



FACTSHEET: Summarizing the Impact of the ES Transformation on LBS Community-Based Agencies

Ontario's Employment Services Transformation (EST), now known as Integrated Employment Services (IES), is a significant overhaul of the province's employment support system.

Launched in 2019 by the Ministry of Labour, Immigration, Training and Skills Development (MLITSD), the transformation has been implemented in phases over several years, with the goal of establishing a more outcome-focused and integrated employment services model.

The IES model consolidates employment services from Ontario Works (OW), the Ontario Disability Support Program (ODSP), and Employment Ontario into a single, cohesive system. However, Literacy and Basic Skills (LBS) programs have been largely excluded from this transition.

For nearly two decades, the Employment Ontario brand included both Employment Services and LBS. In current discussions involving Social Services and Employment Services, there is no longer an acknowledgement that Literacy and Basic Skills are also part of that brand.

For this reason, a report to examine the impact of the Employment Services Transformation on service delivery and on the LBS agencies across the province was created.

This factsheet is a summary of the research report, ["The Impact of the Employment Services Transformation on LBS Community-Based Agencies."](#)



INTRODUCTION

The research report was created using the following sources:

- A provincial survey of 25 Literacy and Basic Skills agencies
- A focus group of six provincial community-based agencies
- An informal focus group with a mix of LBS agencies including colleges, school boards and community-based agencies
- Statistics – Employment Ontario
- Literacy and Basic Skills Learner/Profile Data

Additionally, information was cited from the following documents for the research report:

- [Ontario's Employment Services Transformation and the Service System Manager Model](#): Lessons learned and best practices for Literacy and Basic Skills organizations from prototype and early phase sites
- [Tangled in Red Tape](#) – Ontario's Employment Transformation is Leaving Too Many Job Seekers Behind – Community Living Ontario (ODEN)



SERVICE SYSTEM MANAGERS

This transition involves a shift in responsibilities from the Ministry to Service System Managers (SSMs). The Ministry now assumes a stewardship role, continuing to establish standards, define performance outcomes, and set policies for the Integrated Employment Services (IES) system.

The Ministry designated Service System Managers (SSMs) in regions across Ontario to oversee the delivery of employment services. These managers are responsible for coordinating local service providers, tailoring services to community needs, and ensuring accountability for employment outcomes.

The mix of Service System Managers varies greatly and includes non-profits, municipalities, and for-profit organizations, such as:

- WCG Services: A private employment services provider serving as the SSM in the Peel region
- Fedcap Inc.: A U.S.-based non-profit organization operating as the SSM in the Hamilton–Niagara region
- Fleming College: A publicly funded post-secondary institution acting as the SSM for the Muskoka–Kawarthas area

The Integrated Employment Services (IES) system ties funding to measurable employment outcomes such as job placements and retention. While this performance-based approach is intended to drive results, LBS agencies have largely been excluded from the transition, leading to considerable uncertainty about their role within the new framework.

PRIVATIZATION

The transformation of Ontario's employment services into the Integrated Employment Services (IES) model has raised significant concerns about privatization due to the outsourcing of employment services to private entities.

For example, the Canadian Union of Public Employees (CUPE) has condemned the inclusion of private-sector companies in delivering employment services, citing past failures such as the JobsNow pilot project, where for-profit corporations were paid based on performance metrics that led to inappropriate job placements for Ontario Works recipients.

PEOPLE WITH DISABILITIES

Concerns have also been raised about the outsourcing of employment services to international firms, which may prioritize cost-efficiency over the quality of service, potentially to the detriment of vulnerable populations.

The Ontario Disability Employment Network (ODEN) has noted that the transformation has resulted in increased administrative demands and reduced direct support for job seekers, particularly those with disabilities. As ODEN states, "The new system was not designed in a way that accounts for the needs of people with disabilities."

Data from Literacy and Basic Skills (LBS) agencies across Ontario for 2023–2024 show that at least 28% of learners self-identify as having a disability - a number that may be even higher in reality.

LBS programs play a vital role in supporting these individuals, emphasizing the importance of understanding how this system change is impacting both LBS agencies and the clients they serve.



COMMON ASSESSMENT

Our survey of LBS agencies revealed that practitioners want to understand more about the Common Assessment, the tool now used by ES to determine whether a referral to LBS is beneficial.

The Common Assessment is currently divided into two modules:

Module 1: Client Background Information

- Administrative information
- Demographic information
- Essential Skills (including Self-Efficacy)
- Supports and service needs (Life Stabilization)

Module 2: Income and Employment Information

- Income and assistance
- Disability information
- Employment status and history
- Employment goals (including work attitudes)

Once the Common Assessment is completed, the client is streamed based on relative risk of long-term unemployment:

- **Stream A – Rapid employment:**
Clients who are able to quickly obtain employment
- **Stream B – Employability and employment:** Clients who may need to focus on improving employability in addition to obtaining employment
- **Stream C – Employability focused:**
Clients who may need to focus primarily on improving employability, prior to exploring employment opportunities.

If the client is on Social Assistance, Module 1 is administered by the OW or ODSP caseworker and informs the creation of the Social Assistance life stabilization action plan.

One comment from the survey of LBS agencies points out, *“I’ve also seen the Common Assessment Tool used in our catchment. It’s garbage from a LBS perspective.”*

SURVEY FINDINGS

Community Literacy of Ontario (CLO) conducted a survey to assess the impact of the Employment Service Transformation on community-based Literacy and Basic Skills agencies. This survey included questions about inclusion in the planning process, referral impacts, client impacts, and program delivery adjustments. Half of the respondents from LBS agencies were in Phase 1 or the Prototype phase, while the other half were from regions in Phase 2 or 3. The majority of LBS agencies were not included in the planning process for the

Employment Services Transformation, despite widespread agreement that their involvement was warranted. This exclusion has been compounded by a general lack of clear and consistent information throughout the transition.

“We in the LBS program have been informed from time to time, but it seems like there is not enough clear and consistent information for the ES program, let alone the LBS program, about the impact of the changes at the daily service delivery level. There is a HUGE amount of managerial jargon that only adds to the lack of clarity and makes for a lot of uncertainty in our ES program, which has a ripple effect throughout our organization...”

MESSAGING ACROSS LBS AGENCIES

LBS agencies were asked if they had connected with peers in regions that had already undergone earlier phases of the integration to learn from their experiences and found that:

“Yes, through informal conversations, and basically there is a lot of unknown and uncertainty. This is no surprise since the purpose of privatizing the running of OW is fundamentally to reduce the number of OW recipients so the OW and ES and other programs will and are becoming full of barriers and unrealistic outcomes. It’s like the ‘transformation’ is really a more punitive system for folks and a rewarding system for SSMS.”

“Yes, it has been discussed at our Literacy Service Planning meetings. Most agencies have not realized positive results; initially, we

were assured that our relationship as a 'supporting' organization would continue. This has not been the case - we see fewer referrals from OW, ODSP, and ES agencies and fewer partnerships with ES agencies than before the transformation."

"Many of our adult learners come through ES referral...funding is performance-based for our ES partners. The goal: get job seekers employed as quickly as possible. Our ES partner funding is tied to the short-term achievement of finding job seekers employment. It can be counterproductive to LBS. We experience many incompletions due to this funding structure."

PARTNERSHIPS WITH ES

Almost 80% of LBS agencies surveyed are not listed on the website for their local SSM. However, approximately 50% of the agencies surveyed have partnered with Employment Service agencies in the following ways:

"We are providing soft skills training for Pre-Apprenticeship training for our local ES agency."

"We are partnering directly with the ES agency to develop programming for computer and job searching skills."

"We piloted a Tech Talk digital skills workshop on-site in the computer lab at the ES agency at their request."

"At the start of each Employment Services session, the group visits our LBS office, and we deliver a presentation on our LBS service offerings."

"Employment Services can send their clients to Gateway for Smart Serve or Safe Food Handler training, and then we invoice ES."

"We partner with one of the YMCA Employment Service agencies to deliver an on-site basic computer skills class one morning/week to their clients."

"We have an open-door policy where ES can come host events at our building and vice versa while being promoted by the respective service to ensure more holistic care for clients."



LBS PROGRAM CHANGES

When asked about program changes that LBS agencies have made to accommodate the ES transformation, many agencies stated that they are both underfunded and under resourced, and that attempts to create new programs have been disruptive to their usual programming. Some programs have reported reaching out but did not receive a response, while others are unsure of how to proceed while the details are still being worked out.

Several LBS agencies shared some of their strategies for adjusting to the IES system:

“We link all our program language and marketing to Skills for Success language so that it is easier for ES to relate to our programs and see the benefit of LBS for their clients, both in short and long-term programs.”

“We’ve modified one workshop to include the SSM’s preferred job search portal that they’ve created.”

“LBS supports Job retention components of the ES service delivery model by offering onsite employment coaching/training during placements.”

“Our focus on digital literacy skills programming fits in with changes that may occur with the transformation, as greater emphasis is likely to be placed on employment preparation.”

“We are considering a readiness program that is successful in another region with the same SSM.”

“Started to market and find partnerships with non-ES partners such as direct marketing and community partners/associations.”

“Streamlined to get level C clients ready for employment and prep individuals for the Better Jobs Ontario (BJO) Readiness Program package.”

“We have implemented new training (i.e. Job Path, Conversational English, BJO prep course) programs as well as an online platform to best meet the needs of both LBS & ES clients.”

QUICK ASSESSMENT TOOLS

LBS agencies were asked if they provided an assessment or screening tool to assist Employment Services with making referrals to LBS.

Most LBS agencies reported not using quick assessments, noting that these tools often discourage referrals by failing to capture the full picture of a learner’s needs and have not led to successful outcomes in previous attempts.

However, one agency stated that they created a list of training and programs, while another has created an online soft skills self-assessment.

Although many agencies agree that LBS should do assessments, a screening tool can make the process easier for IES caseworkers and result in better outcomes for clients.

OTHER REFERRAL PATHS

As referrals from Ontario Works and Employment Services have declined due to changes in the provincial system, many clients now access LBS agencies through word-of-mouth and website searches.

LBS clients also discover agencies through proactive LBS-led outreach efforts such as:

- Social media marketing
- Video storytelling on social media
- Signs in libraries and community centres
- Job fairs and outreach events
- Building and window signage

IMPACT ON LBS CLIENTS

Overall, there have been few changes noted as most OW/ES clients are not yet aware of the privatization of social services in Ontario. However, LBS agencies shared that:

"By and large they tell us they are having issues even contacting people. Long wait time to get a call returned. Email blasts of information they can't navigate. No help from ES when navigating the online intake etc. It all points to frustration on the part of the client."

"Learners with higher level skills have reported feeling frustrated that they jump through the hoops only to be sat down in front of the Job bank to do their own searching, which they were doing before."

"The only change in impact that clients have expressed is regarding bus passes. Ontario Work caseworkers no longer issue bus passes except in rare circumstances. This responsibility has moved to the employment caseworker."

"The clients we have served via referral from ES have been very happy as they are now able to buy clothing, prescription glasses, pay for gas cards and car repairs."



STRATEGIES

Some LBS agencies have found that the following strategies have been helpful:

"Create a marketing and intake plan that does not rely on ES."

"We offer 1 or 2 night online workshops that require no registration that serve as 'tasters' for clients who think they can't or don't need to upgrade their skills."

"Shorter training modules to allow for increase in demand."

"We partner with three Pre-Apprenticeship programs in our area."

"We are preparing by adding courses relating to employability skills."

"We are keeping in regular contact with Employment Service and Social Services so they are aware of the services we provide."

"Adding the online training component has been a significant addition to our services."

SUCCESSES

Some survey respondents reported success in maintaining referrals due to their close proximity to Employment Services, while others found that ongoing communication and relationship-building efforts had a positive influence:

"Great working relationship. Client/learners are enrolled in a wrap-around service, and there are no time lags in between, client is on a continual service process."

"Obviously being co-located with IES has been key, but working directly with the SSM has helped tremendously as well because we had a good partnership with the key partners in the SSM going into ES Transformation."

"We have figured out ways to fill gaps with programming for people looking for jobs and need more skills to get those jobs. "

"Increasing referrals after Phase 1 of the transformation."

"Employment Services has so much more flexibility in supporting their clients with training support money than we do that they have provided drinks and snacks to all programs we have offered."

CHALLENGES

As reflected in the comments below, LBS agencies expressed a clear sense of frustration, stemming in part from the breakdown of long-standing relationships and communication channels, as well as from the challenges of navigating the new employment services system:

"Getting any kind of buy-in from ES right now is difficult. In networking meetings, there's a sense that ES is still floundering with the new regime. It's difficult to get decisions, they have turned more inward than ever. OW hasn't been to a meeting in ages. The turnover in staffing is rampant. It's like starting all over and they are absent from the conversation in ways I haven't seen in 10 years."

"Understanding it all. Not being able to properly answer questions from clients about the processes that correlate LBS and IES."

"Lack of involvement and information sharing - uncertainty of the future goals."

"There has been a decrease in referrals since the ES transformation."

"It just seems like the staff are nervous, concerned and uncertain."

"We feel like we have reverted back twenty years. LBS who? What is that?"

"It is disturbing to see so much funding moved to a corporate partner without any direct improvement, only to cause unease and uncertainty in service providers."

"Although the front-line staff are adapting as best they can, seeking out information and training, there is a serious lack of clarity from SSM which seems to have a negative impact on our agency leadership."

"The impact is really about creating fear... when will LBS be swept into the SSM, which does not care at all about adult literacy learning principles and practices, neither the breadth and diversity of learners and their goals. Privatization does not care about the process of adult basic learning, only quantitative measures of success and failure."

"There is staff turnover at ES and OW and the need to re-establish relationships with new employees. It does appear that they have lost some long-standing and very knowledgeable employees since the onset of the transformation."

"Our ES partners are tight-lipped. Have the impression the new structure and associated tracking is onerous."

"As an LBS agency, I can tell you that we are at a breaking point...Without funding increase since 2017/18."

“This new structure should - in theory- be more collaborative but the funding is still linked to tying a job seeker to one initial starting point ES-provider. I could see this becoming problematic and an ownership war over the job seeker and attached funding.”

“As a leader of a LBS agency, we are caught in the cross hairs of all of this dysfunction. We must manage demand with inadequate funding. I fear for staff retirements or burn out or both and what that looks like for the effectiveness of our agency. While the work we do is meaningful and we are rewarded every day by a great staff team, volunteers, and learners, how much longer can we all live on happiness (spoiler alert: it doesn’t pay the bills) in this economy?”

“Who will want to be employed in LBS, an industry that doesn’t even keep pace with inflation or pay commensurate for skills, experience and responsibility?”

“How effective does the Ministry think LBS service will be when disproportionately high employee turnover becomes the new normal? Because, at the rate we’re going, it will be. Why would we stay?”

If information session were offered across the province by the SSMs as part of their mandate to inform the community, this clear communication would address many concerns and questions.



CONCLUSION

The Government needs to recognize the essential role that LBS programs play in supporting Ontarians on their path to sustainable employment.

For Employment Services to view LBS as a vital partner, adequate and sustained funding is critical. This will ensure that LBS agencies can fully participate in the Integrated Employment Services (IES) system and respond proactively to its impact on learners and the communities they serve.

It is equally important for Employment Services and SSMs to be well-informed about available community resources, particularly LBS programs, which often provide the very supports their clients need most.

Clear, consistent communication from SSMs across the province about how IES operates is essential for fostering collaboration and enabling LBS agencies to serve their communities’ evolving needs effectively.

This factsheet is based on the report [“The Impact of the Employment Services Transformation on LBS Community-Based Agencies.”](#) and was researched and written by Community Literacy of Ontario (CLO).

To learn more about our organization, [visit our website here.](#)

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