**PROJECT *INTEGRATE***
Exploring Future Employment Pathways

# A Blueprint for Digital Employment Services for Youth

## An Executive Summary of Project Integrate

## ACKNOWLEDGEMENTS

......................

# AN EXECUTIVE SUMMARY OF PROJECT INTEGRATE

At the start of 2020, all signs pointed to healthy and improving economic conditions for youth, with many of this year's high school and post-secondary students looking forward to the prospect of entering a strong job market. However, the global pandemic's sudden upheaval of the economy now poses a significant risk to the youth employment gains made since the 2008 Great Recession. With youth not in employment, education, or training (NEET) <u>now at unprecedented levels</u>, it is clear that COVID-19 has delivered an abrupt shock that our previous systems may not be equipped to handle. It is critical that our youth, representing just under 20 per cent of Canada's total population, are better supported throughout their employment journey at this critical time as they play a vital role in strengthening the Canadian economy and maintaining international competitiveness.

In an effort to solve these challenges, a coalition of partners that includes OTEC, First Work, MaRS Data Catalyst Centre, and the Canadian Council for Youth Prosperity (CCYP), began working with The Future Skills Centre – Centre des Compétences futures (FSC-CCF) in 2019 to test an innovative, evidence-based approach to skills development for the new economy. The initiative, known as Project Integrate, is testing the potential impact and feasibility of a single technology-enabled employment and training pathway for youth. Project Integrate conducted extensive consultations on the enablers and barriers to technology adoption among employment service providers (ESPs), as well as field-testing of digital tools to inform the potential impact and implications of a single user- managed employment pathway for youth. Following is a summary of the project's focus areas and key findings to date.

## Understanding the Landscape: Youth Employability in the Future of Work

To better understand the current state of youth employment in Canada, the Project Integrate team explored employment trends, future of work themes, emerging employment tools and technologies, as well as best practices for increasing technological adoption. The consultation's key findings are summarized below.

### Youth and the Future of Work

Technology and digital trends shaping work today will continue to put pressure on youth employment journeys, requiring more flexible employment supports that meet the needs of youth in continuous career and education transition. Trends such as automation are likely to disproportionately <u>affect</u> low-skill, entry-level occupations over the next few years — occupations that youth traditionally rely on as entry points into the labour market, such as jobs in the food services, tourism, accommodation and retail sectors. With entry-level positions <u>down as much as 70 per cent</u> in 2020, the consequences of heightened uncertainty and declining retention of youth in the labour market <u>can be severe</u> — from leading to "delayed adulthood" to resulting in chronic underemployment and wage scarring — all of which result in higher reliance on social assistance and greater need for more adaptive, integrated employment supports.

### Employment Barriers with a Focus on NEET Youth

In 2018, of the **6.9 million total youth in Canada**, approximately 779,000 of those fell into the NEET category. Due to COVID-19, NEET levels of youth **rose to unprecedented levels** between March and April 2020 — reaching 24 per cent (nearly 1.7 million youth). Of those youth facing barriers to employment, the concern is generally greater for those who are youth NEET inactive (not actively looking for work) (510,000) than those youth NEET active (actively looking for work) (269,000), as they may face greater challenges entering back into the labour force. Active and inactive youth NEET should be considered by their age cohort (15-19, 20-24 and 25-29), as each cohort is likely to face a unique set of barriers, such as not having attained a high school diploma or early motherhood. At the individual level, each youth may face different personal, family and social risk factors that should be considered when designing personalized employment supports.

### Key Considerations for COVID-19

In the context of COVID-19, youth employment, earnings, and savings prospects are **likely to suffer longer-term.** Although youth comprise just under 20 per cent of the entire population, they make up nearly 30 per cent of those unemployed due to the pandemic. Several trends around the future of work are also likely to accelerate due to COVID-19, such as automation, digitization, and outsourcing, due to business restructuring events, the rise of the "low touch" economy, and remote work. However, if supported quickly and correctly, youth familiarity with technology and ability to adapt are likely to be key in leveraging the employment opportunities coming out of the crisis.

### Canada's Workforce System

Throughout the provinces, social assistance, labour market programs, and employment service programs are rarely integrated or coordinated, making it difficult for both youth and employers to connect. Currently, the existing disparate employment service environment in Canada persists as the network of providers, often competing for funding, lack shared access to data and have limited incentive to perform above their identified program metrics. But there is a solution. Today's digital tools make it possible to develop an improved, systematic integration approach to address youth employment across Canada, identifying and leveraging points of service.

## Designing the Tools: Enabling Technology Adoption and Integration

### Digital Tools and Assessments

Well-developed digital tools and assessments incorporated into employment services allow ESPs to: 1) more accurately identify and target the competencies and skills today's youth need, 2) reach youth and deliver services at a larger scale, and 3) better coordinate other stakeholders like employers in matching youth to opportunities. Both supply and demand factors drive growth in the tools and assessments marketplace, which have also enabled innovations in cloud storage, collaboration tools, mobile devices, AI-powered assessments, VR-simulations, social media, video calls and chat — all of which can be used to provide employment services. Field-testing conducted during the project included the testing of tools such as the ALiGN psychometric assessment and MaRS' planext career pathing tool with promising results, as well as an in-depth scan of all tools and technologies deployed across the employment pathway. While the market is thriving, successful adoption hinges critically on ESPs supporting unique technology adoption at multiple levels.

### Enabling Technology Adoption among ESPs

Enabling successful adoption of these technologies among ESPs requires features that address unique user, organization and system-level factors (see figure 1). Extensive literature supports a holistic and customized framework for enabling technology adoption to ESP needs, but requires that the digitization of ESP processes be supported with a sufficient digital foundation. Beyond selecting the

appropriate technologies at each process stage, people involved need to be enabled through address-ing unique behavioural, environmental and capacity factors through a set of best practices.

## Enabling Factors for Digital Employment Tools

| User | Operational | Systemic |
|---|---|---|
| • Relevance and functionality<br>• User-friendly design<br>• Product-specific training<br>• Service expertise<br>• Internal support<br>• External support | • Management commitment<br>• Consistent communications<br>• Funding<br>• Planning<br>• Inclusion<br>• Monitoring | • Sector investment<br>• Commitment to innovation<br>• Incentives for technology adoption<br>• Government-led technology development<br>• Vendor service<br>• Inter-agency sharing |

### Design Principles for Digital Integration

Building on the foundational work done in Phase 1, the project also investigated design consider-ations for employment services in the COVID-19 environment that emphasize an adaptive archi-tecture. As a key design pillar, adaptive architecture is critical in an environment of high uncertainty and urgency as it seeks flexibility across all system factors and enables the system to respond to changes in labour market conditions, resource allocation and user needs. Singular tools often restrict informative data sharing, minimize data capture to short-term use and fail to address the full range of what youth need. It is critical then that a digital blueprint for employment services recognizes these limitations, be designed with enabling factors in mind and built using adaptive principles that are: 1) holistic and connected, 2) mobile and flexible, 3) adaptive and informed, and 4) seamless and trusted.

## Testing the System: Using Digital Tools with Youth, ESPs and Employers

As part of the field-testing work, the project team conducted additional consultations to better understand what digital tools are used by ESPs serving youth across Canada, as well as what value they have to youth, ESPs and employers. Over 600 tools were listed, organized and categorized into six key types that included: 1) administrative, 2) personality and aptitude, 3) skills and abilities, 4) interest and motivation, 5) job-readiness, and 6) comprehensive. The analysis found the tools to have unique value at certain stages along the youth employment journey (see figure 2 below). Phases 1 to 4 include typical job-readiness activities youth may participate in during their employ-ment journey with the aid of tools. Stabilization is the broad range of supports that ESPs could offer, including referrals to community/social/legal and mental health services, applications for government services, and general employment services.

FIGURE 2: YOUTH PATH TO EMPLOYMENT

| Phase 1:<br>Discovery | Phase 2:<br>Development | Phase 3:<br>Positioning | Phase 4:<br>Application | Ongoing:<br>Stabilization |
|---|---|---|---|---|

### Competency and Skills Identification

Tools that assess personality, aptitude, skills, abilities, interest and motivation are often used across different stages and provide immense value that is critical to the employment journey. They support youth in understanding themselves and career paths, build trust with ESPs and enable them to build personalized learning plans and strengthen the connection between youth and employers by more coherently communicating competencies. To realize the impact, however, these tools need to be connected to relevant labour market data and mitigate against a complex user experience across a variety of tools that may lead to user drop-off.

### Service Reach and Delivery

Administrative tools that facilitate user intake at the discovery stage and include questions to assess client education, work history, health status, disability factors and demographics are essential to determine the youth's needs and eligibility for services. These tools may be government-issued, but in many cases are developed in-house (by ESPs) to serve unique needs. Job readiness tools are often used at later stages, such as development and matching stages, to measure the preparedness of the client for entry into the workforce and to personalize services to address specific barriers. Adaptive, integrated systems should share common data fields and flows between administrative and job readiness tools so that service delivery reflects both the labour market and the needs of the client. See figure 3 below.

**FIGURE 3: ENABLING SERVICE REACH AND DELIVERY THROUGH ADAPTIVE INTEGRATIONS**
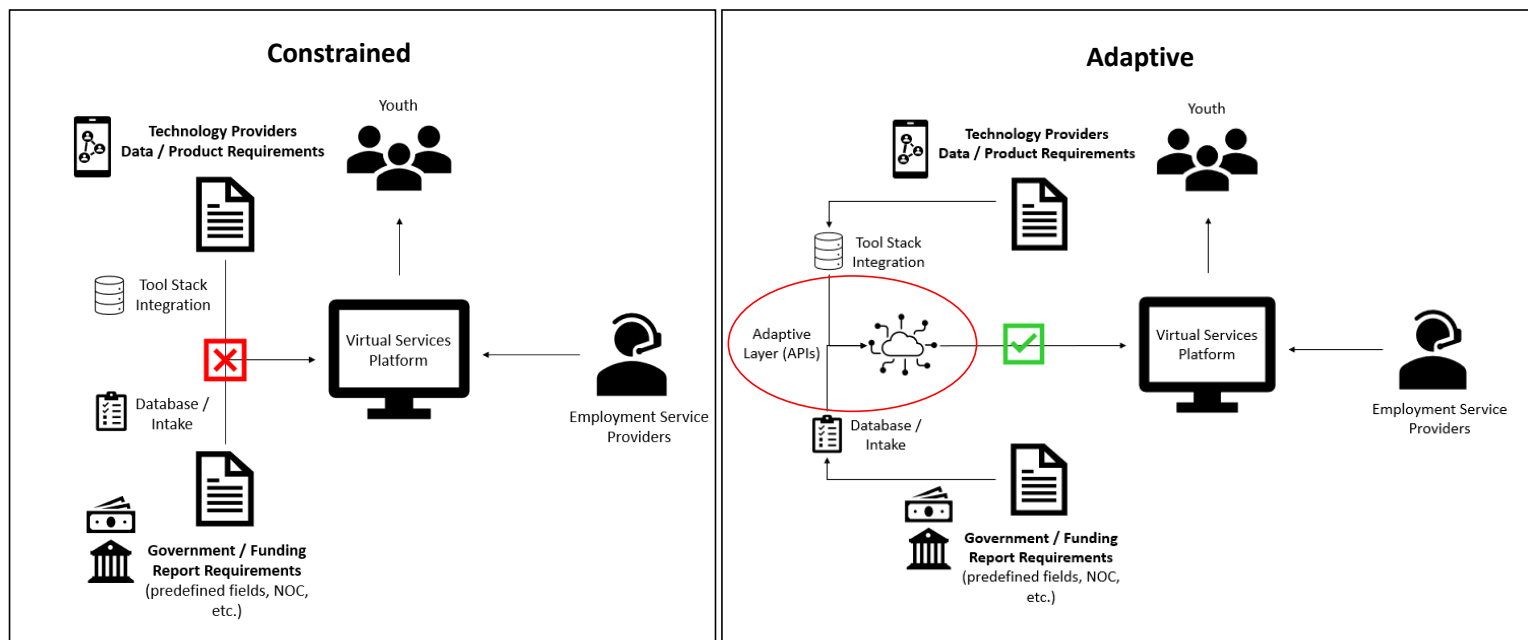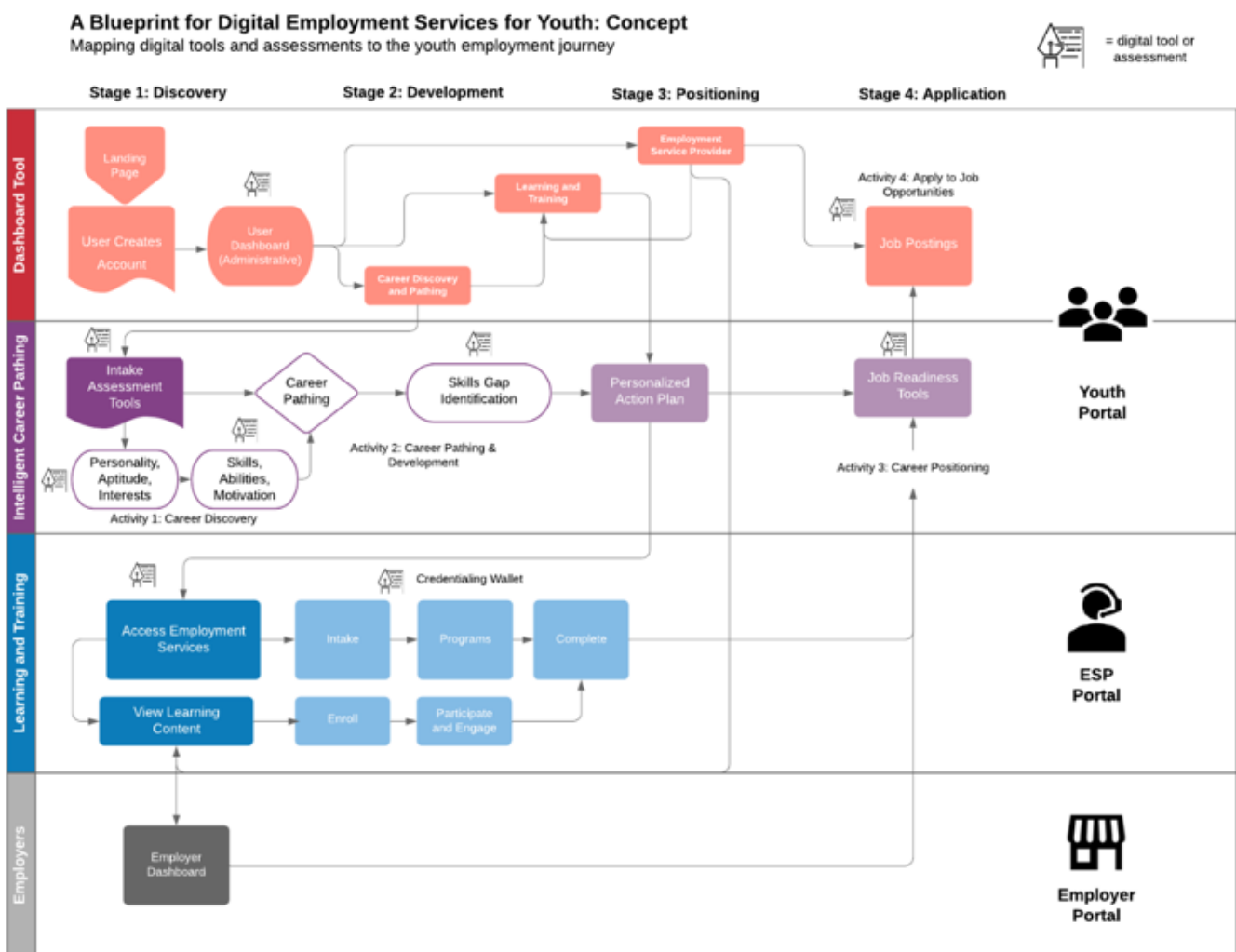


### Employer Engagement

Employers have a vested interest in ensuring a strong match between their organization and potential candidates. Based on employer interviews with the project team, the research found that their goals include 1) generating a large pool of employable candidates, 2) evaluating candidates with reliable methods, 3) promoting fairness and equity in the hiring process and 4) selecting candidates for fit along several dimensions. Through positioning, application and matching stages, digital tools can enable youth to better understand employer requirements, articulate their skills and competencies, practice digital skills in advance of being interviewed and consider opportunities mapped to their longer-term goals. While some ESPs may lack the capacity to maintain extensive relationships with employers, labour market data can be used in conjunction with stakeholder management and matching tools to seamlessly connect youth with employers.

## Moving Forward: Deploying a Virtual Service Platform during COVID-19

As the project unfolded and adapted to the COVID-19 context, this foundational thinking around the future of work and design principles for a technology-enabled pathway contributed to the initial development of SkillsPath — OTEC's new Virtual Services Platform (VSP), supported through **Tourism and Hospitality Emergency Response** (THER). The VSP's digital infrastructure (see Figure 4) will enable practical application of a technology-enabled pathway within the context of Project Integrate, allowing the more than 300,000 people whose jobs were affected in the hospitality and tourism sector across Ontario to access key resources and supports. THER will connect workers with: training for the "new normal," re-skilling programs to support transition to new job opportunities, information about grants, relief programs, supports and how to return-to-work safely, and employment resources, including job opportunities, job search resources and employment programs in local communities.



A Blueprint for Digital Employment Services for Youth: Concept
Mapping digital tools and assessments to the youth employment journey

In summary, consultations conducted to date have found the process for youth of career navigation to employment to be highly non-linear and uncertain, which has only escalated during COVID-19. However, field-testing throughout the project has also found promise in using a tested technology stack designed for adaptation to the future of work. While the current and future realities present many challenges, the work outlined herein serves as a critical step in catalyzing a blueprint for digital employment services that may be applied throughout Canada.