

ITOS: MOVING FORWARD WITH INDUSTRY TRAINING REFORM

THE INDUSTRY TRAINING AUTHORITY'S MANDATE FOR REFORM

The establishment of the Industry Training Authority (ITA) in 2004 marked the launch of decisive reform of British Columbia's industry training system – motivated by an almost universal recognition that the existing system was not meeting labour market and industry needs.

The ITA was therefore mandated to expand and improve industry training, through the creation of a more flexible, accountable and – most importantly – industry-led system. Its key objective is to ensure that training outcomes are continually adjusted so as to align with ever-changing labour market needs. The most fundamental way in which the emerging new training model departs from the old is in the scope and centrality of industry leadership. This is reflected in various attributes of the ITA, including its wide delegation powers, governance structure and lean staff complement.

In short, it has been recognized that industry challenges are best met through industry solutions. At the same time, the ITA retains responsibility for occupational standards and certification, thus providing vital assurances of quality, consistency and portability. BC's current approach to industry training constitutes a renewed commitment to effectively meet industry's skilled labour needs. Concurrent with this commitment, industry has the responsibility to significantly expand its direct engagement in and support for training.

The mechanism through which this expanded role will be operationalized was not pre-defined when the ITA was established. Initially, and of necessity, ITA efforts were largely focused on issues with the most immediate bearing on day-to-day industry training provision – such as



registration and tracking refinements and responses to the most urgent program-development requirements. But at the same time that such immediate needs were addressed, research and analysis proceeded regarding industry's role within the training system. Informed in part by the experience in other jurisdictions, the ITA has determined that sector-based Industry Training Organizations (ITOs) – with responsibility for specific training programs – will be the mechanism through which BC industry will assume its responsibilities in the shared task of significantly improving training outcomes.

A detailed policy framework, governing the development and approval of ITOs, has been endorsed by the ITA board of directors. Most significantly, three initial ITOs have been launched, within sectors where industry currently has capacity to take on an expanded training role. These sectors were also selected on the basis of diverse training needs and issues, and will thus result in the broadest possible learnings. These functioning ITOs will provide important sources of guidance as the ITA works with additional sectors to more broadly implement this central element of industry training reform.

INDUSTRY TRAINING ORGANIZATIONS: THE FRAMEWORK

Basic Attributes

ITOs are not-for-profit legal entities (incorporated under the provincial *Societies Act*), which take lead responsibility for industry training within a particular sector. ITOs are established and operated by industry, and approved and financially co-supported by industry and the ITA. They define training strategies for their sectors, with reference to labour market demand and supply, relating to the specific training programs for which they have responsibility. They also define and propose program standards, and are in turn accountable to the ITA for adherence to those standards. They also lead new program development activities. ITO mandates are province-wide.



The ITA is prioritizing its efforts to facilitate the establishment of ITOs, with reference to the economic significance of particular sectors, and the urgency of skilled labour and training program-development needs within them. That said, ITOs will be essentially self-initiated in and by industry sectors where there is a readiness and capacity to support the necessary infrastructure. Sectors will be defined so as to avoid duplication and fragmentation, and to ensure efficiency of operations. ITOs are meant to operate in an inclusive fashion, and to consult with all stakeholders with an interest in the relevant training programs. This includes other ITOs and cross-sectoral stakeholders.

Like the ITA itself, ITOs will be outcome-focused, with high degrees of accountability – to both employers and to the ITA. High and sustained levels of engagement, ownership, and resource commitment on the part of sectoral employers will be required for success. The benefits for industry will be significant and multi-faceted. Most fundamentally, training outcomes will be better aligned with current and evolving industry needs, and employers will have an enhanced ability to attract and retain skilled labour. This model is also expected to foster: a deeper and more comprehensive commitment to training on the part of sectoral stakeholders than may currently exist; a significantly improved understanding and use of labour market information as a driver of training needs; and a broader awareness of the significant contribution training can make to productivity and competitiveness.

Responsibilities and Deliverables

The activities of ITOs will complement rather than supplant the activities of the ITA, which will continue to fulfill its legislative mandate with respect to occupational standards and government-endorsed credentials. But by assuming the majority of operational activities relating to training development and delivery, ITOs will enable the ITA to adhere to the original vision entailing a focus on strategy and policy.

ITOs will be accountable for the following activities and deliverables:

- Preparation of rolling forecasts of sectoral training needs based on labour market information and analysis, and of resulting recommendations regarding the type, location and timing of technical training delivery. (Such recommendations will be set out in an annual ITO Business Plan.)
- Regular and ongoing maintenance of all elements of training program standards, consistent with specifications provided by the ITA. This will include program profiles, occupational analyses (descriptions of program-specific competencies), and detailed program outlines. It will also include evaluation tools and methodologies, such as exam banks and practical assessments.
- Coordination of applications for approval of new training programs and of modifications to existing training programs, consistent with existing ITA criteria and procedures.
- Provision of program-specific information to trainees/apprentices and employers/sponsors. ITOs will be an important interface between the industry training system and training participants within their sectors, and over time will become the primary interface.
- Communication with sectoral employers and apprentices, and broader consultation with sectoral stakeholders regarding key activities such as new program development, standards recommendations and labour market forecasts.
- Marketing of sectoral training programs to ensure the supply of new trainee/apprentice entrants, and the supply of available training placements, is consistent with forecasted sectoral needs.

While the majority of program development and maintenance responsibilities will devolve to ITOs, the ITA will retain oversight and related responsibilities across all major aspects of the training system, as outlined below.

| Activity/Deliverable | ITA Responsibilities | ITO Responsibilities |
|---|--|---|
| Training Programs | Review and approve program standards | Develop, recommend and continually maintain/refine program standards |
| Technical Training Delivery | Fund and arrange training delivery by public and private providers, reconcile against provincial labour market information | Recommend the type, location and timing of delivery, with reference to provincial labour market information |
| Communication & Marketing | Communication with sectoral representatives and other stakeholders regarding broad policy, standards and system-wide issues; general promotion of trades careers | Communication with training participants and consultation with sectoral stakeholders regarding training delivery and related recommendations; marketing of specific training programs and careers |
| Service to Employers & Apprentices | Register, track and maintain employer and apprentice records | Provide program-specific information and provide point of contact for training participants |
| Assessments & Evaluations | Review and approve evaluation tools and methodologies | Develop, recommend and continually maintain/refine evaluation tools and methodologies |

Technical training will continue to be provided by a range of public and private training providers, and ITOs will not assume a direct role in training delivery. Program outlines, however, will include training provider standards, addressing such matters as facility and

equipment requirements and instructor qualifications and capabilities. It is expected that ITOs will work in close conjunction with training providers on issues such as program quality, outcomes, and labour market forecasts.

The ITO framework is intended to be a flexible one, and – while the core accountabilities for forecasting needs and maintaining program standards will be consistent and mandatory – there will be variation in the precise scope of activities each ITO takes on. In particular, there will be latitude in terms of the extent to which ITOs involve themselves in recruitment and placement activities, or other aspects of service provision to training participants. Some, for example, may take an active role in matching apprentices with prospective employers. This may extend as far as acting as a sponsor to facilitate rotational employment placements. Others may leave responsibility for finding appropriate work-based training opportunities in the hands of apprentices. A consistent priority will be to ensure the relevance and quality of training programs.

Approval and Formation

Based in part on the experience of working with industry groups on the launch of the three initial ITOs, the ITA has developed detailed guidelines for use by sectoral representatives wishing to obtain approval and funding for an ITO. A proponent first submits an expression of interest which is reviewed by the ITA. Assuming approval-in-principle is granted, a proponent then submits a formal application. Recommended formats and content guidelines are available for both steps in the process, and ITA staff can provide input. Final approval is at the discretion of the ITA board.

The key approval criteria are:

- Broad support on the part of employers within the sector;
- Demonstrated industry willingness to support the ITO through sufficient cash and in-kind commitments;

- An appropriate scope of training programs for which the proposed ITO would take responsibility, encompassing at least 500 active trainees per year or with the potential to reach that level within three years; and
- Demonstration of plans to liaise with other ITOs and industries with a shared interest in a program managed by the ITO.

Applications must also include specific strategic goals and outcomes, which will ultimately inform the ITO's business plan. Goals and outcomes should be closely related to the strategic imperatives and performance measures set out in the current ITA Service Plan.

While there is latitude in terms of the precise board structure required for ITOs, the majority of board members must be employers with a demonstrated commitment to training within relevant programs, and boards will include one ITA representative on an ex-officio and non-voting basis.

ITOs are eligible for operational contributions from the ITA equal to at least \$200,000 in each of their first three years of operation. Beyond that point, they will be eligible for annual contributions equal to five per cent of the value of training purchased in the previous year, in programs for which the ITO has responsibility. This eligibility is contingent on the ITO securing industry contributions equal to the value of the ITA contribution, at least 20 per cent of which must be in cash, with the balance in either cash or in-kind support. Funding will also be provided by the ITA under separate contribution agreements for new program development and substantial modifications to existing programs, upon approval. The ITA will retain responsibility for purchasing technical training delivery from public and private providers, on the advice of ITOs.

CURRENT STATUS AND BROADER ROLLOUT

Over the course of 2005, the ITA approved and launched three initial ITOs, whose current scope of operation is as follows:

| ITO | Training Programs | Registered Trainees | Current Annual Training Costs | ELTT Program Participants |
|--|-------------------|---------------------|-------------------------------|---------------------------|
| Automotive Industry Training Association (AITA) | 19 | 2,673 | \$6,500,000 | 939 |
| Horticulture Education BC (HEBC) | 4 | 218 | \$950,000 | 144 |
| Residential Construction Industry Training Organization (RCITO) | 3 | 353 | \$840,000 | n/a |

Two of the initial ITOs are currently below the 500 active trainee threshold, but have plans to expand the scope of their programming and volume of trainees.

These three sectors were selected in part on the basis of a high degree of mobilization on training issues, and demonstrated industry support. The ITOs are at somewhat different stages in their evolutions, and their activities are reflective of current priorities within their sectors. Credentials harmonization, at the national and even international levels, is an important focal point for the horticultural ITO. The residential construction ITO has initially focused on new program development, with the strategic goal of increasing the capability, capacity and



professionalism of its workforce. All three ITOs will submit their first Business Plans in the fall of 2005, and the ITA is committed to facilitating their timely assumption of full responsibility for their assigned training programs.

The ITA anticipates that, once the model has been fully rolled out, there will be a total of between 10 and 15 ITOs, covering broad sectors such as heavy industry, aerospace, hospitality and others. The ITA will retain direct responsibility for programs within sectors that are too small or otherwise unable to support an ITO.

The ITO application review and launch process is a time and resource-intensive one for both the proponents and the ITA, particularly at this early stage in the rollout of the framework. Accordingly, the ITA's board of directors has determined that, at least in the short term, the organization will work with ITO proponents on a prioritized and sequential basis. Priority will be determined by both the size of the sector (number of training programs and trainees), and the urgency of its training needs.

On this basis, the industrial-commercial-institutional (ICI) construction sector clearly stands apart as the highest priority. An ICI Construction ITO will likely have responsibility for more than 20 per cent of all current programs and about 60 per cent of all current trainees/apprentices. The growing labour demand in this sector is well documented, and is expected to further expand as various Olympic-related and other major infrastructure projects proceed. The ITA's goal is to oversee the successful launch of an ICI Construction ITO this winter.

At that point, ITA efforts will shift to supporting ITO development within another high priority and as-yet undetermined sector. A variety of industry representatives have initiated discussions with the ITA, and are at varying stages of exploring the extent of support for the ITO concept – and preferred means and timeframes for moving forward – within their sectors. Notwithstanding the current sequential approach, the ITA is committed to a timely rollout of ITOs across all relevant sectors. Interested organizations and employers are



invited to contact the ITA, to either initiate discussions with respect to an ITO, or to learn more about the potential benefits of an ITO within their sector.

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