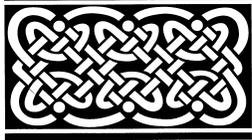


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INSTITUTE OF
SOCIAL POLICY

Reintegrating the Unemployed Through Customized Training

by

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June 1999

ISBN - 1894159-47-0

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I would like to thank the Centre for the Study of Living Standards for inviting me to present a paper at the CSLS Conference on the Structural Aspects of Unemployment. I have been asked to address the issue of how the unemployed might be reintegrated into the labour market through a special form of training, referred to as ‘customized’ or ‘tailor-made’ training.

This paper first explains briefly the concept of customized training. It then provides examples of programs that have used this approach to help the unemployed enter or reenter the labour market. Finally, the paper explores the implications of this training model as well as its potential for broader application.

Customized training has had a limited, but successful, track record in Canada for tackling the problem of structural unemployment – i.e., the mismatch between the skills demanded by employers and the skills of workers available to fill job vacancies. But I would argue that this form of training also has tremendous potential for filling the human resource gaps in emerging scientific and technical fields.

Under customized training, a designated organization works with local employers to identify the training needs for certain targeted jobs. The designated organization provides short-term, intensive training that prepares individuals for the identified jobs. The partner companies, in turn, use the designated organization as a hiring ‘window’ because it already has prescreened and trained prospective workers.

Customized training should be understood for what it is – one method of facilitating labour market entry and reentry. But while customized training is described as a discrete approach, it nonetheless is linked intrinsically to a range of interventions geared towards labour market integration.

Range of Interventions

The successful integration or reintegration of the unemployed into the labour market requires a combination of interventions. Some of these measures focus upon individual workers by ensuring that they have the appropriate skills to bring to the labour market. Other interventions are concerned with removing barriers to work, such as the lack of affordable child care or accessible transportation. Still other labour market integration approaches are directed towards the creation of jobs, through support for initiatives such as self-employment and small business development.

While a range of strategies is needed to tackle high unemployment, the problem of structural unemployment requires a focus upon the readiness of prospective workers to enter or reenter the labour market. But even within the more narrow stream of interventions that target the preparedness

of the individual, there is still a wide spectrum of possible strategies. Individual workers are helped through interventions such as assessment, counselling, job search and various forms of education and skills training.

The research on labour market integration – particularly with respect to moving welfare recipients into the workforce – emphasizes the importance of a mix of job preparedness approaches. The interventions ultimately employed for any given individual will depend upon several factors, including current levels of knowledge and skill, job availability in the local area, skill demands by local employers and the training programs provided in the region.

If there is one consistent theme that emerges from the wide and diverse literature on welfare reform, it is the following: There is no one consistent theme. There is no one ‘magic bullet’ solution to labour market integration – just as there is no single solution to structural unemployment more generally. Each approach must be understood as a node on a continuum of possible interventions. Each approach has its strengths and weaknesses and, ideally, should be used in unique combinations depending upon the demands of the local labour market and the capacities and interests of the prospective worker.

Labour market integration strategies include pre-employment preparation, short-term preparation and skills training, the reduction of personal barriers, job retention and worker adjustment, workplace adjustment, income enhancement and career advancement [Roberts and Padden 1998: 6-7]. While all these elements are important, this paper explores only one of the components – short-term preparation and skills training – and within that broad category, the customized training model.

Principles of Customized Training

There is no single approach to customized training but rather a range of different models. While the specifics vary, the general story goes like this.

A designated organization assumes responsibility for identifying job opportunities in various sectors of the local economy and in specific workplaces. These include both current vacancies and impending job demands. While the designated organization in the models that I will describe are community-based, nonprofit groups, the ‘job identifier’ need not be limited to this type of organization.

Typically, the identification of employment opportunities involves far more than a cursory review of ads in community newspapers. It entails a systematic, methodical and in-depth exploration of the local labour market. In some programs, this process is referred to as ‘job

development.’ Job developers meet with local employers and often find jobs that were not advertised; sometimes they uncover work opportunities that employers themselves had not explicitly classified as a discrete ‘job’ but nonetheless recognize as work that must be done.

But the task of the job developer is not simply to count vacancies. Job developers are also responsible for determining the skill requirements associated with the vacancies and with local employment opportunities more generally.

The designated organization assesses the skills, knowledge and abilities of individuals who are currently unemployed or underemployed. Participants in customized training programs tend overwhelmingly to be welfare recipients, although the approach need not be limited to this population.

The designated organization then provides very short-term, intensive and job-specific training that prepares individuals for the identified jobs. Training modules range from 16 to 160 hours and incorporate an introduction to the industry, work readiness, job-related computer literacy, customer service skills and other job-specific skills [Roberts and Padden 1998: 60]. In some cases, the designated organization does not actually deliver the training but partners with a company or an educational institute, such as a local community college, to teach the requisite skills.

The designated organization also helps match the trained participants with the appropriate job opportunities. The local companies that have been engaged in this process typically use the designated organization as their ‘hiring window’ because the program participants have been pre-screened for their suitability to the work. They have been trained explicitly to fill the *precise* job requirements identified by local employers. While there is no guarantee that the trainees will be hired by the firm, it is clearly in the interest of business to employ workers with job-ready skills.

Customized training differs from traditional training in several key ways.

Because the training generally offered by community colleges or private institutes takes (at least) several months, many unemployed workers cannot go without a source of income for so long. Ironically, some remain on welfare because they cannot afford to leave. Even those eligible for a student loan may be daunted by the prospect of carrying a large debt load with no job security at the end of the day.

Of course, the affordability issue is not insurmountable and could be addressed through a combination of loans, grants and subsidies. The real issue in my view has to do with the *appropriateness* of traditional training approaches. The latter typically provide general instruction but must be supplemented by job-specific training. The customized training approach, by contrast, designs the training *right from square one* to meet precise job requirements.

Current Models

i. Opportunities for Employment

In Canada, one of the most advanced models of customized training has been developed by the Winnipeg-based Opportunities for Employment. It is a nonprofit organization created in 1996 by the Mennonite Central Committee, Mennonite Economic Development Associates and Eden Health Care Services.

Opportunities for Employment operates under an agreement with the Manitoba government and Human Resources Development Canada. The organization receives payment from the province when job seekers actually have found work and remain employed full time for a minimum of six months. Full-time work is defined as 30 hours or more per week. (The total can be reached by adding up the hours from several different jobs – an arrangement suited to a labour market that increasingly has been generating part-time, term, casual and contractual work.)

Clearly, Opportunities for Employment – or any organization carrying out the job identification and training function – must be creative and entrepreneurial in order to sustain its operations. But the minimum six-month requirement is a safeguard to help ensure appropriate placements. The goal of the program involves far more than making placements at any cost, whether or not these are a good match. Successful placements are selective placements.

From the perspective of participants, the program has a number of phases. It begins with a group orientation to explain the overall approach and specific components of the program. Applicants are then assessed to determine readiness for the program as well as their areas of interest, expertise, knowledge and skills. Almost all referrals are accepted.

The next step is a job readiness component that focusses upon preparedness for work. It includes discussions of self-concept, attitudes towards work (e.g., punctuality, reliability), preparation of personal résumés and the interview process. Participants subsequently are directed to job-specific training courses. These courses typically are very short term, ranging from three days to a maximum of six weeks. They are geared to designated jobs identified by ‘partner companies’ in the community.

The job vacancies are sought out by job developers within Opportunities for Employment who make extensive contacts with local employers. The role of the job developers is to meet selected employers, explore the range of employment possibilities at those workplaces and identify the program participants most appropriate to fill the positions. Job developers also help participants seek positions on their own.

But the job developers do more than simply provide information about job vacancies: Developers effectively act as job brokers who make the link between the opportunities and the people. Employment brokering combines training, job counselling and support services (such as referral to child care or transportation options) to help connect workers and employers. If a placement does not work out, the job developers explore other opportunities with the participant.

To date, the employers for which training programs have been developed include furniture and building component manufacturers, hotels, insurance firms, call centres, food services, and food producers and manufacturers. Training in computer software is offered to help participants fill administrative positions in a wide range of firms.

Some of the training takes place at the workplace itself or on other premises to enable prospective employees to become acquainted with precisely the equipment they will use if hired. A power tools training course, for example, is taught at a special workshop.

By the end of its first year of operation, Opportunities for Employment had helped 130 welfare recipients find full-time, long-term employment, exceeding by 20 percent its placement target for year one. By the second year of operation, close to 375 welfare recipients had been matched to full-time jobs – surpassing the initial goal of 250 placements in two years. In 1998, 491 participants found full-time employment. By April 1999, the program had passed the 1,000 mark for placements since its inception in 1996.

Nearly 70 percent of all recruits placed in full-time jobs are still employed.

Opportunities for Employment ensures this success by providing ongoing support to help new recruits stay in their jobs. This form of post-employment follow-up has been identified as an important component of successful welfare-to-work models. The US-based Post-Employment Services Demonstration (PESD) project, which created separate post-employment case managers, found that early and regular contact with participants was critical to job retention [Battle 1999].

ii. Learning Enrichment Foundation

The Learning Enrichment Foundation (LEF) in Toronto is another example of an organization that employs customized training. It serves an estimated 5,000 clients a year, about half of whom are involved in LEF training programs. LEF claims an 80 percent success rate – which means that participants remain in their jobs for a minimum six-month period.

The Learning Enrichment Foundation provides an integrated package of services that includes job search, training, business incubation (described below), assistance with job placement

and work-related supports, such as child care. Within this broad spectrum of programs, LEF offers customized training in four major streams: computer applications, industrial skills, child care and language skills.

The computer applications field includes a five-week basic training course. Three weeks are spent on basic hardware; keyboarding skills; use of Windows, the Internet and e-mail; and basic Word skills. Two weeks of the course are spent on résumé writing, interview skills and eliminating employment barriers. Participants then target their market and make employer contacts through LEF's Action Centre for Employment (described below).

Another computer course teaches accounting skills. It is a seven-week program that involves five weeks of computer skills, including general ledger, accounts payable and accounts receivable. The remaining two weeks are spent on self-marketing and targeted job search. A 17-week course focusses upon building, 'troubleshooting' and repairing computer hardware; once again, the last two weeks are spent in the Action Centre for Employment (all LEF courses incorporate a self-marketing component). LEF's range of computer courses are Microsoft Authorized; it is the first nonprofit Microsoft Solution Provider in Canada.

Industrial training focusses on the logistics, warehousing and maintenance fields. A seven-week course in forklift training offers theory and 28 hours of practical experience in forklift operation. LEF has set up an area in its warehouse facility in which forklift driving and operation are taught; the many holes in the wall represent living proof of a training program in 'action.'

The forklift training course includes first aid and WHMIS (Workplace Hazardous Materials Information System) certification as well as computer training. Both the skills and certification give participants an edge in job interviews. The final two weeks are spent in job search. A more extensive three-month program builds on the shorter course by adding building maintenance skills which include basic electrical wiring, basic construction and renovation skills as well as proper use of maintenance machinery. A welding component is incorporated if employers require that specific skill. This program allows more time for those who are unemployed on a longer-term basis to adjust and prepare for work.

The Learning Enrichment Foundation recognized very early that many prospective participants would not be able to partake of its programs – be it language, skills training or job search – unless they had access to affordable, high-quality child care. In response to this need, LEF set up its own network of child care centres and currently operates 13 licensed centres throughout the city for about 650 children.

The program also trains participants as early childhood assistants. The course combines practical experience with 'classroom' work in the areas of child development, curriculum planning,

and safety and nutrition. Graduates receive a certificate as an early childhood assistant as well as certification in emergency first aid and childhood CPR. Graduates are helped to find employment in child care centres, family resource programs, drop-in centres and in private families as nannies.

The child care centres are integrated within other LEF programs. The centres receive food from the community kitchen that LEF has set up as a restaurant and catering training facility. The kitchen prepares and delivers 650 meals a day to child care centres throughout the city and also serves high-quality, low-cost meals to participants in other LEF programs, for a total 850 meals a day.

Language training includes business English, family literacy, and basic and advanced computer literacy. Five levels of English training are offered and weekend courses are scheduled to accommodate the needs of those already working or who have child care responsibilities.

In addition to providing customized training, LEF supports the ‘incubation’ of businesses. Business incubators help entrepreneurs set up small businesses. LEF teaches business-related skills in management, marketing and technology support as well as communication and presentation skills. Prospective entrepreneurs also have regular one-on-one business counselling sessions.

The need for new customized training programs is identified in several ways. In some cases, employers approach the Foundation and request that a special training program be developed. For example, after hiring LEF’s graduates, a large local manufacturing company engaged LEF to train its employees with skills in delivery, shipping and receiving forklift safety. The company paid for the training and continues to utilize LEF as its trainer and recruiter of choice.

Training needs are also identified by program participants through LEF’s Action Centre for Employment. Participants are coached in making calls to local employers in their respective areas of interest. The purpose is to identify the recruitment needs of local employers and secondarily to ascertain training needs. About 80 participants make an estimated 20 calls a day for a total of 1,600 calls daily.

These calls result not only in a listing of skills that local employers are seeking but also uncover 25-100 new jobs a day which are then posted for all LEF participants. Because the calls inquire as to the training needs of local business rather than participants’ job needs only, they learn the skills of communicating with prospective employers without the fear of personal rejection.

LEF does more than identify the skill requirements of the local labour market. It is also developing new ways of assessing employees’ skill pool. The purpose of this assessment is to determine possible areas for further training, self-employment and the ‘cross-over’ of existing skills to available work.

LEF is building on the work developed by the Lasso Communications Life Learning System. This is a computerized profile of individual knowledge and skills. It documents the learning maps for individual positions within the network of employers that hire LEF graduates, and links those learning maps to relevant skills training programs. It acts as a portfolio of life experience and can be used to determine current skills and future training needs, depending on employee and client interests as well as local labour market requirements.

LEF believes that the Life Learning System will assist in formalizing its targeted training efforts and give the Foundation the ability to link those efforts with small and medium-size companies. The Life Learning System makes professional development affordable for smaller companies by linking them to LEF training, and involves unemployed and employed trainees in the classroom.

LEF is engaged in ongoing discussions with private sector companies, such as Molson, regarding the integration of the Life Learning System with the companies' respective professional development methods. In the case of Molson, employees will be able to call up from their own desktop their personal learning profiles and assess both their current abilities and future training needs. They can pursue their personal learning maps by registering for courses online or launching materials over the network.

iii. Other Projects

The Social Services Department of the Regional Municipality of Ottawa-Carleton also has experimented with customized training. It created a program in conjunction with the Ottawa Tourism and Convention Authority to train welfare recipients for various positions in local hotels. Based on the success of this initiative, the Social Services Department is developing additional training programs with the Ottawa Tourism and Convention Authority.

The Transitional Skills Grants program operates in Ontario and is coordinated by the Department of Human Resources Development Canada. The program incorporates some features of customized training. Under the program, a return-to-work action plan is developed by the prospective worker in conjunction with an employment counsellor. Grants are provided to cover the costs of training and skill development geared to the identified needs and interests. The fact that the plan must be approved by an employment counsellor helps ensure that the selected training will be both market-relevant and of high quality. The program is funded through Employment Insurance (EI) premiums and is available only to those eligible for EI benefits or unemployed workers who have received EI within the past three years.

There are several examples of successful American models of customized training.

Winnipeg's Opportunities for Employment is modelled after a US program entitled America Works – a private, for-profit organization operating in New York City, Albany, Indianapolis and Baltimore. The staff develop contacts with employers and match prospective employees with these jobs.

A similar but nonprofit organization in Cleveland, Ohio, trains and places recipients with an estimated 650 employers in full-time jobs, many of which provide health benefits. Cleveland Works offers four weeks of job-readiness training and basic education, followed by another four weeks of career assessment and occupational training for specific jobs. It sends only job-ready workers to prospective employers and typically declines to fill positions if suitable candidates are unavailable [Cleveland Works Inc. 1997: 6].

In Tulsa, Oklahoma, a nonprofit organization called 'IndEx Inc.' combines on-site training with work experience in local industrial plants. On a given day, participants spend four hours in the classroom and four hours on the shop floor performing light manufacturing work. Training consists of a 30-day program that teaches basic skills and some educational upgrading, and a 60-day program specializing in electronics and telecommunications. The program has been found to be particularly effective for welfare recipients with limited schooling and work skills [Buck 1997: 5,11].

Another successful example is located in Philadelphia. When its Convention Center began development in the 1980s, the authority responsible for the project created a \$10 million, ten-year Education and Training Fund financed by bonds and hotel bed tax revenues. The Fund was set up to support short-term, specialized training in the hospitality industry to ensure sufficient numbers of skilled workers for the 4,500 permanent jobs that the Convention Center was slated to create [Center for Neighbourhood Technology 1993: 14].

The Arizona Department of Economic Security has responsibility for human resource and job training. It established the Arizona Business Initiatives Partnership to help the Department get more accurate and detailed information on the skills required in various industries and to develop closer ties with employers. Through the partnership, the Department is able to identify the specific skills for designated industries including electronic assembly, health care, restaurant, retail and teleservices [Roberts and Padden 1998].

Private sector employers are then engaged in assisting the Department to develop pre-employment training programs targeted to their industry. The training is provided by community colleges, private trainers and temporary staffing agencies. The training typically lasts less than two weeks and ensures that participants are introduced to the industry and made familiar with relevant terminology and appropriate equipment.

Increasingly in the US, employer groups representing the banking, electronic assembly, hospitality, retail and restaurant sectors are partnering with public agencies to support pre-

employment training programs directed towards a designated industry sector. In addition to the activities of specific sectors, several individual employers have designed their own short-term training programs.

A notable example is the Marriott Hotel that has developed a community training and employment program called 'Pathways to Independence.' The job placement component includes a toll-free 24-hour employee support line staffed by social workers. (The Marriott Hotel in Winnipeg is a partner in the Opportunities for Employment project.) United Airlines, Burger King and Borg-Warner Security Corp. are involved in similar initiatives.

In short, customized training has achieved a promising degree of success in the programs in which it has been tried. The factors that appear to contribute to its success include the fact that they involve a very clear job development function in which the needs of local employers are systematically identified. Training programs are designed precisely around the skills required by local employers. Participants are matched carefully with prospective training programs and are placed selectively into available jobs; there is a strategic brokerage process in place. Ongoing monitoring and post-placement support are provided to deal with barriers or conflicts that might arise on the job.

Key Issues

In the various programs in which customized training has been employed, it appears to be a successful method of helping the unemployed move into or reenter the labour market. But it does give rise to some key issues that warrant further consideration.

i. The 'work first' solution

The roots of customized training can be traced to the United States. Since the 1960s, the US has tested numerous welfare 'reforms.' While a range of programs has been developed over the past 40 years, experimentation has accelerated in response to a recent federal law.

In 1995, the US government decided to block grant its welfare contribution to the states – much like Canada did when it dismantled the cost-shared Canada Assistance Plan and converted it to the block-funded Canada Health and Social Transfer. Washington passed the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 which replaced the former Assistance for Families with Dependent Children program (AFDC) with Temporary Assistance for Needy Families – a title that speaks volumes as to how the Act intends to reduce welfare caseloads.

By 2002, 50 percent of a state's welfare caseload must be involved in work activities for 20 or more hours a week. Failure to meet this target means that a state faces possible funding reductions.

The US legislation has encouraged the development of many welfare reform initiatives, including what has become known as the 'work first' model. Work first programs seek to move people from welfare into unsubsidized jobs as quickly as possible and make job search a central focus of the program. What distinguishes work first programs is their underlying philosophy: that any job is a good job and that the best way to succeed in the labour market is by joining it, developing work habits and skills on the job rather than in a classroom [Brown 1998: 2].

Some would argue that customized training is consistent with the work first approach. While customized training acknowledges the importance of getting participants into the labour market, this form of training is actually far more than a work first strategy.

Customized training is essentially a *skills first* approach. Because the skills training happens to be short term, it can be confused with a work first approach. But the intent of customized training is not simply to find a work placement for the unemployed who then acquire skills on the job. Rather, the intent is to ensure that the individual is suitably qualified for the job *prior to* going to work. Customized training is really a 'work second' approach.

ii. 'Narrow' scope?

Some might say that customized training is far too narrow in its focus – that a true investment in skills development is broader and more generic than a tailor-made approach. It could be argued that a real investment in human resource development prepares prospective workers for the labour market more generally and for any number of jobs that may become available. A training program that is so highly geared-to-market can make recipients vulnerable to the fortunes of a particular firm or sector.

The counter-argument is that the approach helps open doors for prospective workers by enabling them to get a toehold in the labour market. It is true that some workers will stay in those entry-level jobs forever. Others, however, will use those jobs as a way to advance in a company or industry, or simply as work experience on a résumé which they then can bring to other employers.

Moreover, as noted, customized training is, by definition, a highly focussed strategy. That targeted approach has contributed to its success. Its 'narrow' scope is offset by the fact that it is intended as one methodology in a continuum of interventions.

iii. Limited scale

Concerns have been expressed over the scale limitations of customized training. Programs that employ this approach to labour market integration typically have been able to serve only small numbers of people at a time. Scale – or the limited size of the operation – has been seen as a serious weakness of the approach. The programs generally accept only a few hundred participants a year (LEF serves several thousand) – although there is great potential for application of the model to other communities. *But it is important to recognize that many of these programs have been successful precisely because they are small and that making them larger actually could lead to failure rather than greater success.*

It also could be argued that it is not so much the approach that is limited but rather the way in which current programs – at least in Canada – have been funded. Customized training programs have not been supported by government or industry in any consistent or systematic way. They have had to operate on shoestring budgets.

Moreover, government training funds tend to be tied to individuals and there is no investment in the infrastructure of the actual program trying to deliver the service. This lack of core support makes it difficult to serve the entire community. The limits in scale may be more a function of what we have not done to support these programs rather than their inherent weaknesses.

The Learning Enrichment Foundation, for example, receives funds in respect of clients on Employment Insurance and participants in the Ontario Works program. But LEF's purpose is to serve the entire community; it finds that there are many unemployed – young people, new Canadians, those involved in the corrections system and the underemployed – who do not come with training dollars 'attached' to them from various income programs, especially Employment Insurance. This gap leaves the Foundation struggling to make ends meet with respect to providing training for all, regardless of their background or work history.

There is also the age-old issue that arises around any discussion of welfare reform. Welfare caseload reduction does not equal poverty reduction. Recipients who move off welfare into work often find that they are no better off in terms of disposable income – indeed, may be worse off – than when they received income assistance. Their typically low wages are reduced by income and payroll taxes, and they face employment-related expenses, such as clothing, transportation and child care.

Some of the jobs for which customized training takes place pay minimum wage. Opportunities for Employment in Winnipeg sees these jobs as stepping stones to better employment. The program is based on the premise that it is easier for people to go from low-paying work into higher-paying work than it is to move to a good job from no job at all.

Reintegrating the Unemployed Through Customized Training

While one can debate this issue, the arguments would touch only the tip of the iceberg of a more profound problem. The labour market has been creating low-wage, low-skill employment. Gordon Betcherman pointed this out years ago in his landmark study *Good Jobs, Bad Jobs* [Economic Council of Canada 1990]. Customized training – or any training for that matter – cannot resolve the problem of ‘bad jobs’ that pay poorly and offer few, if any, benefits.

But I would argue that customized training can play an important role in ensuring that we are able to get and keep the so-called ‘good jobs’ – the well-paying, highly skilled jobs that are crucial to the economic health of the country. Customized training has been identified as a means to build skills, help workers move into higher-paid employment and promote human resource development in very highly skilled areas of the labour force. This potential is discussed more fully below.

Finally, customized training typically is not geared to meeting the needs of the hard to serve – those with serious language and learning difficulties and/or significant personal or family problems. To the extent that customized training builds on the strengths of those who already have a good basis of language and interpersonal skills, it could be said that this method is inherently successful because it effectively ‘creams’ the best candidates.

That may be true. But it is important to note that effective integration of the unemployed in the labour market calls for different approaches for varying levels and types of needs. The US-based Aspen Institute has identified several discrete categories of economically disadvantaged groups that could benefit from training and job creation strategies: the working poor, the unemployed, the persistently unemployed, the dependent poor and the indigent [O’Regan and Conway 1993: 6-9].

The working poor refer to part-time, full-time or self-employed workers whose wages fall below the poverty line. While these workers are connected to the mainstream economy, they are paid low wages and have few job-related benefits, such as dental or prescription drug coverage or private pensions.

The unemployed include individuals who are new entrants to the labour market as well as those reentering after a period of absence. The actual numbers of unemployed are higher than official estimates which exclude workers who become discouraged and no longer actively seek employment.

The persistently unemployed fall outside the mainstream labour market and have limited skills and little or no previous work experience. This category includes inner-city young adults and isolated rural populations.

Welfare recipients are classified as the dependent poor. While they rely on income support, many have employment potential. They require training or upgrading or may need supports, such as affordable child care or assistance with job search and transportation costs.

Finally, the 'indigent' refer to individuals with no viable means of support. This category includes homeless persons and other groups at risk of becoming homeless, such as persons in mental health treatment facilities and those with problems of substance abuse.

Rigid categorization is inappropriate because of the significant movement between groups – e.g., from welfare poor to working poor or from conventionally unemployed to persistently unemployed. Nonetheless, these categories are helpful in a general way to determine the most appropriate interventions for a given population.

The working poor and unemployed can benefit from certain strategies, such as small business creation and the provision of capital for self-employment. The persistently unemployed and dependent poor, by contrast, would benefit more from competency-based training and supports, such as child care and workplace accommodation. Those deemed indigent, such as homeless persons, require assistance with basic needs, provision of shelter and, possibly, mental health or substance abuse services prior to considering job creation [Torjman 1998a].

Customized training clearly is a method that best suits a certain segment of the unemployed and is not appropriate for all [Roberts and Padden 1998: 68]. It appears most relevant to prospective workers who are considered 'job ready.' But again, that conclusion is the key lesson of welfare reform initiatives more generally: There is no one-size-fits-all solution that meets all needs.

Are We Equipped?

If customized training is an important weapon in the arsenal against structural unemployment, we then have to ask whether we are equipped to carry out this training on more than a scattered, haphazard basis. Customized training is so simple a concept. Yet we appear to have so much trouble putting it into practice. Our current systems are not geared up for this form of training. There are several problems including the 'culture' of current welfare programs, the availability of labour market information and funding issues.

i. Welfare culture

One major problem is that welfare departments, in particular, generally have not had close links with private employers. Neither have they typically engaged the private sector in developing approaches to welfare reform.

To work closely with the private sector, welfare agencies must be able to act flexibly, responsively and creatively. This is not the case with welfare agencies as we know them – weighed down by large caseloads and Byzantine rules [Torjman 1998b]. Customized training calls for an entrepreneurial way of managing not just the welfare system but human resource development more generally.

Studies of various welfare reform initiatives make clear the fact that the labour market is the key dimension through which welfare-to-work programs achieve their success. Ironically, however, the weakest part of current program administration by welfare agencies may be their poor understanding of the labour market. “Few, if any, resources are devoted to cultivating relationships with firms and industries, developing jobs for particular individuals or staying informed about occupation or technological changes that may dictate the skills required in the workplace” [Roberts and Padden 1998: 1].

Successful initiatives have sought to work with industry sectors and individual firms, to customize training for specific individuals and jobs, to use labour market data to influence educational efforts, and to encourage and subsidize increased private sector participation. Public agencies need to gain a greater understanding of the labour market needs of local industry. Moreover, welfare agencies must make an unprecedented commitment to understand and work directly with local employers [Roberts and Padden 1998: 3].

But welfare systems themselves cannot build and maintain all the partnerships required to effect customized training on a larger scale. This work really should be part of a larger labour force development effort. There is an exemplary model of such an approach that is currently under way in Canada.

In August 1998, the Chairman of the Regional Municipality of Ottawa-Carleton approached the Caledon Institute of Social Policy to write a labour force development strategy for the Region [Torjman 1999]. The strategy was to be modelled on the multisectoral approach employed by Opportunities 2000, a community-based poverty reduction project spearheaded by the Lutherwood Community Opportunities Development Association in Waterloo Region [Hodgson 1998].

Based on the recommendations in the report, the Chairman announced the *Partners for Jobs* initiative. As part of this initiative, a Task Force on Employment was created that includes representatives from business, labour, anti-poverty groups, the educational sector, the social sector, and the federal and provincial governments. It is being co-chaired by John Kelly, CEO of JetForm Corporation (a high-tech firm) and Andrée Lortie, President of *La Cité collégiale* (Ontario’s only French-language community college). The goal of the Task Force is to create an employment strategy for Ottawa-Carleton that identifies short-term and long-term initiatives targeted towards the unemployed and underemployed.

A Working Group also was struck that includes representatives from all levels of government, anti-poverty groups, labour, sectoral councils, social organizations, training bodies and key employment sectors in the region (i.e., technology, life sciences, and tourism and hospitality). The Working Group is chaired by the Commissioner of Social Services of Ottawa-Carleton and is staffed by the Social Services Department. Discussions focus primarily upon local labour market needs, appropriate training vehicles, support for self-employment and the creation of community business.

Because of their cross-sectoral representation, both the Task Force and Working Group will be able to generate new forms of training, apprenticeship and job creation proposals. But the fact that various sectors are 'in the same room' talking with each other is important in terms of hearing their respective concerns and removing work-related barriers. Several groups are now meeting to devise customized training programs in the life sciences and hospitality sectors.

ii. Labour market information

Solid and up-to-date information is the key to successful labour market integration. And herein lies a big gap. The federal Department of Human Resources Development conducts a wide range of national surveys. Its regional and local offices, in turn, work on producing local labour market profiles. But there are many problems with the existing data.

The first is that the occupational classifications currently used must be updated. Many occupations have emerged since the development of the National Occupational Classification Coding System. Moreover, labour force information by individual occupational code is derived from the Census which means that it is somewhat dated by the time it is made available. There is typically a two-year lag time for analysis.

There are problems with current methods of data collection – such as inordinate reliance on print 'help wanted' ads without taking into account electronic labour exchanges and other types of postings. In Ottawa-Carleton, for example, the monthly survey of help wanted ads in *The Ottawa Citizen* accounts for only 30 percent of the actual vacancies – a low figure. The Public Service Commission is an active Internet user, which means that many prospective opportunities go uncounted. Neither do existing surveys include jobs, such as construction work, typically posted in union hiring halls.

Another problem arises from the fact that there is currently no reliable way of identifying *emerging* labour force needs at the local level; information tends to focus primarily upon what exists right now. Moreover, numbers of vacancies are counted but there is no precise information as to the specific skills required for those jobs, especially in emerging areas.

One of the positive spin-offs of the Task Force on Employment in Ottawa-Carleton is that the federal, provincial and regional governments are talking together about labour force information requirements. They are discussing possible ways to update existing surveys, create new instruments and employ diverse methodologies to gather relevant information.

The Strategic Human Resources Analysis Division of Human Resources Development Canada also has been actively involved in helping private industry identify specific human resource needs. The Department has established partnerships involving management, labour, academics, governments and other industry representatives to take coordinated action on human resource issues.

As a first step, an extensive analysis of individual sectors is undertaken. Each sector study is national in scope and examines how various factors, such as changes in technology and the domestic and global business environment, affect the labour force of a particular industrial sector. The follow-up to several of these studies has been the formation of joint business-labour organizations, or sector councils, whose purpose is to identify and act on the human resource needs most relevant to their constituents. Sector councils formulate comprehensive human resource plans, coordinate the development of national standards and help forge links among educators, employers and employees.

iii. Funding issues

A major unresolved question to which customized training gives rise is who should pay for this form of training. Hum and Simpson point out that training can be classified within two streams: general and specific [1999]. Language training, for example, is viewed as general education since linguistic skills can be used in any firm or occupation. By contrast, specific training, such as knowing how to operate specialized equipment, is of value mainly to the firm that requires the skill.

The distinction is made between general and specific training primarily to determine who should pay. General training typically is considered to be a public expenditure because it is an essential investment in human capital that is required to compete effectively in a high-skill, knowledge-based economy. Specific training that is relevant to individual firms usually is paid privately by the firms that need the investment.

Customized training, by definition, *is* specific training; it is a short-term, highly specialized form of skills development geared explicitly to labour market needs. One could argue that such a targeted training approach should be paid for by the employers that benefit from the pool of job-ready labour.

But this 'neat division' has not been the case to date – at least with respect to welfare. The few programs in Canada that employ customized training effectively are publicly funded. The

public basically is picking up the tab for the specialized training for which private firms, in theory, should be paying. Customized training, at least in its current incarnation in Canada, collectivizes or transfers to the public purse an area (job-specific training) that benefits employers.

One could argue that this reality is not really a problem. The public pays to support households on welfare. When the options are weighed, it makes more sense to spend these dollars on an approach that provides some marketable skills and real opportunities for employment. To the extent that customized training is considered to be a social program that fits more within the OECD's idea of 'active' labour market initiatives, then the public cost could be deemed quite appropriate and a mixed public/private approach is justified. It also could be argued that employers effectively have paid for these training costs through their Employment Insurance contributions.

It should be noted that the Learning Enrichment Foundation is trying to address this very problem. LEF argues that programs which are set up to respond directly to the skill requirements of specific employers should be supported to some extent by those employers. The Foundation currently is working on a plan to establish a community skills development fund to which private employers would contribute. This fund would be one way of harnessing private money towards customized training. Because the money would be directed into a pool of funds, the respective contribution of individual employers – especially that of very small business – would be relatively modest.

Broader Application

Finally, it is important to explore the implications of customized training within its broader context – that of the post-industrial labour market. One of the features that distinguishes the post-industrial economy from the industrial era is the fact that employer-employee relationships have changed dramatically – especially with respect to investment in 'human capital' or the knowledge and skills of individuals. The shift appears to have downloaded the responsibility onto individuals to ensure that they invest in themselves. A major dimension of the post-industrial labour market is the pressure for more flexibility in the delivery of training [Betcherman, McMullen and Davidman 1998: 5].

Another feature of the post-industrial labour market is that training is no longer a one-shot deal. A technology-driven world means that workers must continually upgrade their knowledge and skills. Information and skills acquisition must be far more responsive to the rapidity of these changes. We have not yet designed – at least on a broad scale – the training mechanisms to match the learning pace that the new economy demands.

Customized training responds to both dimensions of the new labour market. It is an example of self-investment using a highly flexible delivery method. As such, it has broader application than simply helping welfare recipients or the underemployed find a job. Customized training also can be used to upgrade employee skills on an ongoing basis. It is one way of giving life to the concept of lifelong learning – which, in the new labour market, really means lots of short learning all the time.

One could argue that this kind of upgrading is already happening – that, in effect, there is no need for a special focus on this approach. I would agree – but effectively only for larger firms that can afford to do in-house and highly specialized training suited to their requirements. Larger firms engage in both on-the-job training and formal education in on-site classroom and training facilities [Hum and Simpson 1999]. There also tends to be more training in larger establishments and in firms in which technology changes quickly.

Yet many medium and small firms cannot afford to do in-house training. They have neither the staff for that purpose nor the ‘economy of scale’ to warrant such an approach. Take, for instance, the forklift training carried out by the Learning Enrichment Foundation. It is virtually impossible for most small businesses to conduct this form of training independently, let alone upgrade their workers when provincial guidelines change. Customized training provides a way of creating the appropriate scale for a segment of the economy – small and medium business – that is growing rapidly but does not do sufficient training because of cost or the numbers involved.

But the relevance of customized training is far more broad than current labour market skills. The emerging field of life sciences, for example, has immediate and projected enormous human resource requirements. ‘Life sciences,’ sometimes referred to collectively as ‘biotechnology,’ is a generic term that includes medical and genetics research, nuclear medicine and cancer treatments, health information technologies, medical devices and diagnostics, plant and agricultural biotechnologies, and pharmaceuticals [Ottawa Life Sciences Council 1998].

Biotechnology is considered to be a burgeoning industry worldwide. In Canada alone, 11,000 individuals are employed in 224 broadly defined biotechnology companies. Employment in the sector is expected to grow to 15,800 persons by 2001.

Science, medicine and engineering comprise the foundation of this field and it is therefore a highly sophisticated sector in terms of its knowledge and skill base. Clearly, it is essential to tackle the fundamental problem at the heart of the human resource issue: Canada is not producing sufficient numbers of graduates with the basic scientific and engineering training – a problem that exists in the high-tech field as well.

Nonetheless, many jobs that need to be filled in this field are not 'pure' science jobs. BIOTECCanada reports that by the year 2001, an estimated 3,753 people will be employed in biotechnology manufacturing, an anticipated growth of 78 percent over current numbers [1999]. Similarly, there will be a forecast 2,488 people engaged in marketing, an 83 percent growth over the existing workforce. Jobs in business development will increase from their current 636 to about 1,062 by 2001 – a jump of 67 percent. Administrative positions will grow by 44 percent from 681 in 1998 to a projected 978 by 2001.

Employment in the biotechnology sector is expanding in Canada at an annual rate of 17 percent. The Ottawa Life Sciences Council estimates that the numbers working in the local biotechnology sector are growing at an annual rate of 10 to 15 percent. Literally thousands of jobs will have to be filled in the near future to respond to the increase in demand.

Yet nearly 30 percent of firms in the sector have identified difficulties in recruiting suitable candidates. It is clearly the small firms that are having the greatest problem in this area. There were more than 1,000 unfilled positions in small firms in 1998 compared to an estimated 300 positions in medium firms and 600 in large firms [BIOTECCanada 1999]. The problems encountered by small firms are due to a number of factors.

Large firms now dominate in the field (20 firms account for over 50 percent of total biotech employment) and are likely able to offer more attractive employment packages, even though they themselves have a substantial number of unfilled positions due to growth in the sector. But it is also possible that larger firms experience less hiring difficulty because they have the means to do training on an internal basis. Small firms, by contrast, simply do not have that capacity.

Many small firms lack the scale to do their own training in that they may need only one or two people in certain functions, such as marketing, rather than a whole department. While these firms cannot stage an entire training program for these individuals, the companies absolutely require the assurance that the people whom they do hire are adequately trained. One option is to purchase training from an independent firm on behalf of the persons they hope to employ. There are two key problems here.

The first is that the training may not be available because biotechnology is such a highly specialized field. The second concern arises from the fact that there must be the assurance of quality control. Simply sending someone to a private training program in which the prospective employer has no input into or control over the curriculum could be a waste of money and, more importantly, of time. The life sciences field is growing so quickly that firms cannot afford to spend precious time sending people off to training that may be only peripherally relevant to their needs.

Clearly, customized training has direct application to this emerging field. For one thing, the knowledge and skills base of the field is changing rapidly. There is a need for flexible learning. At a recent meeting of the Ottawa-Carleton Task Force on Employment, the Ottawa Life Sciences Council pointed out that at least some of the current and projected vacancies could be filled through short-term, highly specific training for certain positions.

People with marketing backgrounds could move fairly readily into this sector with some sector-relevant and job-specific training. Administrators may require a general orientation to the field followed by more job-specific training. Employees working in computer programming – albeit in somewhat short supply themselves – may need only a small adjustment in their knowledge and skills to do programming in the life sciences sector.

The key features of the Opportunities for Employment program in Winnipeg could be readily applied to this sector. The first step is for the sector to identify its human resource needs. In fact, the Ottawa Life Sciences Council already has devised such an assessment tool for Ottawa-Carleton. It plans to survey local firms to identify the positions and their respective short-term and long-term human resource requirements. This work is being financed by Human Resources Development Canada, the Ministry of Education and Training, and the Regional Municipality of Ottawa-Carleton.

The Council then will develop a set of strategies to identify the skill gaps. It also will assess training requirements by looking at existing skills and determining how these can be modified to meet the needs of the sector. The results will be compared against national data. The Council suggests that its work in assessing sectoral training needs and creating appropriate programs could be used as a template for other sectors in their development of customized training.

After the skill requirements are identified, meetings will be held with local educational institutions and training facilities to determine how these training needs can be met. In the case of long-term needs, it may be necessary to add new courses or modify the existing curriculum to incorporate new content. With respect to short-term requirements, it is possible that some material could be added to a course already in progress. It is also feasible to develop some form of customized training that would be short term in nature and targeted to industry needs.

The advantage of developing customized training through existing educational institutions is to ensure quality control. But traditional educational institutions have not been particularly responsive in the past and so far have not been able to fill the gap. Moreover, biotechnology is considered to be an emerging field and educational institutions have not been overly concerned with *emerging* needs. Cost recovery pressures make them more responsive to *current* demands.

But there is plenty of scope for customized training even at traditional educational institutions. More educational programs that cross disciplinary lines could be developed. The University of Saskatchewan, for example, is putting in place a ‘virtual’ program that emphasizes the multidisciplinary expertise required by the biotechnology industry.

Another option is for the industry itself to carry out its own training through sectoral bodies like the local Ottawa Life Sciences Council or the national Biotechnology Human Resources Council. Employers would be the driving force for identifying the training needs and ensuring that the sectoral council offers the required training with the appropriate quality controls.

The question of who should pay for the training is also relevant to this sector. While there are many possible combinations, the private sector ideally would pay for the bulk of the training. The arrangement would benefit small businesses, in particular, that typically cannot afford to set up their own unique training programs because they do not have the economies of scale to do this on an in-house basis. Private fees also could be charged to individuals who wish to take the training programs offered by a sectoral training institute.

But one could argue that it makes good economic sense to invest some public funds in this area. The investment would help bolster a sector that is poised to become the most rapidly expanding component of the economy in the world. If Canada does not act quickly and strategically, growth in the biotechnology industry is likely to be curtailed by a shortage of suitably qualified and skilled people. Customized training provides only part – albeit an extremely important component – of the solution.

Conclusion

Training is a crucial investment in the knowledge-based economy. Maintaining a skilled, well educated workforce is a central ingredient in Canada’s ability to compete successfully on the global stage.

Customized training is only one intervention in the spectrum of labour market integration strategies. But it is a fundamental component – not only for helping integrate the unemployed into the labour market but also for responding to emerging human resource needs of the future.

Reintegrating the Unemployed Through Customized Training

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