economy of his local area with special emphasis on the labour market. These forecasts are also designed to help CMC managers set realistic operational targets.

Dr. Dupré told the Committee that in his experience the capacity of the district economist to gather intelligence as opposed to simple numbers is very limited. (16:14) In gathering this intelligence he runs into the ingrained reluctance of the employers to make their future plans known very long in advance as well as the ingrained reluctance of the CMC counsellor to generalize on particular experience. This is a situation which must affect the accuracy of the information on which the district economist bases his judgements.

There is an overall difficulty in relying on CMC counsellors to report data required not only for forecasts but for evaluation purposes. Mr. Campbell explained their attitude to the Committee.

Their orientation as individuals is very much towards trying to help the person and trying to fill the job. Their interest is in doing that job as well as they can. Their personal interest in statistics is very low. It is we who have the interest in statistics. (24:23)

But CMC counsellors do feel that they know what is required in their own local markets and that they should be consulted, particularly about training requirements. Mr. Campbell acknowledged that "forecasting has very little to do with individual counsellors." But he assured the Committee "although they may not realize it a great deal of information that counsellors produce in statistical form enters into forecasts." (24:25)

These considerations led the Committee to the view that in spite of the improvement in forecasting occupational demands through the development of

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<sup>3</sup> Ibid

the sophisticated long-range capability in COFOR and short-term capability through FOIL, there are enough improbables in the latter to warrant a thorough assessment of the accuracy of its forecast at the end of the first year of publication.

**The Committee suggests that the future forecasts of the Forward Occupational Imbalance Listing (FOIL) be assessed against information on actual occupational shortages as soon as they can be ascertained. Since the members of the Manpower Needs Committees may rely heavily on FOIL forecasts to supplement their knowledge of local needs in planning the allocation of Manpower training courses, this assessment should be immediately reported to them.**

### **Evaluation: Procedure**

The Committee was given a detailed description by Mr. Campbell of the procedure used to evaluate the impact of programs developed to implement manpower policies. The process of evaluation involves first of all an identification of the objectives the government expects the program to meet. The objectives are then translated into measurable terms and ways are developed to determine the degree to which they have been attained. The evaluation is carried out by a designated steering group which deliberately includes the program manager responsible for the particular program under evaluation. The final report consists of three parts. First, the factual phase of the evaluation including benefits, costs, statement of objectives and data on the program. To this is added the conclusions of the evaluation team and any recommendations they may have concerning the future of the program under review.

Mr. Campbell assured the Committee that the impact of evaluation reports prepared in this way had been considerable. This in part is a result of the principle established by the Division that evaluations must be independent of program management. "The evaluator has to have the ability to call a spade a spade, and he has to feel free to do so." The evaluation itself, "depends very heavily on the statistical data generated by the program itself. We spend a great deal of money on surveys of the people who have participated in the program and benefited from it." Mr. Campbell stressed the importance of the presence of the program manager in the evaluation group, of his cooperation in the collection of the administrative statistics. His presence assures, "evaluation by cooperation rather than evaluation by confrontation." (24:7)

Programs are not automatically evaluated by the Strategic Planning and Research Division. A deliberate decision is taken each time an evaluation is projected. Representatives of this Division should be brought into the earliest planning stages of any new program so that the mechanisms necessary to collect assessment data form part of the administrative framework of the program. Both Mr. Campbell and officials of the Manpower Division commented on the cost of monitoring programs. This money is well spent in the long-run and should be treated as an element of individual program budgets from the beginning.

### Cost/Benefit Analysis

Some of the data arising from the evaluation process has been given an exaggerated importance. Figures based on cost/benefit analysis were used by officials of the Manpower Division to demonstrate an astonishing degree of success for two large manpower programs—Training and Mobility. In the opinion of many witnesses cost/benefit analysis is an imperfect evaluation tool. This view emerged particularly with regard to its application in the assessment of the benefits of manpower training.

The Economic Council in 1971 commented on the use of cost/benefit analysis of manpower programs:

In large social programs, even less may be known about the relationships between programs and their ultimate results. . . . This does not rule out the use of these techniques entirely, but it does imply that they must be treated with caution. . . .<sup>4</sup>

The application of the cost/benefit formula to attribute the effects of a program not only on those directly concerned but consequently for all members of society, should be only one of several factors used in the evaluation of programs of the Manpower Division.

### Publication of Evaluation Reports and other Departmental Statistics

The Committee discussed at some length with Mr. Campbell how evaluation reports are used and distributed, and particularly which components are routinely published. The official departmental policy is that the recommendations and conclusions of these reports fall within the guidelines established by Privy Council Office to protect the confidentiality of advice which is, in essence, given to the Minister through these evaluation reports. Mr. Campbell explained:

The need for confidentiality in that respect conflicts potentially with another broad principle, which is the principle of the right and need of the public to know what it is getting for its money, to know what programs are doing and what they are achieving or not achieving. We have tried to work out a reasonable resolution. . . . We have begun to produce from them what we call statistical and analytical reports on the programs that we evaluate. . . . Those reports are available to anyone on request in both languages. . . . Any interested academic, any citizen, who wants to ask for a copy can have one. (24:8)

Mr. Campbell informed the Canadian Economic Association in June 1974 that the main statistics on the operation of departmental programs would be published quarterly in the *Canada Manpower Review* and in regional *Manpower Reviews*.

Reports prepared in cooperation with provincial governments or other federal agencies require the agreement of the other party to their release. Where a report is of sufficient general interest and quality to warrant the expense of full-scale publication it is released. . . . Other non-confidential reports, technical memoranda, and studies of limited general interest are available on request in the language in which they were written.<sup>5</sup>

<sup>4</sup>Economic Council of Canada, *Eighth Annual Review*, page 54

<sup>5</sup>"Publication and Release of Data". Notes distributed to the Canadian Economic Association, June 1974.

Since the liberalization of the publication policy in January, 1975, seven reports have been published. This new publication policy should meet the criticisms made to the Committee by Professors Meltz and Dupré and Dr. Dymond that publication of data on manpower programs was unduly restricted.

The committee welcomed the clarification of publication policies by Mr. Campbell. It appears to meet the requirements of those who wish to review the statistics relating to the Department's programs, to look at the basic data and confront the Department with it if they see fit to do so. At the same time the Committee was not satisfied that the recommendations and conclusions of evaluation reports could not under the present guidelines be released to the Committee. This was however related to a broader issue which is presently being given thorough consideration by the Joint Committee of the House of Commons and the Senate on Regulations and other Statutory Instruments and no recommendations were therefore formulated on this subject.

### **Research Projects and Consultant Studies**

As a footnote to the discussion of the publication of Departmental evaluations the Committee was provided with a complete list of the research studies carried out under the auspices of the Strategic Planning Evaluation Division, many of them assigned to outside consultants. The same criteria for publication applies to these reports. The complete list to June, 1975 comprised 261 titles grouped by topics into 14 sections. The contents represent a formidable collection of expertise generated by the Department in a field of study already very deeply penetrated by other organizations publishing detailed studies in manpower economics. It is obvious that overlapping of interest is inevitable.

**The Committee approves the new policy of publication of statistical data relating to departmental programs.**

### **Evaluation of Placement—**

#### **How Permanent is a Permanent Placement?**

Mr. Campbell described the range of evaluation activities carried out by the Division:

We normally devote the resources we have for evaluation to the examination of large programs in a financial sense, new programs whose impact is totally unknown and sometimes to purely experimental programs of one kind or another which the Department feels may well be the precursors of some major developments or better ways of doing things. (24:6)

The list of evaluation reports prepared since June 1973 submitted to the Committee bears this out. Ten of the fourteen listed evaluate new programs. Four related to the Training Program. While some specialized features of placement have been singled out—Outreach, Diagnostic Services, Student Manpower Services, the total placement activity has apparently never been given a complete evaluation. This is an omission by the Department which should be immediately rectified for a number of reasons. In the long-view, the

Committee agrees with the President of Treasury Board who has recently stated his concern that the existing concentration of evaluation activity and expenditure decisions on new policy proposals should be broadened to include more consideration of old programs.<sup>6</sup> The Auditor-General has expressed a similar concern in his Report for 1975. The activity of placement, matching job seekers to job opportunities, is certainly the longest continuing responsibility of the Division.

A review of placement activities was strongly recommended by the Economic Council of Canada in its *Eighth Annual Review* in 1971. The Council explicitly rejected the piecemeal approach to the evaluation of the vast number of individual programs carried out in the Canada Manpower Centres, because such an approach could give rise to misleading conclusions about interrelated functions. The Council was concerned that no real data was available in the public domain about the effectiveness of placement function in 1971.<sup>7</sup> No such data was available to the Committee in 1975.

The Division has routinely put forward placement figures based on the departmental definition of placement as an indicator of the flow of activity in Canada Manpower Centres. The exact definition of a placement was the subject of confusion in the Committee hearings. Mr. Manion has provided a clarification of the Department's definition in a letter to the Chairman, July 21, 1975:

The word 'placement' follows the common usage in other countries, namely that it represents an employer's firm acceptance of the worker for the vacancy notified. Some difference in definition arises as between 'permanent' and 'casual' jobs in which placements are made. Canada has accepted, for want of a better measure, the definition of a 'casual' job placement as placement in a job which is to last less than one week.

In international terms, in distinguishing between permanent and casual placement this follows German practice. The U.S. Employment Service uses a three-day criterion, the United Kingdom and France make no distinction between casual and permanent placements, and Sweden keeps no placement statistics at all. This unqualified approach to total placement statistics has led one critic of the Division to suggest that "probably not since the days when the Pentagon was churning out its Vietnam body counts, have government-supplied figures opened up such a yawning credibility gap."<sup>8</sup>

The accuracy of official placement statistics was challenged as a result of the meeting at which the panel of employers appeared before the Committee. In the course of the meeting on May 1, 1975, the Manpower Division, for reasons of its own, freely offered the Committee its detailed figures regarding placements and vacancies for each of the four companies whose representatives were witnesses that day. The employers agreed that the names and figures prepared by the Division should be given to the Committee. The Departmental representative who was present, explained that the placement figures relating to the

<sup>6</sup> quoted in *Financial Post*, October 4, 1975.

<sup>7</sup> Economic Council of Canada, *Eighth Annual Review*, page 191.

<sup>8</sup> *Financial Post*, May 24, 1975.

four companies had been taken from records of Canada Manpower Centres which listed their job orders. In comparing the Department's record with the statements made to the Committee by the companies, the official acknowledged that "we could make some minor mistakes, but generally we would get a very good general ballpark figure of what has happened for each company." (19:19)

Following the hearing of May 1, in response to a direct request from the Committee, the employers concerned studied the lists provided by the Division and reported in some detail by letter their attempts to reconcile company records of placements and referrals with the corresponding record provided by the Department.

The degree of discrepancy between these two reports is indicated in a letter to the Committee from Mr. M.R. Mallory, Manager of Rubbermaid (Canada) Limited. This was read to the Minister during the hearing on June 19, 1975 and therefore forms part of the Proceedings of that day. (26:19).

Of 22 placements claimed by the Division to have been made at Rubbermaid (Canada) Limited the company could only identify seven. Procor Limited identified a similar discrepancy. The Division showed an understandable concern when the records of persons actually named as CMC placements were denied by the companies. Both the Manpower Division and the companies have described in letters to the Committee the numerous personal contacts undertaken since the Committee concluded its hearings in an attempt to sort out the discrepancies.

The evidence of confused interpretations about placement in this correspondence alone is strong enough to suggest that the accuracy of data collected on numbers is open to challenge and that a complete review of the techniques of data collection should be made as a first step in monitoring the overall effectiveness of Canada Manpower Centres. If the department collects figures on the numbers of placements made and publishes them as evidence of its success, the figures should be correct.

It is evident that the department itself does not rely entirely on gross placement figures to judge the effectiveness of placement activities in individual Canada Manpower Centres. Mr. Manion explained in a letter to the Committee on July 17:

Over time, trends are established in the referral to placement ratio and any major variation in this established trend will indicate that something unusual is occurring and requires investigation. Of far more importance in our management information is the proportion of employers' job orders which are filled and the volume of regular placements.

Cancellation of job orders is another important indicator of the efficiency of CMC operations which are carefully monitored.

Some preliminary preparation for an overall evaluation of the placement function has been set in motion recently. A 'CMC effectiveness study' is shown amongst the current pilot projects of the Division tabled and printed on March 20, 1975. (11:83) The description of this pilot project indicates that its purpose is

to establish "a valid methodology for assessing the effectiveness of Canada Manpower Centres." Eleven Canada Manpower Centres have been randomly selected for this test. The experiments being carried out in other countries and particularly in the United States Employment Service to estimate the quality of the services that their manpower centres render were described to the Committee (5:6). They may prove useful in developing an approach suitable for the evaluation of Canada Manpower Centre operations.

Recognition of the need to improve accuracy of the reported placement statistics is evident in the memorandum 'Standards of Service' sent to all CMC managers on August 22, 1975. One of these standards states: "CMC managers will establish a quality control for their own placement operations." It is explained that "while the Department intends to develop and establish an on-going placement service evaluation process, the implementation of the CMC control system will be proceeded with immediately."<sup>9</sup>

The need for a complete evaluation of both data and performance in placement activities was discussed by many witnesses who appeared before the Committee. Dr. Meltz' statement expresses their opinion:

Knowing who you place, where you place, how successful you are, where your business is, and if you are really concentrating on a certain occupation, whether you are doing a good job at that: I could not agree more that those are the important things. (14:10)

A complete evaluation of the placement function will be difficult. To design a follow-up survey to measure the effectiveness of placement beyond one week in terms of what happens to the employee who has been placed will present a formidable problem. The collection of the data for such an evaluation will add to the burden of the counsellor who already feels that he has more than he can deal with. But there is an imperative need for an evaluation of the total placement function. Everything the Committee heard or saw about the operation of Canada Manpower Centres in their relationships with both employees and employers emphasized this need. The abundant expertise evident in the operation of the Strategic Planning and Research Division must be brought to bear on the development of the methodology required to give a truly effective evaluation of this core function of the Division.

**The Committee recommends an immediate evaluation of the placement activities of the Canada Manpower Centres. This should include a complete review of the technique of data collection to establish that published figures reflect the real effectiveness of placement, not just the numerical computation of placement transactions.**

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<sup>9</sup> Letter to the Chairman, August 21, 1975

to establish a valid methodology for assessing the effectiveness of Canada Manpower Centre. Long-term Canada Manpower Centre data have been reported for this test. The experiments were carried out in three countries and particularly in the United States Employment Service to evaluate the quality of the services that their manpower centres offer. The results are reported in the Appendix (see 2.6). They may prove useful in developing an approach suitable for the evaluation of Canada Manpower Centre operations.

The next step in the evaluation of the Centre is to determine the extent to which the Centre has improved the quality of the services it provides. This is a complex task because the Centre is a multi-faceted organization. It is not possible to evaluate the Centre as a whole. It is necessary to evaluate the Centre in terms of its various functions. The Centre's main functions are: (1) to provide information on the labour market; (2) to provide training and retraining; (3) to provide job placement services; and (4) to provide career counselling. Each of these functions will be evaluated separately.

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## CHAPTER IV

### OVERCOMING THE PROBLEMS OF COMMUNICATION

Having assessed the evidence the Committee received outside of the public departmental representatives, it was overwhelmingly apparent that the Division has a problem of communication. The main reason for this was the confusion and the repeated nature of the Division's activities came through time and time again during the meetings. The Minister acknowledged this during his final meeting with the Committee.

## PART VI

### CONCLUSION

The Committee agreed with the Minister that the whole story of the recent changes in organization of personnel has not yet passed. The communication problems exist on different levels in the Division's relations with both the country-wide community it seeks to reach, and within the network of its own offices. Not enough employers have been a Canada Manpower Centre operative. Too many of them use it as a source of unskilled labour only. Not enough workers know about all the services offered to help them find employment.

The Division has failed to get across to job seekers and even worse to employers that its main function is to find jobs for those who are seeking them, especially the unemployed. As a result there exists an unfortunate public image of the service likely to be given to both employers and job seekers in Canada Manpower Centres. An extreme example is the quotation from a pamphlet now available in Canadian bookstores entitled, *A Canadian Guide to Successful Job Hunting*.

#### CANADA MANPOWER

The federal government's manpower agency is the largest and most inefficient public service in the country. Because it is government controlled and operated it can never hope to be as efficient as private agencies and, as such, it often interferes with employers. However, for first timers and those who are workers it can be useful.

This kind of image is of course related to the message attached to government employment agencies in general. The reason for this public

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... our policy approach to manpower has been different from the concepts held by the general public. I think to a degree we still suffer from that, because I do not think the whole story has yet penetrated as to the changes that have been taking place, those changes having been introduced more recently. (26:5)

The Committee agreed with the Minister that the whole story of the recent changes in orientation of programs has not yet penetrated. The communication problem exists on different levels in the Division's relations with both the country-wide community it seeks to serve, and within the network of its own offices. Not enough employers know how a Canada Manpower Centre operates. Too many of them use it as a source of unskilled labour only. Not enough workers know about all the services offered to help them find employment.

The Division has failed to get across to job seekers and even more to employers that its main function is to find jobs for those who are seeking them, especially the unemployed. As a result there exists an unfortunate public image of the service likely to be given to both employers and job seekers in Canada Manpower Centres. An extreme example is this quotation from a pamphlet now available in Canadian bookstores entitled, *A Canadian Guide to Successful Job Hunting*.

### CANADA MANPOWER

The federal government employment agency is the biggest and most inefficient job-aid service in the country. Because it is government controlled and operated it can never hope to be as efficient as private agencies and as such is often ignored by employers. However, for first timers and 'blue collar' workers it can be useful.<sup>1</sup>

This kind of image is in strong contrast to the prestige attached to government employment agencies in Europe. The reasons for this public

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<sup>1</sup>Ernest S. Kelly, Self Counsel Series, *A Canadian Guide To Successful Job Hunting*.

attitude toward Canada Manpower Centres are many. The Department must acknowledge them and seek out ways to correct them.

### **Outside the Division: Use of Consultative Committees**

A beginning has been made in the extension and increasing use of consultative committees in relation to many programs. At the national level there is the Canada Manpower and Immigration Council. On the provincial level there are the Manpower Needs Committees on training programs and the Agricultural Needs Committees on farm employment problems. At the local level the Constituency Advisory Groups have been formed to assist in the selection of Local Initiatives Projects. All of these Committees have been subjected to some form of public criticism, some because they are seen as having too much representation from federal and provincial civil servants, or as partisan politically.

But these Committees do provide a means for the Division to receive the comments of those outside the Division on how program targets of the Division are being met. The direct participation of interested people, representative of different sections of the community, is an important support in program development and policy making. Mr. Gotlieb, the Deputy Minister of the department, explained that in fact the concept of consultative committees has been fostered by the Division, first in the establishment of the Farm Labour Pools.

We developed, and in fact invented, the concept as an administrative and planning tool for dealing with manpower problems in the agricultural area. It was done precisely to encourage this notion of organizations which in a way were at arms' length with the government, which stood between the bureaucracy *per se* and the individual, because of their roots in the community....basically to involve these people in helping solve manpower problems....(26:23)

The Canada Manpower and Immigration Council has been established in law and has a continuing secretariat within the Division. It has been given general duties under the Act "to advise the Minister on all matters pertaining to the effective utilization and development of manpower resources in Canada, including immigrants..."<sup>2</sup>

This Council could be used more effectively as a means of improving communications about manpower programs with the working community at large. The examples of the National Labour Board of Sweden, the German Federal Institute of Labour, and the National Commission for Manpower Policy in the United States could be studied as models for the greater utilization of this Council in the interests of the development of effective manpower policy in Canada and effective communication with involved Canadians about that policy.

In more closely defined occupational areas one-day seminars have been held for several associations of employers at which Manpower programs were discussed and the recruitment problems of the members of the association examined. This is a particularly worthwhile technique and should continue to

<sup>2</sup> Canada Manpower and Immigration Council Act, 1967-68, para. 11(a).

be promoted whenever possible with the many occupation-related employer associations.

Traditional public relations and publicity methods now employed by the Division should be re-examined. Not enough is known even by users of the manpower services about the objectives of current manpower programs. There was ample evidence from the responses of employers to the Committee's enquiries for example that they actively resist the new social orientation of these programs. This lack of understanding must be corrected if relations of employers with the Division are to become more cooperative and mutually beneficial. The information services of the department in particular have a sensitive but vital contribution to make in assisting CMCs to bring this about.

**Representatives from industry, labour and welfare agencies on the sub-Committees of the Canada Manpower and Immigration Council should be encouraged to undertake a more active role in the clarification of the Division's objectives in the community.**

**The public relations activities now carried on by the Division should be re-examined to facilitate improved public awareness of the objectives of manpower policy. The program of seminars with employer associations should be expanded.**

#### **Inside the Division: Use of Management Review Teams**

The failure in communication within the Division itself is serious. If a clear appreciation of what the Division is trying to do has been formulated at headquarters, it is not always getting through to the operational level. Evidence of this abounded. Both staff and members of the Committee who visited Canada Manpower Centres found many instances where local practice differed widely from departmental directives described in the hearings by senior management officials. This point was also made strongly several times by witnesses who had read the submissions from the Division. The comment of one employer is representative:

I must comment, however, as forcefully as I can that between what you have been told in these submissions is happening within Canada Manpower regarding their projects, their levels of efficiency and performance, and what appears to be happening in actual practice, there exists a gap of immense proportions. (19:5)

This is one of the inevitable consequences of the quite valid decision to decentralize control of the Division into five regions. Decentralization of control may be desirable as an administrative technique, but it makes it difficult for senior management of the Division to be sure there is a uniform effort to apply directives. Decentralization should extend the effectiveness of the Division, not inhibit it. The regional directors are evidently responsible for monitoring the operations of the Canada Manpower Centres within their regions. The local CMC manager is however largely autonomous.

There is a need for a monitoring activity, a need not only to evaluate the placement function as such at this point in time, but to establish some system

of performance assessment on a continuing basis for the operation of Canada Manpower Centres. This would be a much more limited assessment than the Operation Performance Measurement System (OPMS) devised by the Treasury Board which is being gradually introduced into the federal public service. It would draw on the expertise available from the Management Services Branch but not originate there.

The Committee proposes that the Division consider the establishment of intra-departmental management-consultant style teams within each region to report to the regional director. The activity of a team such as this would be entirely constructive. It should be asked to provide management advice as well as to monitor performance. Participation in such a team should be a rotating assignment with members taken from and returning to regular CMC responsibilities. It must be stressed that this should not be contracted to outside efficiency expert organizations. Teams making recommendations for the improvement of the on-going operation of individual offices should be selected from experienced officers of the Division who have served for some time in the field, in both large and small Canada Manpower Centres.

The Department already participates in a similar team assessment of performance at Canadian missions abroad where immigration officers are located. These foreign service inspection teams could serve as a model for the home service operation. In terms of post responsibilities for budget planning and operation there is much to compare between the far-flung foreign posts and the operation of individual CMCs within a network of 450 offices located across Canada.

The assessments contained in reports from the management teams would greatly increase the degree of understanding of the regional director of the operation of the individual offices within his large territory. The complete review of the operation of a CMC would give an in-depth picture of the real performance which assessments now based on sheer numbers of referrals, placements, job orders and their cancellations, training places filled, etc. do not approach. The Division is justly proud of its dedicated staff. The establishment of manpower management consultant groups from within the Division would directly assist staff in their effective promotion of the programs of the Division in the large community they seek to serve.

**The Committee recommends that the Division consider the formation of Manpower Management Teams, one for each region, drawn from the ranks of experienced manpower officers. These officers should be temporarily assigned to the Management Teams to examine the operations of individual Canada Manpower Centres, to advise managers and staff on methods to improve the efficiency of their operation and to report to management of the Division at both the regional and national level on the degree to which standards of service are being met in the field.**

### **Concluding Observations**

The Committee has said a great deal about the need for understanding of the Division's primary responsibility to job seekers and its need for the coopera-

tion of employers in the chapters covering the four main areas of activity—placement, training, job creation and evaluation. The assessment of the programs of the Division proved to be a complex exercise. It was necessary to unravel the widely divergent interpretations of the objectives of the Department's activities, as well as to take into account the sensitivities of the provinces whose cooperation is required in some of the programs. Specific issues have been examined in each of the four areas. The recommendations relating to each area reinforce the Committee's final conclusion that the Division must initiate action to overcome not only its problems in communication with the community at large but also within the Division itself.

#### ASSOCIATIONS

Factory Control of Canada  
Toronto, Ontario

Repairs Association of Canada  
Ottawa, Ontario

Canadian Association of Equipment Distributors  
Ottawa, Ontario

Canadian Association of Motels  
Ottawa, Ontario

Canadian Construction Association  
Ottawa, Ontario

Canadian Daily Newspaper Publishers Association  
Toronto, Ontario

Canadian Dairy and Food Industries Supply Association  
Bradford, Ontario

Canadian Drug Manufacturers Association  
Hamilton, Ontario

Canadian Electrical Contractors Association  
Toronto, Ontario

The Canadian Industries of Agriculture  
Ottawa, Ontario

The Canadian Federation of Retail Grocers  
Kingston, Ontario

Canadian Food Processors Association  
Ottawa, Ontario

Canadian Institute of Planting and Rooting  
Windsor, Ontario



## APPENDIX A

### Private Submissions

Associations, Employers and Individuals submitted comments to the Committee. The Committee appreciates the time and effort involved in preparing these submissions and wishes to acknowledge their contribution in bringing this examination to a fruitful conclusion.

### ASSOCIATIONS

Bakery Council of Canada  
Toronto, Ontario

Brewers Association of Canada  
Ottawa, Ontario

Canadian Association of Equipment Distributors  
Ottawa, Ontario

Canadian Association of Movers  
Ottawa, Ontario

Canadian Construction Association  
Ottawa, Ontario

Canadian Daily Newspaper Publishers Association  
Toronto, Ontario.

Canadian Dairy and Food Industries Supply Association  
Bradford, Ontario

Canadian Drug Manufacturers Association  
Hamilton, Ontario

Canadian Electrical Contractors Association  
Toronto, Ontario

The Canadian Federation of Agriculture  
Ottawa, Ontario

The Canadian Federation of Retail Grocers  
Islington, Ontario

Canadian Food Processors Association  
Ottawa, Ontario

Canadian Institute of Plumbing and Heating  
Montreal, Quebec

The Canadian Life Insurance Association  
Toronto, Ontario

Canadian Lumbermen's Association  
Ottawa, Ontario

Canadian Paper Box Manufacturers Association Incorporated  
Toronto, Ontario

Canadian Pulp and Paper Association  
Montreal, Quebec

Canadian Restaurant Association  
Toronto, Ontario

Canadian Shipbuilding and Ship Repairing Association  
Ottawa, Ontario

Canadian Wholesale Drug Association  
Montreal, Quebec

Council of Printing Industries of Canada  
Toronto, Ontario

Housing & Urban Development Association of Canada  
Toronto, Ontario

Meat Packers Council of Canada  
Islington, Ontario

The Mining Association of Canada  
Ottawa, Ontario

Tanners Association of Canada  
Kleinburg, Ontario

Halifax Board of Trade  
Halifax, Nova Scotia

The Montreal Board of Trade  
Montreal, Quebec

The Board of Trade of Metropolitan Toronto  
Toronto, Ontario

Vancouver Board of Trade  
Vancouver, British Columbia

The Winnipeg Chamber of Commerce  
Winnipeg, Manitoba

Western Conference/Opportunities for Women  
Vancouver, British Columbia

Coin du Travailleur  
Ottawa, Ontario

Fairshare Inc.  
Montreal, Quebec

Outreach Standing Committee Yukon & British Columbia  
Surrey, British Columbia

### EMPLOYERS

Aluminum Company of Canada Ltd  
Montreal, Quebec

Armor Elevator Canada Limited  
Pickering, Ontario

The B.C. Tree Fruits Limited  
Sun Rype Products Ltd.  
Kelowna, British Columbia

Bell Canada  
Montreal, Quebec

Bralorne Resources Limited  
Calgary, Alberta

Canada Hair Cloth Co. Limited  
St. Catharines, Ontario

Canada Permanent Trust  
Toronto, Ontario

Canadian Pacific  
Montreal, Quebec

Canadian Pacific Transport Company Limited  
Don Mills, Ontario

Canadian Tire Corporation, Limited  
Toronto, Ontario

Cantire Products Limited  
Toronto, Ontario

Coca-Cola Ltd.  
Toronto, Ontario

Cornelius Manufacturing Company Limited  
Toronto, Ontario

Crossley Karastan Carpet Mills Ltd.  
Truro, Nova Scotia

Crowe Foundry Limited  
Cambridge, Ontario

Dome Petroleum Limited  
Calgary, Alberta

Eaton's of Canada Limited  
Toronto, Ontario

- Fields Stores Limited  
Vancouver, British Columbia
- Fuller Brush Company Ltd.  
Burlington, Ontario
- The G. W. Robinson Company Limited  
Hamilton, Ontario
- Gaultois Fisheries  
St. John's, Newfoundland
- General Foods Limited  
Toronto, Ontario
- George Weston Limited  
Toronto, Ontario
- Gould Manufacturing of Canada, Ltd.  
Niagara Falls, Ontario
- The H. Krug Furniture Co. Limited  
Kitchener, Ontario
- Hartz Mountain Pet Supplies Limited  
St. Thomas, Ontario
- Hawker Siddeley Canada Ltd.  
Vancouver, British Columbia
- Hayes Trucks Ltd.  
Vancouver, British Columbia
- Heublein (Canada) Inc.  
Rexdale, Ontario
- Hoffmann-La Roche Limited  
Vandreuil, Quebec
- The House of Seagram Ltd.  
Montreal, Quebec
- Hudson's Bay Company  
Toronto, Ontario
- Industrial Mill Installations Ltd.  
Burnaby, British Columbia
- Interbake Foods Limited  
Toronto, Ontario
- Inter-City Gas Limited  
Winnipeg, Manitoba
- J. W. Rudderham Ltd.  
Sydney, Nova Scotia
- James Richardson & Sons, Limited  
Winnipeg, Manitoba
- Leaver Mushrooms Co. Limited  
Mississauga, Ontario

Leigh Marsland Engineering Limited  
Waterloo, Ontario

MacMillan Bloedel Limited  
Vancouver, British Columbia

Maritime Telegraph & Telephone Company Limited  
Halifax, Nova Scotia

Massey-Ferguson Industries Limited  
Toronto, Ontario

Midland Industries  
Midland, Ontario

Nashua Canada Limited  
Peterborough, Ontario

Neonex Housing Industries  
Calgary, Alberta

Polysar Limited  
Sarnia, Ontario

Procor Limited  
Oakville, Ontario

Reimer Express Lines Ltd.  
Winnipeg, Manitoba

Reynolds Extrusion Company Limited  
Richmond Hill, Ontario

Riverside Yarns Limited  
Galt, Ontario

Rolls-Royce (Canada) Limited  
Lachine, Quebec

Rubbermaid (Canada) Limited  
Mississauga, Ontario

St. Lawrence Sugar  
Montreal, Quebec

Sicard Inc.  
Ste-Therese, Quebec

Simpsons, Limited  
Toronto, Ontario

Singer Company of Canada Ltd.  
St. Jean, Quebec

Somerville Industries Limited  
London, Ontario

Standard Structural Steel Ltd.  
Montreal, Quebec

Star Transfer Limited  
Timmins, Ontario

The Steel Company of Canada Limited  
Toronto, Ontario

Texaco Canada Limited  
Dartmouth, Nova Scotia

Velan Engineering Companies  
Montreal, Quebec

Wabco Ltd.  
Hamilton, Ontario

Wells Construction Ltd.  
Edmonton, Alberta

West Fraser Group  
Quesnel, British Columbia

The White Pass and Yukon Corporation Limited  
Vancouver, British Columbia

Woodward Stores (Vancouver) Limited  
Vancouver, British Columbia

Woods-McClellan Pot Sulphur Limited  
Edmonton, Alberta

Woods-Sudbury Cement Co.  
Vancouver, British Columbia

Woods-Tracks Ltd.  
Vancouver, British Columbia

Woods-Whitely (Canada) Inc.  
Toronto, Ontario

Wright-McClellan Engineering Limited  
Vancouver, British Columbia

## APPENDIX B

### WITNESSES WHO APPEARED BEFORE THE COMMITTEE

<u>Issue Number</u>	<u>Date</u>	<u>Witness</u>
4	February 13, 1975	The Honourable Robert Andras Minister of Manpower and Immigration Mr. A. E. Gotlieb Deputy Minister of Manpower and Immigration Mr. J. L. Manion Senior Assistant Deputy Minister (Manpower)
5	February 20, 1975	(From the Department of Manpower and Immigration) Mr. J. L. Manion Senior Assistant Deputy Minister (Manpower) Mr. J. A. Hunter Director of Manpower Co-ordination Branch Mr. D. G. Wallace Regional Director, Prairie Region Mr. S. Magun Chief, Quantitative Methods Division, Strategic Planning and Evaluation Group
6	February 27, 1975	(From the Department of Manpower and Immigration) Mr. J. L. Manion Senior Assistant Deputy Minister (Manpower) Mr. J. D. Boyd Director General Ontario Region Mr. Jean Lagace Chairman, Task Force, Manpower Services to Native People
7	March 6, 1975	(From the Department of Manpower and Immigration) Mr. J. L. Manion Senior Assistant Deputy Minister (Manpower) Mr. P. C. Mackie Director General, Job Creation Branch Doctor P. B. Fay Director General, Strategic Planning and Evaluation Group Miss Lynn Taylor Director, Local Employment Assistance Program (LEAP)

<u>Issue Number</u>	<u>Date</u>	<u>Witness</u>
9	March 13, 1975	(From the Department of Manpower and Immigration) Mr. J. P. Lefebvre Director General, Manpower Training Branch Dr. P. B. Fay Director General, Strategic Planning and Evaluation Group Mr. D. Toupin Director General, Manpower Client Services Branch Mr. W. J. Hurd Director, Manpower Training Branch Pacific Region Mr. J. A. Hunter Director, Manpower Co-ordination Branch Mr. G. C. Botham Director, Institutional Training Division
11	March 20, 1975	The Honourable Robert Andras Minister of Manpower and Immigration Mr. A. E. Gotlieb Deputy Minister of Manpower and Immigration Mr. J. L. Manion Senior Assistant Deputy Minister (Manpower)
12	April 10, 1975	Mr. R. Baetz Executive Director, Canadian Council on Social Development Mr. K. Collins Canadian Council on Social Development
13	April 16, 1975	Mr. W. Coke Vice President, Manpower Temporary Services
14	April 17, 1975	Dr. Noah Meltz Associate Chairman, Department of Political Economy, University of Toronto
15	April 23, 1975	Mr. Joseph Mell Chairman of the Board of Directors, Fairshare Incorporated Mr. M. Gonzales Director of Fairshare Incorporated Mr. Steven Reynolds Placement Counsellor, Fairshare Incorporated
16	April 24, 1975	Dr. Stefan Dupré Professor of Political Economy, University of Toronto and Chairman of the Ontario Council on University Affairs

<u>Issue Number</u>	<u>Date</u>	<u>Witness</u>
17	April 30, 1975	Mr. Charles Caccia Member of Parliament for Davenport, Toronto
18	May 1, 1975	Dr. André Raynauld Chairman of the Economic Council of Canada Mr. John Dawson Director of the Economic Council of Canada Mr. Robert Jenness Director of the Labour Markets Group, Economic Council of Canada
19	May 14, 1975	Mr. Malcolm R. Mallory President and General Manager, Rubbermaid (Canada) Ltd. Mr. M. C. Dressler Vice-President, Hoffmann-LaRoche Limited Mr. Norman Fust Director of Personnel, Hoffmann-LaRoche Limited Mr. A. C. Dibblee Director of Personnel, Procor Limited Mr. M. H. MacKenzie Director of Personnel, Hudson's Bay Company
20	May 15, 1975	Dr. William R. Dymond Deputy Director, Directorate for Social Affairs, Manpower and Education, Organization for Economic Co-operation and Development (O.E.C.D.)
21	May 21, 1975	Mr. W. B. Thompson Chairman of the Community College, Province of New Brunswick
22	May 22, 1975	(From the Canadian Food Processors Association) Mr. Elmer T. Banting Executive Vice-President Mr. Russell Oke Director of Administration, Libby, McNeil & Libby of Canada Limited Mr. Don Coates Employee Relations Manager, York Farm Division of Canada Packers Mr. Henry Penner Area Personnel Supervisor for Canadian Cannery Limited  (From the Canadian Restaurant Association) Mr. Jack Hemmings Vice-President Mr. Robert Spencer President of the Ontario Division, and President of Obie's Loves Families Restaurants Mr. C. Clyne Division Vice-President of Commonwealth Holiday Inns and their Director of Personnel

<u>Issue Number</u>	<u>Date</u>	<u>Witness</u>
23	May 28, 1975	(From the Vancouver Board of Trade) Mr. Donald G. McGill President Mr. Alex E. Scoten Assistant General Manager  (From the Montreal Board of Trade) Mr. E. Lorne Tracey General Manager Mr. G. S. Heath Division Personnel Manager, Canadian Eastern Division, Household Finance Corporation Mr. R. Charpentier Employee Relations Manager, Schering Corporation
24	June 5, 1975	(From the Department of Manpower and Immigration) Mr. D. R. Campbell Assistant Deputy Minister, Strategic Planning and Research Division Dr. P. B. Fay Director General, Strategic Planning and Evaluation
25	June 11, 1975	(From the Canadian Construction Association) Mr. Henry de Puyjalon President Mr. Georges Desrochers Director of Manpower Resources and Labour Relations Mr. Jean Pierre Langlois Director of Labour Relations for the Construction Association of Montreal and the Province of Quebec Mr. Michel Dagenais Manpower Development and Manpower Resources Advisor for the Construction Association of Montreal and the Province of Quebec  (From the Canadian Federation of Agriculture) Mr. William Hamilton Associate Executive Secretary Dr. M. Bursa Senior Economist Mr. J. McGuigan Representative of the Ontario Fruits and Vegetables Growers Association  (From the Mining Association of Canada) Mr. William Costello Executive Assistant to the Managing Director Mr. Noel G. Ashby Vice-President, Community Affairs, Hudson Bay Mining & Smelting Co. Ltd., Toronto

Issue  
Number

Date

Witness

26

June 18, 1975

Mr. Lorne M. Ames  
Superintendent, Personnel and Industrial  
Relations, The International Nickel Company  
of Canada Limited, Thompson, Manitoba  
Mr. A. T. Redden  
Director of Manpower Planning,  
Noranda Mines Limited, Toronto

The Honourable R. Andras  
Minister of Manpower and Immigration  
Mr. A. E. Gotlieb  
Deputy Minister of Manpower and Immigration  
Mr. J. L. Manion  
Senior Assistant Deputy Minister (Manpower)

Date: \_\_\_\_\_  
 To: \_\_\_\_\_  
 From: \_\_\_\_\_  
 Subject: \_\_\_\_\_

CONFIDENTIAL

Date: \_\_\_\_\_  
 To: \_\_\_\_\_  
 From: \_\_\_\_\_  
 Subject: \_\_\_\_\_











