



ONTARIO NONPROFIT NETWORK

**WORKING FOR THE GOOD OF  
ONTARIO'S COMMUNITIES**

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**Implementing a Labour Force Strategy for the  
Nonprofit Sector in Ontario**

*A Submission to the Ontario Partnership Project*

*Prepared by*

**Novita Interpares Limited**

on behalf of the **Ontario Non-Profit Network**

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# Background

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In recent consultations held to determine priorities for the Ontario Nonprofit Network (ONN), labour market and human resource issues have come to the fore. Strengthening the nonprofit sector's labour force was identified in these conversations as one of four strategic focuses for the Network.

With funding support from the Ontario Trillium Foundation, the HR Council for the Nonprofit Sector, Laidlaw Foundation, United Way Toronto and the Ministry of Citizenship and Immigration, the Ontario Nonprofit Network has commissioned this paper through the Ontario Government's Partnership Project. The Partnership Project provides an opportunity to look at collaborative approaches to addressing labour force development for Ontario's nonprofit sector.

The development of this paper included a literature review and interviews were held with provincial and sectoral counterparts to learn about labour force development in other jurisdictions. Consultations and research also focused on understanding the current approach to labour force (labour market) planning in Ontario through the Ministry of Training, Colleges and Universities, including discussions with local training boards.

A background paper was prepared and forwarded to an expert reference group in Ontario that was then convened to review the findings and to reflect on proposed directions for a future labour force strategy for the nonprofit sector in Ontario. (NOTE: We can provide list of participants for the reference group along with interviews in Appendix to paper – next version).

This present paper is a culmination of the research and consultations outlined above and is organized in three sections:

Section 1: Why a Labour Force Strategy for the Nonprofit Sector?

Section 2: What should a Labour Force Strategy Consist Of?

Section 3: Recommended Actions for Moving Forward on a Labour Force Strategy

## **SECTION 1: WHY A LABOUR FORCE STRATEGY FOR THE NONPROFIT SECTOR?**

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The nonprofit sector is large, pervasive, influential and effective.

It is a major employer all across Ontario and it is present in communities large and small. In the number of paid workers, the sector's workforce rivals that of the finance and insurance sector, and the construction industry. Nonprofit organizations contribute to strengthening the fabric of communities and the quality of life in our province. They offer services, research and on-going support for the work of public service sectors.

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A labour force strategy for the nonprofit sector—a plan to ensure the sector can access the workers and the skills required—should therefore be a high priority. Work has already begun. The national HR Council for the Nonprofit Sector has been working with provincial partners to convey the need for nonprofit labour force planning and research. In Quebec, there has been significant work in this area ongoing for over a decade, while British Columbia, Newfoundland and Labrador, Manitoba and Alberta are among the provinces that have more recently moved ahead to address nonprofit labour force issues.

According to the HR Council for the Nonprofit Sector, the goal of a labour force strategy is to “make sure that the sector has access to the people and skills it needs.” There are many compelling reasons for undertaking labour force development work for the nonprofit sector in Ontario.

## **Eight Reasons Why it is Important to undertake this kind of Planning:**

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### **Reason #1: The Nonprofit Sector Contributes to Healthy Communities**

The nonprofit sector is a critical player in creating healthy communities. The sector includes sports and recreational organizations, health and social services organizations, environmental groups, and arts and cultural organizations, all of which contribute to a high quality of life and health in our communities – from celebration and civic engagement to support for solving social issues and preventing violence.

As it works collaboratively across organizations, the sector needs a labour force strategy to remain strong so that it can continue this crucial supportive work for Ontario communities.

### **Reason #2: Ontario’s Nonprofit Sector is a Major Employer**

The nonprofit sector is a significant employer in Ontario, as it is across the country. Comprising 7.5% of Ontario’s workforce with 597,000 employees – excluding hospitals, colleges and universities (NSVO, 2003), the sector employs more paid workers than the finance and insurance sector, or the construction industry (*NOTE: Currently confirming these numbers based on other materials written for ONN.*)

In addition, the nonprofit sector is unique in its capacity to leverage the time and skills of 7.8 million volunteers who contribute the equivalent of hundreds of thousands of full-time jobs each year. No other sector of the economy engages citizens to this extent or has access to this resource. (NSVO, 2003)

### **Reason #3: The Nonprofit Sector Contributes to the Economic Base in Ontario Communities**

It is recognized that the language of “nonprofit” does not capture the key public benefit role that the sector plays in developing and supporting communities, designing and delivering public services, and making a significant contribution to the provincial economy.

Regardless of the title used, the nonprofit sector provides public benefit in every community in this province, small and large. Salaries in the sector are dollars that stay in the local community, contributing to local sustainability and economic viability. Nonprofit jobs also contribute to the local, provincial and federal tax base.

### **Reason #4: The Sector Plays a Role as a Partner in Provincial Service Delivery**

The nonprofit sector is complementary to the public and institutional sectors in its delivery of services to Ontarians. More than half of the nonprofit sector nationally works in the fields of health, social services and housing.

The nonprofit sector is increasingly called upon to provide services on behalf of government, frequently without additional resources. The Provincial Government is dependent on the nonprofit sector to deliver services and supports the sector through contracts for grants and services. The government receives high value for their contribution, giving it a further vested interest in ensuring a healthy, sustainable and skilled sector.

### **Reason #5: The Sector is Facing Labour Force and Human Resource Challenges**

*The sector is only as strong as its workforce. To attract and develop leadership, ingenuity, and commitment needed to do this important work, nonprofits will need resources and information about recruitment, retention, mobilizing non-traditional workers, succession planning and new models of shared leadership and management.<sup>1</sup>*

Nationally and provincially, the nonprofit sector is facing several labour force challenges, including the ability to attract new people to the workforce, retain current employees, provide appropriate training and skill development opportunities to workers, and provide adequate compensation in a global context of increasing competition for skilled employees.

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<sup>1</sup> “Convergence – How Five Trends Will Reshape the Social Sector”, LaPiana Consulting, November 2009, The James Irvine Foundation.

ONN's recent strategic planning has confirmed these key areas of concern: demographics; education, training and leadership succession; and making work in the sector more attractive to more professionals.

The nonprofit sector has always been characterised by a high degree of diversity in the subsectors it covers (recreation, housing, childcare, social services, environment, arts and cultural organizations, professional associations, etc.). More recently, however, hybrids have been emerging in the sector. The increasing engagement with social enterprise is a prime example of this innovation, which speaks to the complexity and dynamism of the sector.

These human and resource challenges present a pressing need for more detailed data on the sector today, to understand changes that are occurring and what implications those changes have for labour force planning.

### **Reason #6: The Area of Jurisdiction for Labour Force Development is Provincial**

By signing a series of agreements with the federal government in 2005, Ontario's provincial government assumed responsibilities for labour market development in all sectors. The federal government had previously held these responsibilities.

Ontario is engaged in labour market planning on a local level through its Local Board system, which feeds into a provincial perspective for the overall labour market. However, the nonprofit sector as an employer group has not been a focus of this planning to date.

There is both a great need to consider nonprofit sector concerns in planning at the local and provincial levels, and a great opportunity to be gained from that consideration.

### **Reason #7: Ontario Joining Nonprofit Labour Force Planning across Canada**

Of all Canadian provinces, Quebec has the longest history of labour force planning for the nonprofit sector (defined as social economy and community action in that context). The provincial HR Council for the sector in Quebec has made important gains in increasing awareness of the sector, conducting research for the benefit of sector partners, and running mentorship programs, among other initiatives.

Within the last five years, counterparts in other provinces - including Alberta, British Columbia, Newfoundland and Labrador, Nova Scotia and Manitoba - have also begun labour market development work for the sector and have been able to strengthen the sector through this work.

Given the size of Ontario's nonprofit sector, there is a particular need to undertake this work in our province, to learn from what has been done elsewhere, and to adapt that work to our context.

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## **Reason #8: Labour Market Development Can Be a Tangible Way to Define the Government-Nonprofit Sector Relationship**

Many of our interviews with representatives from other provinces noted that labour force development presents a unique opportunity to concretely develop and define the relationship between government and the nonprofit sector.

By working together on a concrete initiative with implications for both partners, government came to have an improved understanding and ability to work effectively with the sector, and vice versa.

## **SECTION 2: WHAT SHOULD A LABOUR FORCE STRATEGY CONSIST OF?**

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According to the HR Council, “A labour force strategy consists of a number of interconnected efforts by many players to respond to needs that the sector identifies.”

Conversations with contacts in other provinces and sectors and discussions with this paper’s reference group emphasized that to create an effective labour market strategy, the government and the sector should together:

- Understand the sector and define its labour force needs through good, rigorous data collection and analysis
- Build on existing structures, partnerships and opportunities
- Take time to build and define relationships – between the government and the nonprofit sector, and each partner respectively within the sector or within government
- Understand how five major trends are changing the way the nonprofit sector operates – demographic shifts that are redefining participation; technological advances; the blurring of sector boundaries; networks that are allowing work to be organized in new ways, interest in civic engagement, volunteerism and new ways of relating to the sector as paid/unpaid staff (Convergence, LaPiana, November 2009)
- Ground the work in practical and concrete projects – build an overall strategy through action

### **Component #1: Understand the Sector**

Having reliable labour market information is critical to defining the issues at hand, as well as the focus and structure of the work we will need to do in order to build a labour force strategy.

In Ontario there is an opportunity to move forward by identifying and consolidating current data developed through the work of community planning (local training boards, social planning councils), government, funders, etc. This process should identify gaps in current information and establish priorities for building new data.

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This approach should not only recognize the planning of the sector to date, it should allow practical work and projects to shape an overall labour force strategy for Ontario's nonprofit sector, while moving forward without weighing the sector down with the administrative burden of providing more information.

## **Component #2: Understand the labour force issues facing the sector**

“Without improving the ability of the sector to recruit and retain workers – and without finding ways to build employees’ skills – the sector will be less able to delivery needed services to Canadians (Ontarians) and won’t be making the best contribution to a strong, resilient social fabric in communities and for the country (and province) as a whole.” (HR Council for the Nonprofit Sector, 2009)

Building on the HR Council for the Nonprofit Sector’s writing to date, the following challenges face the nonprofit sector and its ability to deliver needed services to Canadians and make a contribution to a strong, resilient social fabric in communities and for the country (and Ontario):

- Organizations less and less able to recruit the talent they need
- Concerns about a looming leadership deficit for senior paid positions
- Retention of employees a challenge
- Aging workforce – baby boomers moving out of sector
- A lack of ethnic and cultural diversity in the sector’s workforce
- Need to integrate a new generation of younger workers (born after 1980) with new values and expectations around work, activism and technology
- Need to build employee skills
- Demands on the nonprofit sector are increasing – there is a greater demand for service delivery but without commensurate resources to do so
- Need to rethink what it means to be an organization, how individuals define their work and how best to compete and partner across many permeable boundaries

## **Component #3: Work together to build relationships and awareness**

Building on the learning of other provinces, labour force planning takes time – and Ontario needs to build a model that fits its particular nonprofit context.

It is important that the planning is intentional and allows time to build relationships, foster shared ownership and facilitate learning at multiple levels: within the nonprofit sector (and within and across subsectors); within government; and then jointly with government and the nonprofit sector.

Labour force planning needs to engage and be inclusive of a diversity of stakeholders including: employees and the unions and associations that represent them; employers and their associations or coalitions; the range of intermediaries such as colleges and universities, community-based training providers and capacity builders, career centres, nonprofit service organizations; government and a range of sector funders; and national partners such as the HR Council for the Nonprofit Sector.

The experience of other provinces has shown that the outcomes of labour market planning in the nonprofit sector include improved sectoral leadership and enhanced awareness and understanding of the sector’s role and contribution within government.

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Such outcomes put a concrete face to the sector and provides substantive process for building relationships.

In addition to the sector's work at the political level, relationships with senior government staff must be developed and cultivated to move and sustain labour force planning going forward.

#### **Component #4: A Strategy of Action**

While recognizing that a labour force strategy needs to be grounded in rigorous labour market information, with attention paid to establishing structures and processes, it is equally important to provide evidence that the initiative is moving forward, through concrete action, early in the process.

Building on the learning of other provinces, combined with the strengths and structures currently in place in Ontario, the nonprofit sector has the opportunity to strategically build a labour force strategy through a series of locally led initiatives that feed into a province-wide planning approach and connected vision.

ONN, in collaboration with the Provincial Government, can provide a central mechanism for convening, coordination and strategic province-wide planning.

The labour force component of the Ontario Nonprofit Network's contribution to the Partnership Project offers an immediate opportunity to begin to shape and define a relationship between the government and the nonprofit sector.

### **SECTION 3: RECOMMENDED ACTIONS FOR MOVING FORWARD ON A LABOUR FORCE STRATEGY**

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“A healthy and sustainable voluntary and nonprofit sector depends on a human resource strategy that helps stakeholders to successfully build a skilled, committed and stable labour force.” (HR Council for the Nonprofit Sector, 2009)

The following recommendations are organized around a series of actions that will develop a comprehensive nonprofit labour force strategy for Ontario.

Though the focus of this paper is to make recommendations for the Provincial Government's Partnership Project, these recommendations are also directed to the sector and ONN for its immediate action.

The nonprofit sector needs to see this as an opportunity to concurrently begin planning, build its own capacity for working on labour force issues (locally and provincially) and to tap into existing opportunities that have emerged through the consultation process to begin labour force planning in the sector through local community partners



## **Action # 1: Ministry of Citizenship and Immigration as Champion and Navigator between Government and the Nonprofit Sector**

Labour force development in the nonprofit sector needs to be a priority issue. In the context of ONN's overall recommendations for structuring the relationship between the sector and government.

The Minister of Citizenship & Immigration, along with senior government staff, should work with ONN to create a focus on labour force issues for the nonprofit sector within government by convening colleagues and senior staff in the Ministry of Training, Colleges & Universities, along with other relevant ministries in a conversation with the sector.

## **Action #2: A Structure to Support and Promote Provincial and Local Planning and Engagement**

A province-wide labour market planning group should be established by ONN for the nonprofit sector. This should be viewed as a transitional body that would be intentionally designed to facilitate, convene and coordinate the initial phase of labour force planning that is focused on data collection and engagement at a provincial level.

A strategy that works concurrently at both the local and provincial levels would foster local planning, engagement and leadership, information collection and analysis to shape labour force planning and structures in Ontario – while engaging the diversity of the sector (e.g. size, geography, sub-sectoral) in thinking about labour force planning within the context of local communities where people work and live.

Membership for this transitional group could be made up of sub-sector associations (building on the work and experience of Quebec) along with local planning partners (e.g. social planning bodies, community colleges), funders and senior government staff.

The structure would build the capacity of ONN as the convenor and facilitator of a “network of networks” while at the same time focusing the proposed structure and relationship of the sector with government through labour force planning.

The structure would also provide the sector with an opportunity to consolidate its own capacities to engage with government and other industries and sectors on labour force issues.

## **Action #3: Seize Existing Opportunities to Gather Labour Market Information Now through Local Channels**

Building on preliminary consultations with local training boards across Ontario in preparing this paper, there is an opportunity and interest in creating a focus on the nonprofit sector through the boards' annual Trends, Opportunities and Priorities (TOPS) planning exercise for 2011.

Local training boards, which are themselves nonprofit organizations, serve twenty-five regions across Ontario through twenty-one local boards. With an annual base of provincial funding through the Ministry of Training, Colleges and Universities (MTCU), boards bring local partners to the table to look at the local economy and then develop workforce plans.

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Local Boards in various parts of the province (building on existing partnerships with nonprofit organizations and planning bodies) have expressed a willingness and interest to move forward between now and early 2011 in gathering local nonprofit workforce information that could feed into provincial planning, in concert with ONN (as per Action #2).

This nonprofit sector “picture in time” matched with existing reports, studies and the information collected by different funders and ministries could be brought to a provincial planning initiative in Spring 2011.

#### **Action #4 – Tap into Existing Funding Resources to Move Forward with Tangible, Fundable Actions**

Through the structures and planning processes proposed, it is recommended that a plan of action include:

- A provincial gathering in Spring 2011 to identify nonprofit labour force priorities and projects
- A process for a call out (with funding attached) to the sector for a series of concrete labour force and human resource projects that build on current strengths, partnerships and structures that would build local capacity and inform provincial planning
- Local work feeding into and defining labour force planning for the sector moving forward

There are existing funding resources and opportunities to move forward with this work – and again, an opportunity to begin to concretely build relationships between the sector and government focused on labour force planning.

Funding sources to support this work could include:

- The HR Council for the Nonprofit Sector will have funds and resources to support labour force planning with Ontario’s nonprofit sector beginning in 2011.
- Building on the experience of other provinces, we would look to the Partnership Project to engage the Ministry of Training, Colleges and Universities in accessing the Labour Market Partnership Program (LMPP) as a source of funding designed to encourage and support partnerships among employers, employer/employee associations, and community organizations in addressing labour force issues through partnerships and innovative strategies.

#### **Note Regarding Appendices**

The appendices regarding research, consultations and interview, and working group membership will be provided to ONN in the next iteration of this paper.