



Alberta Labour Systems to Update Alberta's Workforce Strategies

November 2018

About this Audit

Workforce development consists of activities and efforts to help meet the employment needs of employers and those looking for work. These activities include adult skills training, job placement, and developing partnerships with industry designed to help unemployed individuals gain employment and lower-skilled workers improve their skill levels. In Alberta, the Department of Labour is responsible for the delivery of programs that support the development of Alberta's workforce.

Between 2006 and 2016, Alberta's workforce development efforts were to be coordinated under the *Building and Educating Tomorrow's Workforce Strategy* (BETW). The government designed the strategy to bring together government ministries and external industry and stakeholder groups to achieve a common objective of improving Alberta's labour force capacity.

The purpose of a long-term strategy such as BETW is to allow the government to work towards more sustainable results—to focus on the things it identifies as most important to the future sustainability of Alberta's labour force, not necessarily the most urgent right now.

The BETW strategy recognized that the immediate need (in 2006) to attract workers from across Canada and internationally (**more workers**) needed to be balanced with the longer-term need to provide Albertans with the skills and training they would need in a more knowledge-based economy. The longer-term results were to provide under-represented groups within Alberta with the skills, training and opportunities they needed to succeed (**better-trained people**), and to support increased innovation and productivity within Alberta workplaces (**innovative work environments**).

After 2012, monitoring and reporting on progress for BETW stopped. The department, acting as the strategy's central ministry, worked on updating the strategy. When the strategy ended in 2016, it was not renewed and a new strategy that used a formal multi-ministry collaborative approach was not developed. Instead, the department moved forward with a plan more directly focused on areas specifically within the department's mandate.

The department's program expenditures for workforce strategies between 2013–2016 were \$223 million.¹

Audit Objective and Scope

The objective of our audit was to assess whether the Department of Labour has adequate systems to update Alberta's workforce strategies. This includes systems to:

- demonstrate successful implementation of Alberta's workforce strategy
- report on and evaluate results of performance
- provide reliable and useful labour market information to users

Our work focused on the 10-year *Building and Educating Tomorrow's Workforce Strategy*, released in 2006, and the department's processes to regularly monitor, report on, and update the strategy. Implementation of the strategy was a shared

¹ *Labour Annual Report 2015–16*, page 61; *Jobs, Skills, Training and Labour Annual Report 2014–15*, page 26; *Jobs, Skills, Training and Labour Annual Report 2013–14*, page 31.

responsibility by multiple ministries. Our audit focused on the Department of Labour over the last three years of the strategy, when it had the primary oversight role in monitoring progress of the strategy and the plans going forward.

We did this work because the process design and operating effectiveness of the government's systems to monitor workforce strategies directly impact the success of those strategies. In order to make good decisions on behalf of Albertans regarding current and future workforce needs, the department requires effective processes to guide its efforts and investments.

We developed the criteria for this audit based on the Department of Labour's responsibilities, applicable legislation, and the Results Management Framework in our July 2014 report.² Prior to beginning the audit, management agreed with the suitability of the audit criteria.

What We Examined

At the time we began our audit, the BETW strategy was nearing its end, and the department was working to update the strategy. We examined the department's processes to understand how the department:

- monitored and reported on progress in achieving the planned results of the strategy
- evaluated what worked and what did not work with BETW, and how it incorporated learnings from BETW to make changes to its new strategy
- used labour market information to support its workforce strategies

Our work provided an opportunity to examine how the strategy's central ministry coordinated the execution of a long-term multi-ministry strategy for the 10-year duration. We examined the established accountability structures by meeting with department management and interviewing staff in other departments who had been involved in the early days of the BETW Strategy. We reviewed meeting minutes from various committees, past and present; public performance reports; planning documentation for updating the strategy; and other internal and public documents related to the ongoing monitoring of the strategy. Several industry sub-strategies were developed and reported on, which we also included in our examination.

We conducted our field work between July and December 2015 and June and December 2017 and substantially completed the audit on August 21, 2018.

Conclusion

We conclude that the department did not, in all significant respects, have adequate systems to update its workforce strategies for 2013 to 2016 to:

- demonstrate successful implementation of its BETW strategy
- report on and evaluate the results of its performance

The department did not monitor or report progress towards BETW's planned results between 2013 and 2016. When BETW ended in 2016, the department decided to proceed without a long-term multi-ministry strategy to guide its workforce development efforts. With no results analysis of the BETW strategy, neither the department nor

² Results Management Framework, *Report of the Auditor General of Alberta—July 2014*, page 24.

Albertans know if the long-term planning efforts of BETW were successful or how lessons learned from that strategy will improve the government's preparation for current and future workforce needs.

BETW was a long-term strategy involving multiple ministries and external stakeholders. Government used this approach to guide its workforce development planned results because it is a complex area that requires collaboration across ministries. Progress was challenging; department structures, government priorities, the operating environment, and the economic circumstances within which departments work changed over the 10 years the strategy was in place.

But these factors and the complexities of the work of government are why long-term strategies matter—to make progress despite the urgency of short-term needs and circumstances. Monitoring, reporting, and analyzing planned results against results achieved is the process that provides the information required to adjust future plans, efforts, and spending to improve results.

Why this Conclusion Matters to Albertans

It is important to all Albertans that the department has a workforce plan that has the flexibility to respond to short-term labour-demand fluctuations and the vision and supporting structures to achieve longer-term objectives.

Good processes to monitor progress and report on results provide Albertans with the information they need to know whether the department is on track with its plan and the value received for the money spent. Without these processes, the department will not achieve its longer-term planned results.

Findings and Recommendations

Alberta's 10-year BETW workforce strategy

Context

Initiated in 2006, BETW was a 10-year government strategy to ensure the province met current and future labour-force needs.³ The planned results of the strategy were, at the highest level, more workers; better-trained people; and innovative workplaces. Results were to be met through four focus areas:

- **develop** needed skills in Albertan workers
- **attract** needed workers from outside the province
- **retain** workers brought in from outside the province
- **inform** stakeholders and individual Albertans about relevant education, career, workplace and labour market information

Each focus area had actions associated with it. A department acting as the strategy central ministry assigned the actions of each focus area to one or more lead ministries. Most ministries were assigned more than one action. Appendix A includes a summary of priority actions and the corresponding lead ministries.

³ *Building and Educating Tomorrow's Workforce—Alberta's 10-year Strategy*, page 2, accessed September 7, 2017, at <http://work.alberta.ca/documents/BETW-strategy.pdf>.

Throughout, the strategy had a central department or co-departments responsible for monitoring and reporting on BETW's progress. Initially, Alberta Human Resources and Employment (AHRE) and Alberta Advanced Education acted as co-central ministries, AHRE having additional responsibilities for project management and status reporting. Over time, the changing structure and responsibilities of government ministries affected which department acted as the strategy central ministry. The Department of Labour has been the central ministry since 2013.⁴

The government made a commitment to review and report each year on its progress towards achieving BETW's three planned results.⁵ For each planned result, performance measures were established and mid-term (three years) and long-term (five to 10 years) targets selected (Appendix B).

Mid- and long-term targets were set because the strategy covered a 10-year period and those involved in its development recognized that some actions would take longer than others to see results.

Criteria: the standards of performance and control

The department should have adequate systems to update Alberta's workforce strategies, including systems to:

- demonstrate successful implementation of Alberta's workforce strategies
- report on and evaluate results for adjustments necessary to achieve planned results
- provide reliable and useful labour market information to users

Our audit findings

Key Findings

The department:

- did not monitor and report on the progress in achieving the planned results of the 10-year *Building and Educating Tomorrow's Workforce Strategy*
- cannot demonstrate if BETW achieved its planned results or whether the resources dedicated to it over the past 10 years were well placed

Processes to measure and monitor progress

Under BETW, the central ministry was responsible for coordinating the efforts of multiple ministries and non-government public and private entities. Putting the strategy into operation involved ministries developing and executing their own action plans that would in turn complete the strategy's priority actions. The central ministry's role in coordinating their efforts included three mechanisms to monitor progress:

- preparing a master implementation plan that reflected participating ministries' planned activities to support the strategy
- administering a series of committees that facilitated ongoing communication and provided a forum at different management levels to discuss common concerns, areas of collaboration, and overall progress

⁴ Alberta Human Resources and Employment became Employment Immigration and Industry in 2007, and then Employment and Immigration (EI) in 2008. EI continued as the central ministry until 2012. The central ministry then became Human Services in 2012; Enterprise and Advanced Education in 2013; and then Jobs, Skills, Training and Labour (December, 2013), which became the Department of Labour (2016).

⁵ *Building and Educating Tomorrow's Workforce—Alberta's 10-year Strategy*, Government of Alberta, 2006, page 20.

- reporting annually on progress made towards implementing the priority actions and meeting established performance targets

We found that, for the most part, processes to measure and monitor progress operated as intended for the first five years of the strategy. Specifically, we noted:

- eight industry sub-strategies were developed
- several ministries reported BETW initiatives within their business plans and annual reports
- committees such as the Labour Force Planning Committee met regularly and were actively involved in bringing participating ministries together to discuss and coordinate work on a wide variety of projects and programs
- the central ministry used periodic newsletters and meetings to facilitate collaboration internally and with other ministries and non-government stakeholders
- the government released BETW performance reports for 2007, 2008, 2009, and 2010–2012 and industry performance updates for 2006–2010 and 2012
- in 2011 the central ministry retained an external party to evaluate the first five years of the strategy and performed a round of lessons-learned discussions

In 2011–2012, about halfway through the original strategy, the central ministry began updating the strategy, producing a series of drafts over the next four years:

- *Action on Labour—BETW*, May 2013
- *Building Alberta's Workforce*, December 2013
- *Growing and Educating Tomorrow's Workforce*, February 2015

Early efforts to update the BETW strategy were based on the same structure and processes of the original BETW. The central ministry was very close to receiving approval for the updated strategy in 2013 (*Action on Labour*) and 2015 (*Growing and Educating Tomorrow's Workforce*).

Because department management was focused on updating the strategy, monitoring of the BETW strategy faltered:

- Key committees coordinating BETW activity ceased meeting regularly, and in some instances the department formally disbanded them.
- Performance reporting stopped; the 2010–2012 Performance Update was the last public reporting on BETW.

Reporting on results and evaluating progress against planned results

When the government introduced BETW, it committed to annual performance reporting on and monitoring progress of planned results. Each of the four performance reports on BETW included reporting on:

- progress on each of the 17 priority actions
- actual results compared to the established targets

We found weaknesses with both processes.

Progress on priority actions

Each performance report provided detailed actions taken by participating ministries relating to each of the strategy's priority actions. As the central ministry, however, the department did not receive implementation plans from participating ministries or monitor progress against priority actions. As a result the performance reports did not provide the starting point, end point, or progress to date. Consequently, the department could neither measure progress against expectations nor determine if implementing the actions was in fact driving towards planned results.

There was an initial attempt to have ministries provide budget information to track all BETW-related expenditures. Budgeted and actual expenditure information provides an indication of the scale of work undertaken and the percentage completed. However, participating ministries found providing this information to be time-consuming relative to the additional benefit it provided, so it was discontinued.

Overall, the information reported on the progress of priority actions was helpful for understanding the range of activities undertaken by the ministries involved but less helpful in providing information on the results of those activities.

Reporting progress against measures and targets

Rather than create performance measures for each of BETW's planned results, the central ministry adopted existing measures from participant ministries (Appendix B), such as the two listed below:

- from Education: the high school completion rate within five years of entering grade 10
- from Advanced Education: the number of Albertans aged 25–64 who completed post-secondary education

These were both valid measures of increasing the capacity of Albertans to participate more fully in the labour market.

While the government considered this method of sharing existing performance measures expedient at the time, it resulted in two problems that limited the effectiveness of BETW's performance reporting:

- It was impossible to know whether results were attributable to BETW or not.
- In two instances, the originating ministry stopped using the measure.⁶ This meant that the information could no longer be used for BETW performance reporting.

In both cases, the central ministry did not replace the measures.

Accountability for results

Well-designed processes to monitor, measure, and report results are necessary to effectively assess the results of a large, multi-ministry strategy such as BETW. These processes were weak and ultimately stopped altogether for the last five years of the strategy, leaving Albertans with unanswered questions. Albertans do not know how many resources, financial and non-financial, departments expended on the BETW strategy. Albertans also do not know to what extent results were achieved or if they would have been achieved with or without BETW.

⁶ The two discontinued performance measures were increases in the number of adult learning spaces and employer satisfaction with the skills and quality of work of advanced education graduates.

With the benefit of hindsight, Albertans do know that the ministries have been challenged by some of the more difficult work planned under the strategy, such as meeting the long-term result of increasing the participation of under-represented groups. After 10 years of collective focus and work under the BETW strategy:

- increases in participation of people with disabilities were unknown
- a planned Indigenous workforce strategy had not been implemented
- many Albertans continued to have low literacy and numeracy rates that affected their ability to learn and work

After BETW—updating Alberta's workforce strategies

When the BETW strategy ended in 2016, the department decided not to move forward with a formal multi-ministry collaborative approach. The department concluded that its priorities for workforce development were best served by focusing on the work specifically within its mandate. The department's new focus contemplates establishing a process to consult with stakeholders in workforce development, but it is not a multi-ministry, multi-stakeholder, long-term approach like the BETW strategy.

In April 2016 the departments of Labour, Community and Social Services, and Advanced Education realigned their employment and training programs and services offered to better align them with each department's respective line of business.

For example, Labour now focuses on recently unemployed Albertans, a relatively new service group arising from the economic implications of lower oil prices and the changing nature of work resulting from advances in technology.

The department did not complete a results analysis in the later years of the BETW to assess and report on the department's evaluation or any lessons learned from the strategy. As a result Albertans have had no information since 2012 to help them assess whether the BETW met its planned results or whether the resources dedicated to it over the past 10 years were well placed.

The department's performance reporting and results-analysis processes should examine program results and costs and answer such questions as:

- What is working and what is not?
- Do actual results match planned results? If not, why not, and what will be done to course-correct?
- Does the program or initiative achieve its results at the expected cost?

Department staff can only informally apply learnings from the strategy's last five years to subsequent strategies through the learned knowledge of the staff involved.

RECOMMENDATION:
Report on results of workforce strategies

We recommend that the Department of Labour regularly measure and report on the results of its current workforce strategies, including lessons learned.

Consequences of not taking action

Without effective processes to monitor progress and report on results of its workforce strategies, the department risks not achieving planned results and not demonstrating value for taxpayer money spent. Long-term planned results will succumb to short-term needs and not support the needs of vulnerable Albertans.

Appendix A: Building and Educating Tomorrow's Workforce—Themes and Priority Actions

Theme	Priority Actions ⁷	Lead Ministry(ies) ⁸
Inform	1. Provide Albertans, business and industry quality information on labour force matters, human resource best practices, market opportunities, and program supports.	• Labour
	2. Provide enhanced information to Albertans regarding career, education and training opportunities, and resources and tools available to support career and education decisions.	• Advanced Education • Education • Labour
	3. Provide employers enhanced information, tools, and supports to better help them meet their labour needs.	• Advanced Education • Health • Labour
Attract	4. Work with partners to recognize immigrants and interprovincial migrants' credentials, competencies, prior learning and work experience.	• Advanced Education • Health • Labour
	5. Work with the federal government and other stakeholders to simplify and speed up processes supporting immigrants and temporary foreign workers.	• Economic Development and Trade • Labour
	6. Develop a coordinated marketing strategy to increase awareness about Alberta as a destination of choice for immigrants.	• Economic Development and Trade • Labour
	7. Work to improve labour mobility of Canadians and inform Canadians of job and business opportunities in Alberta.	• Economic Development and Trade • Labour

⁷ *Building and Educating Tomorrow's Workforce, Alberta's 10-year Strategy*, pages 15–19.

⁸ The names of many of the ministries changed significantly over the 10 years of the strategy. We have used the current department names

Theme	Priority Actions ⁷	Lead Ministry(ies) ⁸
Develop – high performance workforce	8. Work with education and training providers to increase graduation and post-secondary participation in learning opportunities and reduce barriers to Albertans' participation in the labour market (including First Nations, Métis, Inuit and other under-represented groups, such as persons with disabilities, Albertans with literacy challenges, and immigrants).	<ul style="list-style-type: none"> • Indigenous Relations • Advanced Education • Labour • Community and Social Services
	9. Respond to the affordability recommendations in <i>A Learning Alberta</i> and expand access to advanced education learning opportunities to enable Alberta to have the highest participation rates in post-secondary education in Canada.	<ul style="list-style-type: none"> • Advanced Education
	10. Work with employers to increase training and learning opportunities for Albertans to upgrade their skills while working.	<ul style="list-style-type: none"> • Advanced Education • Health • Labour
	11. Develop and implement provincial strategies to increase on-time high school completion rates, focusing on Indigenous success through initiatives to support the <i>FNMI Education Policy Framework</i> .	<ul style="list-style-type: none"> • Education • Advanced Education
	12. Work with industry to develop innovative approaches to improve participation and achievement in apprenticeship and industry training, including that of under-represented groups, to meet industry needs.	<ul style="list-style-type: none"> • Advanced Education
	13. Continue to promote a streamlined regulatory regime to enhance business competitiveness and labour force development.	<ul style="list-style-type: none"> • Service Alberta • Economic Develop and Trade • Treasury Board and Finance • Labour

⁷ *Building and Educating Tomorrow's Workforce, Alberta's 10-year Strategy*, pages 15–19.

⁸ The names of many of the ministries changed significantly over the 10 years of the strategy. We have used the current department names.

Theme	Priority Actions ⁷	Lead Ministry(ies) ⁸
Develop – high performance environments	14. Work with employers to increase technology adoption and innovation, including improvements to administrative processes and services, the production floor, product-to-market efficiencies, and web-based delivery.	<ul style="list-style-type: none"> • Agriculture • Advanced Education • Economic Development and Trade • Labour
Retain	<p>15. Work with industry, employer groups, and labour groups to increase workforce retention of mature workers, including increasing flexible work arrangements and pension programs.</p> <p>16. Work with partners to increase the retention of knowledge workers with specialized skills, including skills critical to bringing scientific and technological innovations to market.</p> <p>17. Work with community agencies, employers and other partners to provide improved support programs and networks for integrating immigrants, indigenous people, and other under-represented groups into workplaces and communities.</p>	<ul style="list-style-type: none"> • Treasury Board and Finance • Labour • Seniors and Housing • Advanced Education • Economic Development and Trade • Indigenous Relations • Advanced Education • Children's Services • Education • Labour • Community and Social Services

⁷ *Building and Educating Tomorrow's Workforce, Alberta's 10-year Strategy*, pages 15–19.

⁸ The names of many of the ministries changed significantly over the 10 years of the strategy. We have used the current department names.

Appendix B: Building and Educating Tomorrow's Workforce— Outcomes, Performance Measures, and Targets

Within BETW, the department outlined seven performance measures (indicators), including mid-term and long-term targets; it planned to monitor performance with annual reporting against the established measures.

Outcomes	Indicators	2006 Baseline	2009 Target (mid-term)	2016 Target (long-term)	2011 Actual (as reported in 2012)	2016 Actual (not reported)
Improved supply of appropriately skilled, knowledgeable workers in the province	Employment	1,880,000	2,051,000	Alberta has among the highest levels of employment growth in the country	2,094,100	
	International immigrants arriving in Alberta	19,330	24,000	10% of total immigration to Canada	12.4% (or 30,941) of total immigration to Canada	
	Increase in adult-learning spaces	2,550	11,800	Alberta will create enough seats to provide 45,000 new learning opportunities	Unknown; Advanced Education did not report this measure after 2009	

Outcomes	Indicators	2006 Baseline	2009 Target (mid-term)	2016 Target (long-term)	2011 Actual (as reported in 2012)	2016 Actual (not reported)
Highly skilled, educated, and motivated people	High school completion rate within 5 years of entering Grade 10	75%	77%	90% (revised to 82% in the 2010–2012 Performance Update)	79.6%	
	Albertans aged 25 to 64 that have completed post-secondary education	58%	62%	Alberta has among the highest rates of post-secondary completion in the country	61.5%	
	Employer satisfaction with the skills and quality of work of advanced education system graduates	90%	91%	Alberta will achieve an employer satisfaction rate of 91% or greater	Unknown; Advanced Education did not report this measure after 2009	
High-performance work environments that can make maximum use of innovation and technology	Labour productivity (real GDP per hour worked)	\$40.55	Alberta's labour productivity will continue to be the highest in the country		\$48.10	

