

2.2 Redesign Employment Ontario services for both jobseekers and employers and evaluate the potential of an outcomes-based funding model

HIGHLIGHTS:

- The OCC is calling on the newly elected government to redesign and re-evaluate Employment Ontario services to better serve both job-seekers and employers.
- We encourage Employment Ontario to consider shifting to an outcomes-based funding model, creating a more client-centric service.
- The proposed changes to the Employment Ontario model have the potential to improve labour market outcomes by better connecting job-seekers with employers.

Employment service providers have a critical role in the job-matching process through the provision of individual employment counselling, interpersonal skills development, networking and training opportunities. Technology has facilitated unprecedented access to information through a variety of channels, creating greater efficiencies and matching clients to services like never before. Clients now expect interaction with providers to be convenient, flexible and personalized – and government services are not exempt from that expectation.

Employment Ontario services should be client-centric, to ensure it is straightforward for individuals to find jobs and employers to find employees. The pathway to transformation should involve building capacity at the staff level as well as collaborating with local partners, such as local chambers and boards of trade, to identify best practices in service delivery. The Government should also work to advance digital design and delivery to ensure that clients are offered the best possible service experience.

Furthermore, throughout its review of Employment Ontario programs, we encourage the government to consider shifting towards an outcomes-based funding model. According to recent analysis from Ontario's Auditor General, which revealed that most

of Employment Ontario's Employment Service program clients were unsuccessful in finding full-time employment in their chosen career. At the time of completion of the 2015/16 program, only 38 percent of clients were employed full-time and only 14 percent had found employment in either their field of training, a professional occupation or a more suitable job than before the program.¹ Similarly, the Auditor General found that only 35 percent of Employment Ontario's Second Career program reported being employed upon completion of the program. Only 17 percent of these clients were employed full-time and only 10 percent were employed in their field of training.²

In light of the low employment outcomes that have resulted from the current fixed funding model, we recommend that government shift towards the proposed model which would place greater emphasis on longer term, sustainable employment outcomes for jobseekers. In accordance with this model, service providers would receive base operational funding supplemented by remuneration paid upon the jobseeker obtaining employment. The service provider may be eligible to receive additional payment in the form of a 'bonus' if the former client remains employed for over three months.

1 Office of the Ontario Auditor General. 2016 Annual Report. <http://www.auditor.on.ca/en/content/annualreports/arbyyear/ar2016.html#volume1>. Pg. 32.

2 Ibid.