The What Works Lab Process

Report for the Skills and Employment Branch

Employment and Social Development Canada

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Background

The Skills and Employment Branch (SEB) in the Government of Canada's Department of Employment and Social Development (ESDC) is looking for ways of developing its inventory of responses to a broad range of labour market challenges. Central to the idea of developing a range of possible responses is the Deputy Minister's desire to significantly reduce the transmission cycle for policy development. At the same time, the Branch is looking at ways to derive greater value from its investments in thematic research conducted by organizations like the OECD Local Economic and Employment Development (LEED) Programme.

In June of 2014, the OECD completed a major report on Local Job Creation activities in two of Canada's provinces, Ontario and Quebec. This work is part of a fourteen-country effort reviewing how employment services, economic development, education and training, and social inclusion efforts affect job creation at the local level. The question of use and dissemination of the results of the Canadian study prompted a discussion on developing a design/social innovation lab to integrate promising practices into program development. From this discussion, a hybrid lab process was developed to test the idea. SEB's What Works Lab (WWL) was initiated during the development of the ESDC Innovation Lab as both a demonstration project for lab methods and as a beta test for the facility.

ESDC created an Innovation Lab space at its National Headquarters in 2014 to encourage collaboration and evidence-based innovation within the Department. The decision by ESDC to use a lab is part of a broader approach to generate new kinds of evidence that employ both qualitative and quantitative research.

Evidence for ESDC has for a long time involved primary and secondary statistical research and program evaluations, and increasingly is oriented towards the structured use of operational experience from other jurisdictions. The lab approach emphasizes new or underutilized sources of information, such as client perspectives and operational knowledge from front-line workers. This emphasis generally requires a focus on qualitative research methods.

What are Labs?

Design labs, policy labs or social labs are being increasingly used by public sector organizations as a way to complement and strengthen capabilities in public policy, program and service design. Lab work is heavily influenced by design thinking which focuses on four principles of design popularized in the private sector by IDEO[1]:

[1] IDEO is an innovation and design firm that uses a human-centered, design-based approach to help organizations in the business, government, education, healthcare and social sectors innovate and grow. IDEO has been responsible for many popular product designs including the iPhone.

- Take a user-centered approach to problem-solving (this often means involving persons with lived experience or methods to proxy this experience);
- Use direct observation as a principle source of learning;
- Move quickly to making prototypes as a way of developing additional knowledge; and,
- Refine and redevelop by learning from failures.

Design thinking has been most frequently applied to government services and processes when problems are reasonably well defined and it is easy to identify and involve users. Other disciplines have also been used in labs and have demonstrated relevance for policy and programs, the most important being complexity science[2] and cognitive science[3].

Labs include both physical spaces and approaches. Labs allow problems to be examined in new ways and employ a variety of research methods and facilitation techniques to stimulate ideas and generate insights that attempt to join together and include multiple perspectives. Labs can be used to augment a department's knowledge creation, innovation, collaboration, and decisional capabilities. It is most useful to supplement traditional lines of research and analysis where linkages between potential actions and their effects are yet to be effectively established. This may arise because different groups perceive the problem differently, or because cause-and-effect relations are intertwined and difficult to separate. Where other analytical approaches reduce detail, perceptual learning deliberately increases the amount of detail and focuses identifying patterns as a way of gaining insight. The other important dimension of lab work is the generation of new knowledge through safe to fail experiments. Experimentation in a lab setting can be conducted to de-risk an initiative prior to general implementation.

The WWL Challenge

While the WWL was designed to address all of these elements to some degree or another, it was the problem of causal ambiguity (where the cause of the effect is not known) and the need for creative ideas that prompted SEB's decision to use a lab.

The challenge presented to the WWL team was to develop approaches that would increase employer engagement in workplace training. While workplace training has always been an area of interest for ESDC, the Department is exploring opportunities for adopting demand-driven approaches (those approaches that tie the training response tightly to employer specified requirements).

[2] Complexity science promotes systemic approaches to problem solving, offering approaches that deal with causal ambiguity, incompleteness of information, and helping to understand the impact of initiatives on various actors in the system. For policy work, complexity work that deals with networks, pattern recognition, and decision-making under conditions of uncertainty is particularly useful.
[3] Cognitive science offers insights into behaviors of individuals affected by policy actions and the use of perceptual learning as a source of insight. It also offers support and guidelines for the applicability of various methods and techniques that spur creativity and 'out of the box' thinking.

Available research on demand-driven training is sparse. There is ambiguity in how to improve employer take-up of training, in particular among Small and Medium Enterprises (SMEs). This makes the development of a firm hypothesis to inform program design, and the construction of a logic model for evaluation purposes, more difficult. Labs provide a way of bridging knowledge gaps that cannot be resolved using existing data and traditional research methodologies. The training problem fit well into the kind of issue suitable for the lab approach.

A more detailed description of the method appears in Annex 1.

Forming the Lab Team

An important objective of the WWL was to establish a cross-functional team and enhance collaboration across silos by maximizing diversity of skill sets, organizational location, levels, and content knowledge. To meet this objective, team members were selected from across various functional areas in ESDC: program policy, program operations, strategic, qualitative and quantitative research, and evaluation functions.

Practitioners from provinces and territories, international organizations, business associations, and local administrators augmented this core team. While the core team was expected to participate in each session, extended team participants were included periodically throughout the process. This provided a safe space for analysts to discuss pressing challenges while simultaneously leveraging external knowledge and perspectives.

An ideal core team would mix internal and external resources to combat entrainment[4], however, departments and project managers may face a variety of constraints that limit this possibility. The “core and extended team” design used in the WWL project was a strategy to overcome this hurdle, offering an efficient way to use external expertise.

Methodological Innovation - Adapting Promising Practices

Historically, policy analysts have approached other countries’ best practices with a degree of skepticism. The importation of a practice that has worked well in one context into a very different setting has, too often, proven ineffective. The WWL project proposed an alternative method for examining promising practices.

The approach taken in the WWL was to regard international good practices as a series of natural experiments on the challenge of demand-driven training programs and employer engagement. Programs are considered as being comprised of various design principles rather than being classified according to the particular problem it was designed to address.

By obtaining very detailed descriptions directly from those involved in their operations, individual elements that make up the activities could be revealed. These included: the relationship of the activity to government, as well as the relationship to businesses; the

[4] Entrainment is common where teams are formed from a single organization and work culture.

mechanisms for attracting employer interest; decision mechanisms around training decisions; and ways in which the activities were financed. Patterns of similar design elements could be detected across a number of the activities. Elements that repeated themselves in many and varied contexts were hypothesized as likely resilient to context and therefore more apt to work if integrated into a Canadian design. These design elements formed the basis of six prototypes that were developed.

Brief descriptions of the practices examined in the Lab appear in Annex 2.

Design Elements of Promising Practices

From the twelve program activities examined, a number of design elements recur, which could form the basis for innovative and context appropriate program design:

- Use of networks;
- Aggregating the demand of small players using a subscription approach to share costs;
- Direct management of training by employers;
- Use of “boundary organizations” to work with employers rather than trying to establish direct government to business relationships;
- Use of network managers to make a “no worries” approach for business.

Networks

Many of the approaches looked at using networks to transmit the policy intent. There were two principle mechanisms that repeat in a number of the activities examined: existing networks being co-opted for a new use; and the stimulation of new networks.

The co-opting of an existing network has the potential to create significant new effect, generating an evolutionary leap as it is repurposed. Existing networks are used in: Young Jobs initiative (Sweden), Skillnets (Ireland), the Talent Houses project (Flanders), and Employer First (England). What is particularly interesting about Young Jobs is that the network deployed is not directly or indirectly related to employer associations or to training organizations. This opens the possibility of looking at a broader class of networks as potential transmission mechanisms.

Network stimulation is employed in the Employer Resource Networks (United States), The Higher Vocational Education Agency (Sweden), and Flanders Synergy (Flanders), the Training Networks (Australia), and in some activities of Skillnets (Ireland). Methods of network stimulation vary from making the formation of the network a precondition of funding to assisted formation of specialized networks.

Aggregation of demand

For smaller organizations, there is a scale problem that makes the process of identifying training needs, developing curriculum, and arranging delivery both cost and time prohibitive. Demand can be aggregated among firms with similar requirements to overcome this barrier. Skillnets, Employer First, Employer Resource Networks, Higher Vocational Education Agency, Talent Houses and Flanders Synergy all aggregate employer demand. For the most part, employers within a sector and in relatively close geographical proximity use their collective requirement to negotiate with training providers. Employer Resource Networks differs in that labour force characteristics unite the needs of employers. Some examples of the challenges the Employer Resource Networks face include workers with low skills, or workers with weak language skills, or people at the margins of the labour force.

Subscriptions

A number of approaches seek to become self-sustaining without government contributions. To do this, costs to individual companies must be kept modest. Individual firms pay a small annual subscription in return for access to services and or a specific number of training places.

Boundary organizations

Firms appear to prefer working with business organizations to working with government directly. Organizations one step removed from government and either employer controlled or employer directed dominated the activities examined. Skillnets, Employer First, Flanders Synergy and Employer Resource Networks are all separately incorporated, while Talent Houses and Young Jobs use an intermediary between the government and business.

Network Managers

Many businesses do not have human resource (HR) departments or even someone in the firm specifically assigned to HR, other than the operating manager. Many of the networks employ an individual to take care of the HR activity allowing the business manager to worry about the business.

These five principle elements were used in the design phase of the Lab. The Lab team used various combinations of elements to create “from scratch” activities that could be deployed in the Canadian setting. While only six prototypes were constructed due to time constraints, the richness of the material identified could have supported the development of more models.

Outcomes and Evaluation

According to participant evaluations on the process and experience, the WWL experiment accomplished its original objectives. All participants indicated that they learned a lot and enjoyed the experience and would encourage others to participate in future lab projects. Senior officials have endorsed 100% of ideas that emerged from the process, and presentations on the method have been invited from two international organizations interested in public employment services (World Association of Public Employment Services and the Organization of Economic Cooperation and Development). The primary outcomes of the project are:

- Six innovative prototypes (descriptions appear in Annex 3);
- Better relationships and networks within SEB and between branches;
- Increased use and dissemination of research;
- Increased employee engagement and capacity;
- Lessons learned.

Lessons Learned

The What Works Lab has proved successful on many fronts. It has demonstrated that high quality policy work can be effectively nurtured in a lab environment. It has also demonstrated that by testing and modifying concepts using collaborative lab techniques, like rapid prototyping and recursive learning and, the transmission cycle between research and policy ideation can be significantly shortened. In terms of the original objectives of the project, five lessons can be drawn:

- Labs are an effective way of establishing purpose-driven cross-functional teams which also promotes better integration of specialized functions;
- Labs can be used as a way of complementing departmental knowledge generation efforts especially where existing research material is thin and/or not clear;
- Design thinking and ethnographic techniques permit new analytical approaches of identifying patterns of program design elements rather than whole programs;
- The application of complexity principles allow for additional work methods to address knowledge gaps as a result of causal ambiguity and the de-risking of program proposals;
- The WWL method may be able to increase the successful inclusion of resilient elements for Canadian approaches.

From a first time experience for this particular style of lab, we have learned much that can improve future lab experiences.

Participation of team members

At the outset of the WWL project, it was estimated that the entire process would take seven working days. The actual time spent by lab team members was almost ten days, achieved only through truncating the amount of time dedicated to design. Team members were assigned to the lab on a part-time basis, which placed significant pressure on them around in balancing their time between the lab and their regular work.

Time pressures on initial members created attrition. Four of the original team members had to step down. This was mitigated through work load reassignment amongst the remaining members and with the addition of two new analysts later in the process. An assignment to the lab would always be on a “part-time” basis. Therefore, achieving balance between regular work and lab time will require a commitment from both management and participants.

Training of team members

Because of the limited time allocation, team members did not receive extensive training. Team members were most familiar with traditional forms of analysis, so a perceptual learning approach felt uncomfortable for some. As a result, there needed to be a strong trust in the facilitation of each session. Over time, the team acquired the knowledge and understanding of the approach.

Time dedicated to various phases of the Lab

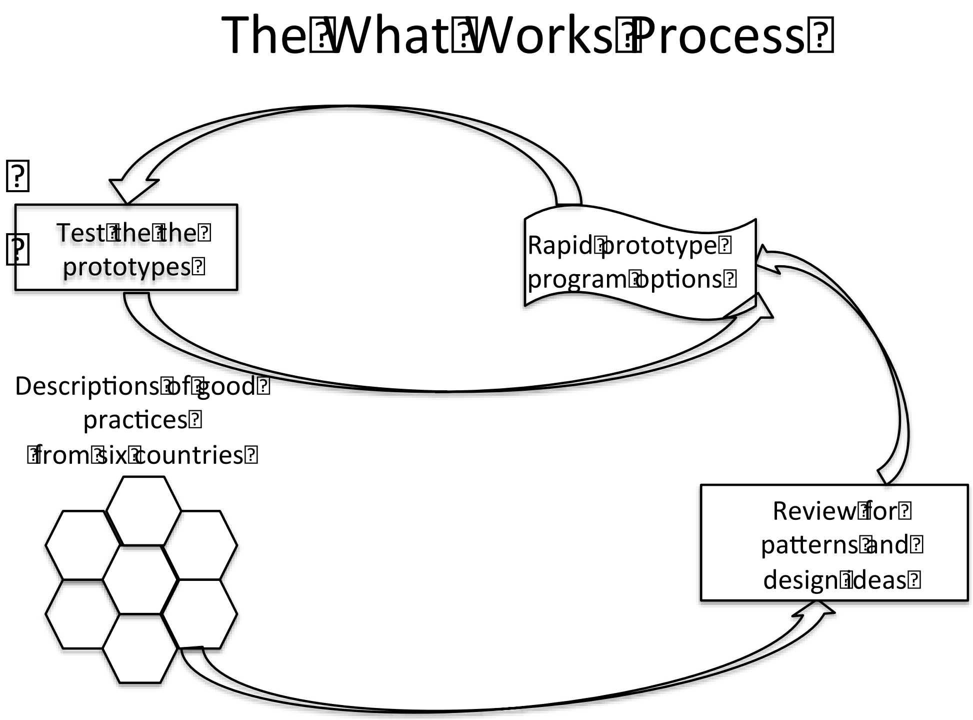
The lab method can be adjusted to make some aspects of the process more efficient. There was approximately three hours of group time dedicated to each international activity studied. This was divided between preparatory analyses, interview time and debriefs. It is essential that the hour dedicated for the actual interview be maintained, but preparatory and debrief times could be shortened.

Only one design session was held (seven hours) that generated 6 designs. Given the amount of material the team generated and patterns identified, more designs would have been possible. More time should have been allotted to design sessions in the process.

Conclusions

The use of lab methodology augments the ability to generate insights into potential policy responses. The knowledge generated though conducting a lab complements existing evidence practice and can be particularly useful where existing sources of information suggest causal ambiguity. The use of lab techniques can also significantly reduce the transmission cycle between research, policy and service delivery. The lab can also be an effective way of de-risking pilots or programs prior to implementation. Integrating learning from the SEB’s WWL has the potential to strengthen the Department’s capability in making its new Innovation Lab effective.

Annex 1: The What Works Method[5]



The “What Works Lab” (WWL) is both a method and a process that combines design thinking, cognitive science, and complexity science that was designed to adapt promising practices for the Canadian context. The method is significant in terms of team composition, approach to problem identification, generation of viable solutions, and the way in which designs are tested. The collaborative process used to facilitate these techniques helps to develop a common understanding and description of the problem that is contextually situated. The method involves a number of commonly used lab techniques including the use of:

- ***Visuals*** to map, frame, and help to contextualize the problem and implicated actors within a system;
- ***Promising practices*** as a source of inspiration for program designs;
- ***Open-ended ethnographic interviews*** to explore the design elements that comprise promising practices;
- ***Rapid prototyping*** to build preliminary designs; and,
- ***Iterative testing*** to ensure the strength and policy relevance of designs.

The WWL also used some additional techniques to assist in developing prompting questions, in the analysis of interview material, and in challenging ideas developed as prototype programs.

[5] Adapted from a process described by Dave Snowden, Chief Scientific Officer at Cognitive Edge.

System Mapping and Rich Visuals (UNDERSTAND and DEFINE)

When initiating a lab, the first step is usually to ‘situate the present’ by incorporating multiple perspectives, including end-users’, to produce a common framing of the problem. The approach is helpful at creating dialogue around different perspectives on the problem, and allows underlying assumptions behind these perspectives to be challenged. In almost all cases, this allows the examined problem to be reframed.

The WWL included both a systems mapping exercise and a graphic artist who worked with the teams to develop a graphic of their prototype. The lab team also held teleconferences with an extended team of experts in order to help understand the realities employers and governments face, and to hear about similar initiatives that the team could learn from.

As a first step to bring team members together and develop a common starting point, we facilitated a group discussion around the Canadian training system using rich language technique. Rich language uses pictures and visual metaphors as well as words to communicate complex concepts in a single graphic that would require many pages of text to explain. By working in this way team members could express their understanding of the system, learn from others, and build a common language around what the training system in Canada does.

To build an inclusive, multi-perspective version of the current system and imagine a future state might look like, the present state is captured by drawing pictures, 3-D modelling, and mapping the system. This process includes establishing connections between and among various actors, as well as the exchanges between them. The other method of situating the present is to develop metaphors as a way of referencing complex descriptions that assist the group in sharing knowledge.

Rich visuals offer advantages that aid innovation in several ways including spurring creativity through enhanced left and right brain connection, focusing design thinking, and increasing the capacity to communicate ideas effectively. The method also relies on perceptual learning focused on pattern recognition rather than linear analysis.

Open-ended Ethnographic Interviews (EMPATHIZE)

The second step involved exploring international activities for sources of insight. The OECD-LEED Local Job Creation project country reports identified a number of promising best practices in training, many demand driven. The working hypothesis of the WWL was that many countries were trying to encourage employer uptake of training, and that represented a natural experiment. The unique approach was to increase the amount of detail on the make-up and activities of each program studied so that program design elements were revealed. The WWL examined six countries: Ireland, England, Sweden, Belgium (Flanders), Australia, and the United States. Operators and managers of the specific activities were taken as a proxy for multiple interviews with individual participating employers. This was not a stretch as many of the operators reported directly to employer-managed boards, so were accountable to employers for the performance of their activity.

The interview style chosen was semi-structured ethnographic and designed to elicit stories that might not be told in other data collection and analysis techniques, allowing the operators to talk through their operations in the way they felt best represented what they did. They were encouraged to talk in detail. A second round of questions allowed the interviewee to provide more detail and to signify the content of their initial open-ended description.

This approach (familiar to ethnographers) ensured the lab team did not lead the interviewees and equally tried to minimize “gifting” (the interviewee saying what he/she thinks the interviewer wants to hear). The interview technique was designed to elicit tacit knowledge from those interviewed revealing the deep knowledge they had acquired through experience. In all, nearly twelve hours of interviews were conducted. The material was analyzed for pattern use of various program design elements. Annex 2 provides a brief discussion of each program.

Rapid Prototyping (IDEATION-DESIGNING MODELS)

Teams were given one hour of time to sketch out a program idea that met the three design challenges: design a program compatible with the Canada Job Fund; design a program for a target group, and one that had no constraints placed on it. They then spent an additional 25 minutes describing the initiatives to a graphic artist to clarify connections and refine the idea.

Iterative Testing (TESTING)

Iteratively testing the prototypes in a safe to fail environment allows the Department to de-risk experimentation with potential policy actions using a technique called ‘ritual dissent’. The SEB team completed five rounds of challenge and improvement.

In round one the prototypes were presented to the opposite team for critique and challenge using a technique called ‘ritual dissent’[6]. Teams were told to provide negative comments or suggested improvements in their comments and the design team listened with their backs facing the team providing the critique. This enhances openness and takes the person out of the equation, so that criticisms are not taken personally.

In round two, the team contacted extended team members to present the ideas, collect information about potentially similar ongoing initiatives in Canada, and even to propose ideas of other models that might be of interest.

Round three was designed to further challenge the designs with a group of operational and policy Directors General (DG). We engaged the DG’s in a “Dragon’s Den” session and each design was pitched by an idea champion. The DGs decided whether the idea was worth pursuing further. Where ideas were seen to have merit but were not “ready for funding” the team was provided with advice on where to further develop the concept.

[6] A Cognitive Edge method

In March, there was a fourth round that saw the team presenting the ideas to approximately 20 analysts from around SEB who were compelled to provide critiques. Interested analysts were also encouraged to join task teams developed for each of the ideas to get them implementation ready.

In the last round, a final presentation of ideas was made on May 1, 2015 to the SEB DG Policy Committee. All six ideas are moving forward in some capacity. Various DGs have agreed to become Champions of ideas and move them towards implementation ready.

Annex 2: International Good Practices

The following are brief descriptions of the International activities examined in the Lab:

Australian Workforce and Productivity Agency- AWPA (Australia)

Program summary	The Australian Workforce and Productivity Agency (AWPA) was an independent statutory body that provided advice to the Australian Government on Australia's current, emerging and future skills and workforce development needs. AWPA provided advice on a broad range of areas that affect the demand, supply and use of skills including identifying high demand occupations that were used to set migration policies. The AWPA set priorities for the allocation of Commonwealth funding for skills development including the National Workforce Development Fund and monitoring the effectiveness of the fund. In July 2014, the functions of the Agency were transferred to the Department of Industry.
Facts and figures	✍ First established in 2008-09 as Skills Australia ✍ Annual budget of $9M that went largely towards research and futures work ✍ 7 Board members
Purpose	✍ AWPA investigated strategies and policies to ensure government, business and individual investment in education and training is well targeted, and delivers the best outcomes for individuals and the economy as a whole ✍ Looked to make the overall system work more efficiently
Streams of activities	✍ Ensuring strong industry connections with higher education system ✍ Special occupations lists to guide migration policy ✍ Research into specific sectors ✍ Foundations for the future and strategies around VET ✍ Scenario planning
Evaluations	✍ None
Design elements	✍ Boundary organization independent of Government ✍ Employer sensitive Board ✍ Indirect influence through planning, research and interaction with key players in the training system

Joint Group Training Program- JGTP (Australia)

Program summary	Group Training Organizations (GTOs) employ apprentices and then place them with SMEs. Allows apprentices to get full scope of training and makes training more resilient to employer change. The GTO is the employer of the apprentice and this administratively simple arrangement is particularly attractive to small and medium enterprises considering employing an Australian Apprentice when this might otherwise not be possible. SMEs have reduced admin costs. JGTPs are managed by each participating State and Territory Training Authority.
Facts and figures	✍ Established 2006 ✍ 133 Group Training Organizations

	✍ Annual budget of $24M half from the Commonwealth half from the States ✍ Train about 10% of apprentices and trainees
Purpose	✍ To improve access to apprenticeship by making it easier for SMEs to hire ✍ Looked to make the overall system work more efficiently
Streams of activities	✍ Selection and recruitment of Australian Apprentices ✍ Undertaking the employer responsibilities including wages, allowances, superannuation, workers compensation, sick/holiday pay and other employment benefits ✍ Management of the quality and continuity of training, both on and off the job ✍ Providing the additional care and ongoing support necessary to achieve the successful completion of the Apprenticeship/Traineeship Training Contract by the Australian Apprentice
Evaluations	✍ Audits conducted by the States according to National Standards for Group Training organizations
Design elements	✍ Boundary organization independent of Government ✍ Provide key HR services that SMEs would find difficult to take on ✍ Provide mutualisation benefits to apprentices ✍ Joint Federal State initiative

D2N2 (UK)

Program summary	D2N2 is a partnership with the purpose of delivering economic growth. As a partnership, they are committed to taking a prioritised and focused approach to creating the conditions for businesses to thrive and create jobs. It is a transformative, strategic "In D2N2, we create, we make, we sell, we connect and we export." The program emphasizes the development of new partnerships and convening stakeholders/ sector consultative bodies to advise on future needs, funding gaps, articulating pathways/career ladders for key sectors for key sectors, etc.
Facts and figures	✍ Established 2012; 17-19 councils created ✍ Investment of £214.3M (European Structural and Investment Funds) in the D2N2 Local Enterprise Partnership area during the 2014-2020 period ✍ Serves a regional population of more than 2m people and with an economic output of nearly £40bn
Purpose	✍ Inspires and supports people to achieve their potential ✍ Assist in the creation of an economy that provides opportunities for young people to live, work and prosper ✍ Has developed the innovation ecosystem to accelerate economic growth ✍ Presents a world class destination of choice for visitors/investors alike ✍ Ensures the benefits of growth are shared by all
Streams of activities	✍ Outreach pilots wherein mentors go out into schools to promote skilled trades and high demand occupations ✍ Training programs for unemployed ✍ Strategic investment
Design elements	✍ Locally-driven, long-term strategy to increase delivery of training ✍ Long-term, whole- system approach ✍ Qualitative, provider-led LMI ✍ Sector-focus gained through sector consultative bodies/task groups

	✍ Developed through an employer-led board ✍ Demand-led/provider-led skills development

Employer First (UK)

Program summary	The principle behind the Employer First project is to achieve employer contribution through the selling of services, leading to a sustainable model. Employer First is a not for profit company, with a vision to drive the competitiveness of industry by impartially facilitating and brokering their workforce development needs.
Facts and figures	✍ Annual cost £6,058,700 o 51% from Employer income (fee for service) o 28% Grant o 21% from Employer in kind contributions
Purpose	✍ Provide impartial advice to devise skills solutions in consultation with employers ✍ Ensure that support delivered by providers adheres to recognised quality standards and is within agreed costs ✍ Influence, through employer ownership, the planning and delivery of a globally competitive working age skills system by better understanding the current and future economic priorities across key industrial sectors such as, low carbon businesses ✍ Deliver, signpost and connect services to businesses and relevant organisations that will support productivity and growth- across employment, business development, research and intelligence.
Streams of activities	✍ Brokerage of Training ✍ Brokerage of Apprenticeships ✍ Membership Fees ✍ Brokerage of Vacancies- for the Employer ✍ Brokerage of Vacancies- for the Welfare to Work Provider ✍ Employer Payment for Training ✍ Define quality training standards ✍ Identify new training products and seek new accreditation ✍ Connect business to education to drive aspiration and inspiration ✍ Broker graduates and technical roles between employers and Universities
Evaluations	✍ Forthcoming; part of national pilots
Design elements	✍ Membership subscription ✍ Aggregation along sectoral lines ✍ Range of HR services offered to members ✍ Employer owned- bringing *rigour* and *reform* to the skills system ✍ Broad cooperation amongst groups of employers to help drive flexibility and innovation, raising productivity and competitiveness ✍ Three funding elements- participation- ring-fenced costs to pay for learner participation; infrastructure- to pay for the main EF infrastructure- staffing, operational development and delivery; running

	costs- to pay for ongoing costs incurred in the running of the project-finance and training

Employer Resource Networks (United States)

Program summary	Focused Networks of employers organized around specific human resource problems such as high turnover employees, replacing Temporary Foreign Workers with local labour or employing people with significant barriers to employment. The network is financed through subscriptions paid by employers to cover additional support and effort needed to ensure engagement and retention of the workers. Central to the ERN is a success coach who works with employees on behalf of the network employers to solve problems and provide assistance. A development group is financed through Grants.
Facts and figures	✍ First established in 2001 in Grand Rapids Michigan. ✍ Funding from employer membership fees, public agencies and foundation grants. Require between $50K and $120K per year ✍ Six sites with 45 different employers in Michigan. ERNs have been developed in other States including Vermont, Wisconsin and Indiana. Additional states are experimenting with the concept ✍ Each ERN has from 6 to 10 small to medium sized companies ✍ Each firm contributes based on use metrics (between $3K and $10K annually)
Purpose	✍ ERNs combine concurrent local initiatives that involve employer needs and community based efforts to reduce poverty ✍ The ERN aggregates employer requirements for specialized HR services so that a full time person can be employed among its members ✍ ERNs are placed based virtual organizations governed by an active board of directors composed of key stakeholders
Streams of activities	✍ Recruiting ✍ Retention ✍ Training and development
Evaluations	✍ Annual evaluations of performance by ERNs ✍ Formative evaluations by Upjohn institute and Mathematica
Design elements	✍ Employer led public private partnership ✍ Place based network formed around specific HR needs of employers ✍ Aggregates employer needs ✍ Self-financed through subscriptions ✍ Success coach takes care of day to day issues that affect performance and retention of employees ✍ Co-funding from local social agencies ✍ Evaluated against business metrics and social goals ✍ Network sustainability determined by local players

Work Force Investment Board-WIB (United States)

Program summary	The US workforce development system, under the Workforce Investment Act (WIA) of 1998, is a partnership among three levels of government–federal, state, and local. The decentralised system places most of the responsibility of the actual delivery of reemployment assistance services

	and job training at the local level. Each Local Work Force Investment Area is governed by a WIB, which is responsible for providing employment and training services within a specific geographic area. WIBs subcontract with public and private providers to deliver reemployment services and training to dislocated workers, disadvantaged adult workers, and youth at one-stop service centres. Local WIBs consider both job seekers and businesses as customers of the workforce system.
Facts and figures	✍ Nearly 600 Local Workforce Investment Areas (LWIAs) ✍ WIA requires at least 51% of the WIB board members to be business leaders
Purpose	✍ Local WIBs are the nexus between the requirements imposed by the federal WIA system and the local consortium of intermediaries that provide employment services. ○ Local WIBs are required to follow federal regulations and guidelines in providing these services and are subject to financial audits ○ Local WIBs and their staff monitor local conditions and customer needs and design programmes to meet those needs
Streams of activities	✍ Monitor local labour markets ✍ Bring local actors involved in reemployment and training together ✍ Create one stop career centres ✍ Contract and manage employment and training services
Evaluations	✍ Federal audits ✍ Evaluations on individual Boards
Design elements	✍ Employer influenced public private partnership with three orders of government ✍ Place based governance mechanism ✍ Financial flexibility to make investments in local projects ✍ Self-financed through subscriptions

Flanders Synergy (Belgium)

Program summary	Flanders Synergy is a platform for workplace innovation. The core business of Flanders Synergy is to help organizations to set up renewed (healthier and more sustainable) work organisations. Flanders Synergy aims to make organizations more agile and to create more attractive (workable) jobs. Originally it was established to assist companies make workplaces more adaptable to the needs of older workers.
Facts and figures	✍ Established 2009 ✍ 147 member organizations ✍ Trained over 200 change consultants
Purpose	✍ Promotes, encourages and initiates innovations in the field of labor organization in Flemish companies, social profit organizations and public enterprises with a view to more agile organizations (in terms of efficiency, flexibility, quality work, innovative and sustainable character) AND a better quality of work (more "active" jobs)
Streams of activities	✍ Measure job quality and job strain and to relate these measures to the quality of organizational design ✍ Provides advice through a network of certified consultants to provide information and guidance organizations. ✍ Supports pilot projects on innovative work organization

	✍ Does research ✍ Holds conferences and information sessions
Evaluations	✍ None to date
Design elements	✍ Membership subscriptions ✍ Boundary organization ✍ Provide Consulting services to members ✍ Indirect Training largely through peer to peer

Talentenfabriek/Talent House (Belgium)

Program summary	Talentenfabriek are designed to support designated critical sectors within a local area. They focus on Job matching, training and the promotion of STEM. They are public private partnerships involving sectors important to the area, educational providers, economic development organizations and municipal authorities. Each talent House works from its own action plan.
Facts and figures	✍ Established 2012 ✍ 2 sectors (chemical and metal) 100,000 jobs in the Antwerp area ✍ 800 members but 85 companies are regular participants ✍ 9 member team ✍ 1100 job seekers contact Talentenfabriek annually
Purpose	✍ Develop a skilled labour force that meets the current and future needs of the Antwerp industry ✍ Help unemployed people find a job in those industries ✍ Help get the right person on the right place ✍ Make the overall system work more efficiently
Streams of activities	✍ Focused on ensuring continued stream of qualified workers for 15 bottleneck functions ✍ Single point of contact for employers and job seekers ✍ Handles some HR functions such as assessing what will be needed to get the person ready to fill a position ✍ Long term focus on encouraging young people to choose careers in the sectors
Evaluations	✍ None to date
Design elements	✍ Public private partnership ✍ Boundary organization with staff and resources contributed by partners ✍ Provide key HR services that members find difficult to take on ✍ Single point of contact ✍ Coordinator to manage pooled resources

Higher Vocational Education (Sweden)

Program summary	Higher Vocational Education (Yrkeshögskolan) is a post-secondary form of education that combines theoretical and practical studies in close cooperation with employers and industry. Around one third of the training program happens in the workplace. It is delivered in cooperation between education providers and those employers and industries affected by the programme (has some similarities to so-called polytechnics). Employers and industry representatives play a significant role in the planning of an HVE

	programme and influence on its content. Employers and industry contribute to and influence the programme content by taking part as lecturers, joining in projects, welcoming study visits and by offering work placements.
Facts and figures	✍ Hundreds of programmes available across Sweden ✍ Tuition is free of charge and many students are eligible for financial aid from the Swedish National Board for Student Aid (CSN) ✍ The largest number of programmes offered is in the field of Business Finance and Administration, along with Sales and Manufacturing Technology. Other prominent areas include IT, Hospitality and Tourism, Health Care and Agriculture
Purpose	✍ Focuses on higher skilled vocations, up to professions that require BA elsewhere (nursing; teaching) ✍ Develop and drive interest in skills related to high demand trades through education
Evaluations	✍ The Swedish National Agency for HVE has regulatory oversight of the programmes (there is a specific law and an ordinance regulating the operations of the Swedish National Agency for HVE and of providers of HVE) ✍ There are also ordinances which regulate both provider obligations and programme design ✍ The Swedish National Agency for HVE inspects and audits the quality of the programmes and handles student feedback and complaints
Design elements	✍ "Parity of Esteem" element ✍ Work integrated learning ✍ Competitive process for the design of programs at the local level or at the sectoral level ✍ Stimulates business/training provider alliances ✍ Mandatory sunset promotes relevance ✍ Requires employment commitments from employers in the alliance

Swedbank Youngjobs (Sweden)

Program summary	Larger companies help unemployed young people enter the job market by offering them short term internships. In addition to offering a substantial number of placements, the bank uses their networks of Branch managers to identify willing employers. This work is done in collaboration with the Public Employment Service, municipal authorities and local businesses.
Facts and figures	✍ 65 employers and 13 000 jobs or on-the-job training positions; ✍ 550 on-the job trainee positions resulting in job offers for 280 young unemployed
Purpose	✍ Objective is to reduce unemployment in a targeted group (youth, immigrants) ✍ Help individuals build a CV; give them contacts and a reference ✍ Give employees the chance to develop their skill sets (e.g. technological and mentoring) ✍ Public employment service creates a qualified candidate pool from which employers can chose and sponsors job fairs to make it easy for willing employers to connect with job seekers
Streams of activities	✍ *Young Jobs*: youth working as trainees; applicants accepted twice a year; keeps young people in the local community; three month work

	placement that could lead to something more permanent (about half of the about 600 interns at Swedbank are now employed ✍ *Finally job*: targets new graduates who are not established in their professional field; competency assessment + 6 month work placement; ✍ Program has been extended to skilled immigrants lacking recognized qualifications who are provided opportunities to gain local labour market experience ✍ Low skilled individuals employed as maintenance staff within participating corporations
Evaluations	✍ Approximately 50% of participants offered employment after placement ✍ SwedBank employees note improved morale ✍ 600 news articles about the program; positive word of mouth about social contribution ✍ Has become part of recruitment strategy: access to new talent
Design elements	✍ Unpaid internships for company ✍ Trainee receives a small monthly stipend from PES ✍ Corporate Social Responsibility- has become a key part of branding strategy for SwedBank and associated corporations ✍ Utilizes extensive corporate networks

Skillnets (Ireland)

Program summary	✍ Networks of enterprises design, manage and delivery specific training programmes to employers, employees and jobseekers across a broad range of industry and service sectors nationwide.
Facts and figures	✍ Established in 1999 as "Training Networks Programme"; has been extended and expanded each year ✍ **€** 22.8M annual budget ✍ 56 diverse operational networks (regional and sectoral)
Purpose	✍ Engage employers in skills development to improve competitiveness and meet skills needs now and in the future ✍ Support innovation through enhanced workplace and workforce retention/activation-related learning and improve access of workers to skills development ✍ Provide appropriate up-skilling or re-skilling training for low-skilled workers to increase transferability, mobility and employability across sectors ✍ Improved performance of high growth potentials ✍ Facilitate company diversification or transferability within a sector or from one sector to another
Streams of activities	✍ Networks programs ✍ Job Seekers Support Program ✍ ManagementWorks
Evaluations	✍ Independent evaluations conducted
Design elements	✍ Arm's Length Agency

- ✍ Separate program component to stimulate network formation
- ✍ Network of employers- can be
  - A pre-existing network (business association geographic or sectoral)
  - New network formed for the purpose of training
- ✍ Direct employer control of decisions around type of training and providers used made by the members of the network via a Board of Governors
- ✍ A network administrator who takes care of day to day activities, needs assessment, arrangements with training providers
- ✍ Co-funding
- ✍ Evaluated against business metrics
- ✍ Health of network determines life of arrangement

Annex 3: Descriptions of Design prototypes created in the Lab

Employer Action Hub for Persons with Disabilities

"No more excuses"

The Pitch
Over 800,000 working-age Canadians have a disability that does not prevent them from working are not doing so—many of these individuals have post-secondary education. At the same time, many employers report having difficulty finding and retaining employees with the right skills for the job. Most supports for persons with disabilities focus on assisting individual persons with disabilities to enhance their employability. **The *Employer Action Hub* would shift the focus to "ready to hire" employers and would make employing persons with disabilities more than just talk in national corporate offices.** **Through a streamlined funding process that is led by an employer network or champion (e.g. Canadian Business SenseAbility) that would act as a central co-ordinating body, this hub would support a broad range of initiatives, depending on employer and employee needs, similar to what is currently funded (e.g., workplace accommodations, skills training, supported work experiences). Business leaders would work through their networks to see that funding trickles down to the local level through their existing networks, supply chains or franchises.**
The Inspiration
Swedbank (Sweden)—Swedbank used its existing branch and client network to encourage hiring of youth through short-term internships in order to give them work experience and address the issue of high youth unemployment. This approach emphasized the strategic importance of having a coordinator/champion who understands both the PES and corporate sides. It also signaled the importance of corporate social responsibility as a motivator for action on the part of a private enterprise. **This initiative also builds on the momentum (e.g. 2012 Panel on Labour Market Opportunities for Persons with Disabilities; Budget 2013; Canadian Business SenseAbility Forum) that has been created over the past several years.**
The Bottom Line – supporting the insurgents
How Does This Increase Employer Engagement? **Businesses may not have the time or see the value in engaging with non-profit organizations or government bodies as part of their overall HR strategy. Business SenseAbility is already working to create linkages between businesses, build knowledge and share best practices but this goes one step further. By using a business organization as an agreement holder, new potential partners can be reached so that funding can be distributed beyond the usual funding partners to those which may not have had the time, resources or knowledge to apply in the past.** **By increasing take-up of existing programs (i.e. Opportunities Fund for Persons with Disabilities) to remove barriers to employment, this demand-driven approach would focus on "ready to hire" employers—rather than "job ready" persons with disabilities.**

Getting to Work

The Pitch
Retention of entry-level workers is a key problem confronting employers in various sectors. This issue has been pronounced in provinces reporting higher than average unemployment. Despite labour shortages at the entry-level, employers have displayed a reticence in employing available at-risk workers. In these labour markets, available workers may be difficult to retain as employers are ill-equipped to successfully integrate them in to the workplace. The constant turnover results in high and inefficient training costs and lost business opportunity. The Getting to Work pilot program would temporarily fund third-sector “employment champions” (ECs) to stimulate the creation of employee networks that facilitate the integration of new workers into the workplace. The employee networks would transition to an ‘employer pays’ subscription model when temporary federal funding ends. EC’s would recruit, assess and coach new workers, helping to sensitize employers to the challenges and advantages of employing non-traditional recruits. EC’s would also provide resource navigation services to both groups and address employability issues before and during employment. EC’s would reduce the risk in employing at-risk workers through close support. Their assistance would allow employers to address labour shortages, reduce regional unemployment, and strengthen the labour market attachment of a vulnerable segment of the workforce.
The Inspiration
• Employer Resource Networks (USA): Emulates the subscription employer partnership / retention counselling model • Talenthouses: Could also be designed to include a component of outreach to young people • Skillnets: Makes central use of the role of ‘super networker’ a key element in many of the foreign programs reviewed. • Makes use of the known capacity of the EC community, such as Prospect Canada who support employers in recruiting military veterans
The Bottom Line – supporting the insurgents
How Does This Increase Employer Engagement? The Getting to Work pilot program would shift the emphasis of employers towards making efficient use of EC capacity. The program would lever employer’s economic imperative to hire and retain, while also introducing employers to the known capacity and expertise of ECs. Once proven successful, the model would become self-sustaining through employer subscription.

Training for SMEs

"It's as easy as 1-2-3"

The Pitch

You want to train your workers.
We make it as easy as 1-2-3.

SMEs have identified the importance of innovation for the survival and growth of businesses. Increasingly recognize that skills development is a key factor to increase innovation, productivity and competitiveness.

Understand their pain – "A day in the life of a SME"
SMEs seldom have workplace learning managers. Majority of those in charge of training also assume other functions and have competing pressures resulting in foregoing training.

The "KISS" Principle
Offer SMEs a "one-stop access" to help for effective training solutions that will meet their business needs. It would also help them to lever CJF, including CJG, to offset some of the training costs.

Simple and Effective: A Whole-of-Government solution
The Government of Canada, through Industry Canada and the Regional Development Agencies, would support a wide network of small business services to help SMEs navigate a host of business challenges. This approach would lever existing networks to help SMEs access the information they need to support workforce development.

The Inspiration

- **SwedBank's underlined the utility of leveraging existing networks to address multiple needs through its reliance on business networks to identify internship opportunities.**
- **Employer's First program (UK) - provision of consulting services identifying future skills training priorities highlighted the role third party services.**
- **Talenthouses (Belgium) - a single point of contact for matching qualified job-seekers with employers inspired the "one-stop" function of Training for SME's.**

The Bottom Line- supporting the insurgents

How Does This Increase Employer Engagement?

***Makes it easy for SMEs* : SMEs would gain access to information and connect to the help needed to encourage employer-supported training.**
***Training aligned to business needs:* SMEs would seek counselling services on matters that are of "top of mind" concern to them such as financing, marketing, and business planning. Small business counsellors can align training to other needs.**
***Gains in workers' job performance:* Research has demonstrated that the greater the alignment between training and business needs, the more likely it will produce performance gains.**
***Employer bottom line: literally:* Improved performance, improved productivity, higher revenues.**
***GOC bottom line:* A small investment in existing small business networks would mitigate duplication and unnecessary costs related to creating an infrastructure specifically to help SMEs to make informed decisions to support training, resulting in greater efficiency and economy of government resources on an issue of shared responsibility.**

CommonLinks Training Program

The Pitch
Supply chains are vital to the business eco-system. It's not just the productivity of the large business that impacts the bottom line; it's the productivity of the whole supply chain. An effective and efficient supply chain improves productivity, lowers costs and drives growth. **Some large Canadian companies offer training opportunities to the employees of suppliers. Large players have the capacity (HR and administrative), the ability to do needs assessment, and access to training and money that the small enterprises (SEs) along their supply chain don't have access to.** **Through the CommonLinks Training program, large players would be encouraged to harness the power of the supply chains they are part of to use their significant HR and administrative expertise and capacity to offer similar opportunities. This would help improve productivity and positively impact their bottom line.** **CommonLinks would be a stream of the Canada Job Grant (CJG) that allows large players to offset the cost of training of employees of the SEs in their supply chain, or to train unemployed people to be placed in jobs in their supply chain.** **The large player would conduct the needs assessment, source the training (including the option of them being the trainer), do all the required paperwork and provide the employer cost-matching (1/3) required to get government cost-matching (2/3) of the direct costs of training.** **The SE would provide the time for existing employees to attend the training and/or the job for an unemployed trainee to be placed in following their training.**
The Inspiration
• **Swedbank (Sweden), Flanders Synergy (Belgium), Skillnets (Ireland)– maximizing on existing networks – in this case supply chains** • **Canadian Council of Chief Executives –examples from members of the importance of effective and efficient supply chains to drive growth**
The Bottom Line – supporting the insurgents
How Does This Increase Employer Engagement? **Leveraging existing supply chain networks** **Aggregates employer needs** **Direct employer control** **Large employer providing key HR/admin functions SMEs find difficult to take on** **Nudging large players to ensure the health and maximum productivity of their supply chains** **This program would increase over-all take-up and encourage more SMEs to participate in the CJG. It is highly demand driven while still ensuring employers are investing in training.**

Group-Train Your Apprentices

The Pitch
Studies suggest that the quality of the employer service is the most important factor in determining successful apprenticeship completion. *Group Training Your Apprentices* would ensure employer care of apprentices. It would be a pilot measure that encourages the creation of group training organizations. These organizations would employ apprentices and then contract apprentices out to individual firms. **This approach would help increase apprenticeship completions and augments employer engagement in apprenticeship. It would also help overcome the reluctance of SMEs to commit to hiring and training apprentices – reduces their paperwork burden and their need to commit over the long term.** **This approach would also be designed for apprentices, resulting in continuous employment over their training period – Group Training Organizations (GTO) would hire them and retain them in periods of downturn. Apprentices would be able to move between employers, allowing them to get experience in all aspects of their trade. It would also provide unrepresented groups with tailored hiring and training supports.**
The Inspiration
• **Australia: Long-standing commitment to group training from federal and state governments (since 1980s). Group training represents 12% of apprentices and 15% of completions. Approximately 150 group trainers across the country.** • **Also exists in UK.** • **Canadian experience is more fragmented, typically involving union-based training in the electrical trades.**
The Bottom Line – supporting the insurgents
How Does This Promote Employer Engagement? **GTO would be composed of businesses (typically 5-20) that have an interest in hiring apprentices. It could be based on a common trade, a local region or an industry and could be formed in conjunction with a training provider (community college or other).** **SMEs would receive a 'no worries' service whereby apprentices are hired and supported by a third-party. SMEs wouldn't have to actively recruit – apprentices would be hired and screened by GTO.**

Great Work! Awards

The Pitch
Many Canadian employers reject the assertion that they are not doing enough in the way of workplace training. In fact, they are investing in a wide range of innovative and interesting practices to increase productivity and inclusion based on the impact to bottom line. **The Great Work! Award would be about recognizing and disseminating best practices in workplace training and workplace quality programs.** **This approach would promote crowdsourcing innovative and inclusive workplace training practices from industry leaders and would allow the Government of Canada to continue to cultivate positive demand-side relations.**
The Inspiration
• **The SwedBank model in Sweden includes a corporate social responsibility motivation** • **The UK Investors in People: provides a best practice people management standard, offering accreditation to organizations that adhere to the Investors in People framework. Investors in People is owned by the UK government, managed nationally by the UK Commission for Employment and Skills and supported by the Department for Business, Innovation and Skills (BIS).**
The Bottom Line – supporting the insurgents
How Does This Increase Employer Engagement? **This initiative leverages Corporate Social Responsibility activities by linking workplace training investments and economic rationale with the recognition of a social good contribution.** **Create a Great Work! logo and prize that can be presented to employers at FLMM or similar forum** **Convene a Blue Panel of multi sector experts to judge the applications** **Advertise and develop an online platform to share practices/narratives from employers** **Develop a best practices in training standard that offers accreditation (social credit score) for organizations that participate in the Great Work framework** **Receiving attention for their workplace training programs will make it easier for employers to recruit and retain workers by including references to their efforts.**