

**Partnering for Success:
Inter-Organizational Coordination and the Older Workers Pilot Project Initiative**

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Abstract

Partnering for Success: Inter-Organizational Coordination and the Older Workers Pilot Project Initiative

Robyn Dalton

How is it that three labour market projects, each striving for the same objective, providing similar services and operating under comparable economic conditions could produce completely divergent outcomes? Canada's Older Worker Pilot Project Initiative (OWPPI) was a joint federal-provincial program introduced to reintegrate older displaced workers into employment. While the federal government set the parameters and provided the bulk of the funding, the provincial governments were responsible for overseeing projects' implementation. This was outsourced to organizations at the local level.

This study focuses on three projects in three different provinces: British Columbia, Newfoundland and Quebec. Despite their similarities, their results were distinct; one successful, one a failure, and one in the middle of the two. It argues that the key difference was the effectiveness of inter-organizational coordination that took place between the administrators at each level, from the federal to the provincial to the local.

The relationship between the federal and provincial government in labour market policy is framed by a separate agreement with each province. This project explores the impact of that relationship on relations between project coordinators involved in the implementation of the OWPPI. It argues that the most successful project achieved its outcomes as a result of a strong working relationship between the provincial and local coordinators. The findings speak to the ability of the federal government to work in partnership with the provincial and local levels in an effort to address important policy problems such as Canada's ageing workforce.

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In Stephen Van Evera's *Guide to Methods for Students of Political Science*, he explains the many trials and tribulations of writing a dissertation, including the fact that "the spouses, significant others, parents and friends of academics often fail to fully grasp

the central importance and great difficulty of writing a dissertation” (Van Evera, 1997). Perhaps it is my good fortune to have been surrounded by only the most supportive, understanding and encouraging people throughout this process, but I found no truth to his statement as I wrote this dissertation. Great thanks are owed to my parents, Cheryl Buckland and Lance Dalton, for providing me with the opportunity to pursue my education all these years. You are both role models I can only hope to live up to one day. To my friends and family, too many to name but too important not to acknowledge, you have all contributed to this project in ways you likely do not even realize.

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List of Abbreviations

AACSP - Agricultural Awareness Community Service Program

AT55 - Action-Travail 55

BC - British Columbia

CJS - Canadian Jobs Strategy

CNC - College of New Caledonia

EI - Employment Insurance

HRSDC - Human Resources Social Development Canada

MAE - Ministry of Advanced Education

MHR - Ministry of Human Resources

NL - Newfoundland and Labrador

OWPPI - Older Workers Pilot Project Initiative

PEO - Primetime Employment Options

QC - Quebec

TIOW - Targeted Initiative for Older Workers

INTRODUCTION

The Older Workers Pilot Project Initiative: Context, Background and Overview

How is it that three labour market projects, each striving for the same objective, providing similar services and operating under comparable economic conditions could produce completely divergent outcomes? Canada's Older Worker Pilot Project Initiative (OWPPI) was a joint federal-provincial program introduced to reintegrate older displaced workers into employment. While the federal government set the parameters and provided the bulk of the funding, the provincial governments were responsible for overseeing the implementation of projects. These were outsourced to third party organizations at the local level.

This study focuses on three projects in three different provinces: British Columbia, Newfoundland and Quebec. Despite their similarities, their results were distinct; one successful, one a failure, and one in the middle of the two. It is argued that the key difference was the effectiveness of inter-organizational coordination that took place between the administrators at each level, from the federal to the provincial to the local.

The relationship between the federal and provincial government in labour market policy is framed by a separate agreement with each province. This project explores the impact of that relationship on relations between project coordinators involved in the implementation of the OWPPI. Seeking to fill the apparent gap in comparative provincial policy analysis (Imbeau, et. al, 2000) it argues that the most successful project achieved its outcomes as a result of a strong working relationship between the provincial and local coordinators. The findings speak to the ability of the federal government to work in

partnership with the provincial and local levels in an effort to address important policy problems such as Canada's ageing workforce.

The Organization of this Study

This research project is a comparative case analysis of three OWPPI projects that operated in three different provinces. Each chapter is focused on one of the projects, exploring the particular experiences of those involved in its implementation at each level, from the federal to the provincial to the local. Chapter 1 provides the theoretical underpinnings of the analysis, including a review of the literature on inter-organizational coordination, a detailed description of the research methodology employed and the hypotheses being tested throughout the study. Chapter 2 examines British Columbia's Prime Time Employment Options, a project operating out of the College of New Caledonia in the Caribou economic region of the province. Its results were mixed, in that, while it was not a complete failure, certain elements left room for improvement. Newfoundland and Labrador's Agricultural Awareness and Community Service Project is the focus of Chapter 3. Seeking to offer agricultural training to older workers in the Avalon Peninsula, the project failed to achieve most of its desired results. Chapter 4 explores the implementation of Action Travail 55, in the Bas St. Laurent economic region of Quebec. Its overall success is attributed to a number of factors not present in BC or NL. Chapter 5 concludes the study with a summary of the most pertinent findings and the propositions for future research and policy in this field.

The remainder of the introduction provides the context and justification for this study. In recent years, population ageing has prompted policy makers across many fields

to develop new programs or adjust existing ones to address this issue. In addition, today's older workers face challenges that necessitate government action. Looking at the trends associated with this demographic phenomenon, its labour market implications and the responses that have been adopted throughout the industrialized world, including Canada, the significance of the OWPPI as an important step in Canadian policy is evidenced.

Population Ageing

Population ageing is a demographic phenomenon sweeping across most of the developed world. Attributed to increasing life expectancy and decreasing fertility rates, in addition to the ageing of the baby boomers cohort, its expected impact will touch on many facets of society. A growing number of elderly people will likely heighten the demand for healthcare and social services, resulting in a shift of resource allocation towards this larger segment of the population.

While the proportion of seniors in Canada is smaller relative to other industrialized countries, it is expected to begin to accelerate by 2011 (Government of Canada [GC], 2002). Indeed, it has been projected to increase from 4.2 million to 9.8 million between 2005 and 2036, suggesting a change from people over the age of 65 representing 13.2% of the population to 24.5%. These adjustments will likely continue for the following twenty years, though at a declining pace, reaching 27.2% of the population by 2056 (GC, 2002).

The average life expectancy of Canadians is also increasing. In 2004, it reached an all-time high of 80.2 years (GC, 2002), up from 79.4 years just four years earlier (Organisation for Economic Cooperation and Development [OECD], 2005). This

introduces a potentially problematic implication with respect to the economic security of seniors. To date, Canada's pension system has demonstrated remarkable success in ensuring people have a comfortable level of retirement income once they are of the age in which they can no longer work (Jenson, 2004). This is particularly evident when considering that the proportion of low income seniors has reached an all-time low (GC, 2002). However, the pension system was designed in the post-war period, when life expectancy averaged approximately 68 years (Jenson, 2004). Today, retirement income is necessary for a much longer period of time than was originally intended, thus putting greater pressure on the sustainability of the system overall.

Just as the proportion of elderly people is increasing, the number of young people in Canada has been falling. In the fifty years between 1946 and 2006, the number of people between the ages of 0 to 19 fell from representing 36.6% of the population to 24.0% (GC, 2002). By 2056, it is expected that this proportion will fall below 20.0%. Though the total fertility rate was 1.56 in 2003, closely resembling that of other industrialized countries, this was still below the replacement rate of 2.1 (GC, 2002). The overall result is that while there was one in five Canadians over the age of 55 in 2001, this number is projected to increase to one in three by 2021 (Statistics Canada, 2005).

There is a great deal of regional variation with respect to these trends. Indeed, population ageing is expected to be greater in the Atlantic Provinces and Quebec than anywhere else in Canada (OECD, 2005). By 2026, for example, the proportion of the population over the age of 50 will have reached nearly 50% in Newfoundland and Labrador.

The labour market implications of population ageing are often pointed to as the most problematic aspect of this phenomenon. As the baby boom generation begins to enter retirement in 2010, there is a concern that a labour supply shortage will lead to a general decline in standards of living, as too few workers will be expected to support too many retirees (Cheal, 2000). Between 1950 and 2000, Canada's labour force grew nearly 200%. According to estimates by the OECD, if participation rates remain constant over the next five decades, Canada's labour force will increase by less than 5% (OECD, 2005). With the slowing growth of the labour force comes a concern for the health of the Canadian economy. This is particularly the case when taking into account the fact that the United States' labour force will not be as severely altered, putting Canada in a less competitive position with respect to its most important trade partner (OECD, 2005).

Older Workers: Trends and Challenges

In Canada, older workers comprised 28% of the labour force in 1994, while estimates for 2010 suggest this group will likely comprise up to 40% (Rogers and O'Rourke, 2003). Though not an entirely homogenous group, they do share a number of trends and challenges. As policies seeking to engage this group are developed, it is important that their commonalities be recognized and addressed.

Life expectancy is increasing throughout the developed world. In addition, there has been a continuing trend in most industrialized countries toward early retirement since the 1970s (OECD, 2006). Taken together, these trends suggest that the number of years workers can expect to spend in retirement has increased. Within OECD countries, for

example, men can expect to spend 18 years in retirement, up from 11 years in 1970.

Women's years spent in retirement has increased from 14 to 22.5 years (OECD, 2006).

The Canadian literature on older workers between the ages of 55 and 64 indicates that many work in traditional industries with little growth. Their skills are limited to those required to complete their specific tasks, as they have spent the vast majority of their lives working in a single sector of the economy (Forum for Labour Market Ministers [FLMM], 1998). Moreover, older workers are 50% less likely than 25 to 44 year old workers to take part in employer-sponsored training (FLMM, 1998).

More than half of workers aged 45 and over live in small rural communities, where employment opportunities are scarce or non-existent (FLMM, 1998). Their willingness to relocate is three times lower than workers aged between 25 and 54. The Forum of Labour Market Ministers' report points to reasons such as limited transferable skills, higher wage expectations and property ownership.

44% of Canadians aged 56 to 65 have a low level of literacy, which further increases their vulnerability in the labour market, since most positions require at least some literacy skills. In fact, it was estimated that in 2001, 60% of jobs required some form of post-secondary education, while 15% demand a university degree (FLMM, 1998).

The frequency of job loss for older workers has increased disproportionately in the last few years (Rogers and O'Rourke, 2003). This is particularly problematic, given that when older workers between the ages of 55 and 64 lose their jobs, they are more likely to stay unemployed for 50% longer than prime-age workers (GC, 2002). In 1998,

for example, 17% of workers aged 55 to 64 had been unemployed for a year or longer, compared to 10% for those aged 25 to 44 (FLMM, 1998).

To summarize, the number of older workers is increasing, as is their unemployment rate and years spent in retirement. This group tends to stay out of work longer than their younger counterparts, due to higher wage expectations or a lack in transferable skills. Faced with the challenges of being considered “old” in the labour market, these individuals are too young to begin collecting their public pensions. As Leblanc and McMullin (1997) contend, Canadian public policy does not leave many options for older displaced workers, who tend to ‘fall through the cracks’ (p.289). Taken together, these issues demonstrate the necessity of a program directed towards the active re-integration of older workers into the labour market.

Policies for an Ageing Workforce

Throughout the developed world, a number of initiatives have been introduced to address workforce ageing. From measures seeking to increase labour force participation among women, to policies promoting greater migration, governments have recognized that this demographic phenomenon necessitates serious attention. While many courses of action are useful, older people who are currently inactive represent one of the most significant sources of additional labour supply (OECD, 2006). As such, new active labour market policies have been pursued to encourage older workers to remain in the labour force, as well as retirees to return to work. The following examples illustrate the extent to which many countries are developing measures to address the labour market issues

resulting from this rapid growth of an ageing population (Forum of Labour Market Ministers [FLMM], 1998).

In Sweden, for example, older workers aged 60 to 64 may gradually reduce their working hours and receive a partial pension corresponding to 65% of their gross earnings lost. This eases their transition into retirement, while allowing their employers to reorganize and assess their human resource needs. Employers report that this strategy has led to increased productivity, as older workers are sometimes even more productive than their full-time counterparts (FLMM, 1998).

Since the middle of the 1990s, Finland has introduced a series of policies aimed at extending the working lives of older workers. The National Programme on Ageing Workers, for example, was implemented jointly by the Ministry of Social Affairs and Health, the Ministry of Labour and the Ministry of Education. It included a series of measures such as information campaigns, research projects for workplace development and management training. Since then, a number of programs have followed, each with innovative approaches and measures, such as providing expert advice to employers seeking to improve the quality of working conditions in their workplace (OECD, 2006).

Recognizing the importance of retaining older workers in the labour market, the French government introduced the Delalande contribution in 1987. This measure obliges employers to contribute to the unemployment insurance administration upon the dismissal of any workers over the age of 50 (OECD, 2006). While its net impact has not yet been established conclusively, the contribution effectively leads to greater job security for workers hired before the age of 50.

Canada's Employment Programs for Older Workers

Within the Canadian context, programs targeting older workers' labour market participation have been relatively limited. Initiatives have been either passive in nature (such as the Program for Older Workers, explained below), age-neutral, or have not focused specifically on this group (the Canadian Jobs Strategy, as an example). Pointing to some of the most salient examples, the development of the OWPPI may be traced through the lessons learned from previous attempts.

In the early 1980s, the Federal government introduced Canada's Work Sharing Program, allowing workers to share the total number of hours of work with their co-workers (FLMM, 1998). The program's objective was to enhance the retention capacity of a firm by providing access to part-time work and income support for the hours not worked. Participation in the program was voluntary, and had to be jointly requested by the employer and all employees within the organization.

In 1985, the Canadian Jobs Strategy was introduced as a federally funded labour market policy designed to increase the role of the private sector in job-creation (Klassen, 2000). While certain groups were targeted as part of this initiative (women, natives, visible minorities and disabled), older workers were never among them (LeBlanc and McMullin, 1997). Furthermore, they were under-represented as participants in the program. While older individuals accounted for 25% of the labour force in 1987-1988, they represented only 8% of participants in the program (Human Resources Development Canada [HRDC], 1999).

Replacing the Canadian Jobs Strategy, the Employability Improvement Program (EIP) was introduced in 1991. Contrary to its predecessor, this program identified older

workers as one of the target groups to whom employment services would be provided. The focus of this program was on individuals facing labour market difficulties but who were motivated to work. Evaluations of this program found that all groups, including older workers, experienced significant gains in time spent working and wages earned (HRDC, 1999). There were some important distinctions between EIP and CJS, and these are worth noting. While the EIP's major source of financial support was the Employment Insurance fund, the CJS was funded from general revenues. This resulted in a different client base, as more claimants for EIP were people who had been recently unemployed. In contrast, the CJS focused on those who had been unemployed for a longer period of time, and would have thus posed a greater challenge in re-integration in the labour market. In addition, the EIP's services were delivered through partnership arrangements and better reflected the local labour market circumstances of each region they served (HRDC, 1999).

Prior to the introduction of the OWPPI, the Program for Older Worker Adjustment (POWA) was the only Canadian program designed specifically for older workers. Introduced in 1986, it provided financial assistance to displaced workers over the age of 55 until they reintegrated into the labour market or were eligible to collect their public pension (LeBlanc and McMullin, 1997). The program served as a social safety net for displaced older workers who had exhausted their Employment Insurance benefits (HRDC, 1999) and were able to demonstrate an active pursuit of employment, whether through retraining or moving. Participants were likely to be less educated and working in the manufacturing, mining or trade industries (LeBlanc and McMullin, 1997). With a federal-provincial cost-sharing component, provinces were able to opt out of

participating. Agreements were established with Ontario, Quebec, Newfoundland, British Columbia and Nova Scotia.

A 1996 evaluation of the POWA found that its impact was limited, operating primarily as a passive income support strategy (that is, it provided financial support but did not help older workers actually find work). Comparing a group of 1000 participants with 600 non-participants, all of whom had been laid off, it was found that fewer than 10% of workers in both groups chose to take part in formal training once unemployed. In addition, 19% of participants found work after the layoff, compared to 39% for the non-participants. At the time of the evaluation, only 7% of participants had found work, compared to 20% for the comparison group. Based on such findings, the evaluation concluded that the POWA operated as a disincentive to labour market participation (HRDC, 1999). POWA was terminated in March 1997.

Based on the examples put forward, it is clear that some attempts have been made to address the issue of workforce ageing. The majority of programs have targeted their efforts on groups such as visible minorities and youth, while others have simply been passive in nature. In their review of programs for older workers, the Forum of Labour Market Ministers point out a striking gap in labour market policy in Canada: 'there are no major programs that focus exclusively on the retention or reintegration of older workers' (FLMM, 1998, p.10). This, they claim, is due to the fact that historically, older workers have maintained stable working careers, staying in the same position for most of their lives and earning relatively higher wages than their younger counterparts. Until recently, there has been no need to target programs specifically to older displaced workers (HRDC, 1999). However, as the proportion of the population between the ages of 55 and 64

continues increasing, reaching more than 50% in the next ten years, older workers assume a much more significant role in the labour market (FLMM, 1998) and merit greater attention.

The Older Worker Pilot Project Initiative

Canada's federal and provincial governments first identified older workers as a policy priority in 1998, during the Annual Premiers Conference. This was further echoed at the Forum of Labour Market Ministers Deputy Ministers' Policy Forum later that year. As a result, an ad hoc Working Group on Older Workers was established to assess the labour market adjustment issues faced by older workers, including issues specific to each province and to develop solutions to the impending labour force problem (Human Resources and Social Development Canada [HRSDC], 2005).

Based on recommendations put forward by the Forum of Labour Market Ministers, the federal government announced in June 1999 that \$30 million would be made available to fund the Older Workers Pilot Project Initiative. This joint federal-provincial/territorial program had as a principle objective to test innovative active measures designed to re-integrate displaced workers into sustainable employment or maintain in employment older workers threatened with displacement (HRSDC, 2005). Overall, the goal of the OWPPI was to gain greater understanding of how to assist older workers in either maintaining employment or returning to the labour market once displaced. Such knowledge was then intended to inform future policy and program designs at both levels of government (Treasury Board Secretariat [TBS], 2004).

The department of Human Resources and Skills Development Canada was responsible for management of the project at the federal level, while provinces and territories were charged with design, development and evaluations of the projects (TBS, 2004). The program was overseen by the Treasury Board, the central agency responsible for monitoring public expenditures. According to its policy on transfer payments, managers at the federal level (in this case HRSDC) must furnish clear expectations with respect to the results to be obtained from the projects and must ensure compliance by those receiving funds at the provincial or territorial level. HRSDC was thus responsible for ongoing monitoring of operational and financial activities.

Within HRSDC, the development, implementation and reporting on the OWPPI fell under the responsibility of the Director General of the Active Employment Measures Directorate, under the authority of the Assistant Deputy Minister of Employment Programs Policy and Design. The Director General was responsible for the day-to-day direction of the initiative. A team was set up, consisting of one team leader and three policy analysts, two of which were responsible for negotiating the contribution agreements with each participating province and territory, while the third served as a back up to the other two (TBS, 2004).

As recipients of federal funding, the participating provinces and territories were to develop and submit pilot project proposals. These proposals were then reviewed by an inter-departmental committee at the federal level, including HRSDC regional official contacts for each participating province and territory. Proposals submitted were assessed against the objectives and approaches of the OWPPI. Funding allocations to each province and territory were based on each jurisdiction's respective share of unemployed

persons aged 55-64, with a minimum of \$300,000 per year available to each jurisdiction. This funding was granted through the Consolidated Revenue Fund (TBS, 2004).

Provinces and territories had the option of contracting out the implementation component to third parties, which was the case, incidentally, for all projects. All such arrangements required a written agreement describing the obligations of the third party and the conditions under which funding would be granted. Each agreement needed also to include a provision granting access to the project site by officials from the federal government (TBS, 2004). As recipients of funding, provinces and territories were responsible for collecting sufficient reporting data on the use of contributions for the pilot projects, as specified in each proposal. They also needed to ensure that results were submitted by the third parties they opted to enlist in the implementation of projects.

In 2003-2004, an additional \$15 million was committed by the federal government in order to continue the pilots until March 31st, 2004. This funding came, in part, from the Bridging to the Future for the Canadian Softwood Lumber Sector policy, Cabinet's response to the economic challenges faced by this sector. The project was further extended to March 31st, 2005 with an additional \$5 million, and again to May 20th, 2006, enriched with a final \$5 million (Partenaires Delta Partners, 2005).

By the end of March 2005, the initiative had funded 130 projects in all provinces and territories with the exception of Ontario and Alberta, who opted not to participate in the program. For Alberta, this was due to its low unemployment rate, while Ontario chose not to participate because the "cost-sharing approach did not fit into its fiscal framework" (TBS, 2004, p.10). According to the federal evaluations, the program is viewed as a success. This is further exemplified by the introduction of the Targeted Initiative for

Older Workers (TIOW), put forward in 2006 by the Federal government as a follow-up to the Pilot Projects. \$70 million has been made available by the Federal government to support this cost-sharing program with the provincial governments.

Why Study the OWPPI? New Challenges in a Changing Context

An innovative program for older workers

As has been previously noted, Canadian labour market programs directed towards displaced older workers have historically been nonexistent or passive in nature. Recent years attest to a shift that has been taking place, in which such passive programs are falling out of favour in exchange for more active forms of intervention. While some suggest this is due to the fact that older workers want to continue working in full time employment (HRDC, 1999), others, such as Rogers and O'Rourke (2003), contend that the driving force for such change is fiscal. Governments are now coming to the realization that the mass exit of the baby boom generation from the workforce carries with it important economic implications. Regardless of the reason behind it, the OWPPI represented an important shift in federal and provincial labour market policy by addressing the situation of the ageing workforce through active measures. The novelty of this program is the first of several justifications for closely scrutinizing the results of the projects that operated under it.

A new labour market policy environment

A second justification speaks to the labour market policy context within which the OWPPI was being implemented. In Canada, labour market policy has always been the

product of a murky division of responsibility between the two levels of government. Labour market training is particularly problematic, in that while the federal government has always treated it as a component of its responsibility for macro-economic policy, the tools used to address this policy area generally fall under the provincial jurisdiction of education (Bakvis and Aucoin, 2000). The result is that most labour market training initiatives have developed from a partnership between the federal and provincial governments. Throughout history, a number of attempts have been made to bring greater clarity and efficiency to this policy area (See Appendix I). The most recent initiative, the Labour Market Development Agreements (LMDA), represented a significant shift in responsibility from the federal to the provincial governments (Klassen, 2000). In 1996, the federal government announced that it would transfer \$1.5 billion of expenditures on its active employment measures (Part II of the Employment Insurance fund) to the provinces and would withdraw from the purchase of training activities. Under the new LMDAs, the federal government's activities are limited to providing national labour market information, the implementation of pan-Canadian activities as well as active labour market measures for non-EI recipients such as youth, the disabled, Aboriginals and immigrants (Klassen, 2000). Meanwhile, provinces and territories are responsible for most of the funding allocated for active labour market measures from the EI account. Since negotiations were bilateral, each province and territory signed a unique agreement with the federal government, representing the degree of asymmetry they preferred at the time (Lazar, 2002). Agreements are characterized according to their intergovernmental regimes, whether full transfer or co-management. The full transfer model allows the provinces to assume full responsibility for labour market policy and program delivery

within the federal funding and client eligibility constraints. These arrangements have also resulted in the transfer of federal employees to the provincial payrolls (Lazar, 2002). Conversely, the co-management model does not outline the transfer of any resources to the province (financial or staff) but creates a situation for the joint-management of program design and implementation, as well as the establishment of priorities and strategic direction (Lazar, 2002). Regardless of the type of agreement selected, the provinces and territories had to undergo some reorganization of their government machinery. Indeed, as Bakvis and Aucoin (2000) contend, while the LMDAs were an exercise in federal-provincial relations, the intragovernmental dimension or interactions within each government also played a role. As such, an analysis of the implementation of projects within the OWPPI allows for an examination of the impact of the LMDAs. In selecting projects that operated in different provinces, the effect of a full-transfer agreement vs. a co-management agreement on the implementation process is closely scrutinized. Chapter 1 outlines the theoretical underpinnings of the distinction between the agreements and describes the full extent of their impact in greater detail.

Ambiguous results

A third justification for studying the OWPPI is relevant when taking into account the program's initial objective: to test innovative active measures designed to re-integrate displaced workers into sustainable employment or to maintain in employment older workers threatened with displacement (HRSDC, 2005). Testing an approach necessarily requires the collection of consistent information about the project's goals, activities and outcomes. HRSDC provided each province with a generic evaluation framework meant to

guide this component of the project. It consisted of clear instructions on what information to collect and how it should be presented. However, the evaluation reports submitted by each province varied substantially with respect to the data collected and presented. In some cases, only descriptive accounts were submitted, entirely without evaluation content (Partenaires Delta Partners, 2005). Indeed, “the evaluation framework was not completely followed by any jurisdiction” (p. 6). Due to the lack of access to raw data, no comparisons by province and territory could be generated. The effectiveness of testing various approaches was weakened, given that no comparable data could be used to determine conclusively the impact of each approach. Despite lacking information, the program is viewed as an overall success (Partenaires Delta Partners, 2005). This is puzzling, in that based on the information collected by HRSDC, it is difficult to explain why some projects were successful while others failed.

From this puzzle emerges a research project dedicated to establishing a greater understanding of Canada’s pursuit of solutions to the fast-approaching policy problem of an aging workforce. The objective of this examination is not to question the conclusions of the program’s overall impact, but to pay closer attention to the results of individual projects and the implementation process used to achieve them. In seeking to fill the apparent comparative gap, the goal is to identify the enabling factors or the detrimental elements that can account for the success or failure of these projects.

The assumption grounding the selection of cases is that projects undertaking the same activities in economic regions with comparable labour market conditions should perform similarly. In the case of the three projects selected for detailed analysis, they all offered job search and retraining activities, including computer training. Each project was

selected on the basis of the labour market conditions of their particular area. All three areas had comparable employment, unemployment and participation rates. The main distinction between projects is that they were implemented in different provinces, under different LMDAs. As this analysis suggests, while it is expected that comparable labour market conditions would be addressed in a similar way, the three projects under analysis followed a distinct process, leading to divergent implementation results. These findings speak to the ability of the federal and provincial governments, in working with the local level, to implement effective labour market training programs for older workers.

Concluding note: An essential program

The willingness to relocate for employment declines considerably with age (FLMM, 1998). This means that areas affected by a high proportion of displaced older workers are faced with a challenge that can only be met head-on. Indeed, those responsible for employment programs in these areas must make the best of the labour market conditions they face. That is, they must work with the older displaced workers in their region and do all they can to promote their re-entry into the labour market. This addresses the final justification for analysing the OWPPI. While Canada's ageing workforce may not be viewed as an urgent problem throughout the entire country, certain regions, particularly rural communities or small municipalities dependent on a single industry, will feel the effects to a much greater degree. Focusing on projects implemented in such areas thus serves to put forth the factors that made one project a huge success, a second project a moderate success, and a third project a complete failure.

CHAPTER 1

How to Study Inter-Organizational Coordination within the OWPPI?

The primary objective of this study is to explain the variation in implementation outcomes of three projects that operated as part of the OWPPI. According to Pressman and Wildavsky (1973), implementation is the process of linking objectives with the actions geared to achieving them. This process may take on various forms, some proving more successful than others. While early implementation literature emphasized either the importance of command and control techniques or local level capacity, the field of public administration has evolved to a point where neither can account for variation in project outcomes. With a growing multiplicity of organizations now involved in the carrying out of public tasks, new determinants for implementation merit closer attention. Looking first to the literature on implementation, from its earliest sources through to the current work being done in this field, it is argued that inter-organizational coordination is an important determinant of success. As will be discussed, its complex nature, that is its multi-dimensional and multi-level character, merits closer attention. How does formal coordination affect informal coordination? How does coordination at one organizational level influence the mechanisms adopted for coordination at another level? Not only does this study therefore seek to confirm or reject the argument that inter-organizational coordination exerts a positive influence on implementation outcomes, it probes further into the issue by specifying what *kind* of coordination and between *whom*. In doing so, this examination of the OWPPI aims to inform future policy decisions related to the labour market, and may even offer further insight into the conditions necessary to achieve implementation success in any number of policy areas.

This chapter begins with a review of the theoretical and empirical examinations of inter-organizational coordination undertaken in recent years. It follows by describing the analytical framework used to study the OWPPI. It concludes with a brief description of the findings uncovered in this analysis and a summary of what is to follow in the rest of research project.

Theories of Implementation: Top-Down and Bottom-Up

Since it first surfaced as a field of study in the 1970s, implementation literature has undergone a significant evolution (deLeon and deLeon, 2002). While the first generation is described as a collection of case studies, resulting in the identification of over three hundred variables (Matland, 1995), the second generation addressed the need for structure, and developed into two schools of thought: top-down and bottom up. For the first approach, the starting point of analysis is the authoritative decision that initiates policy action (Matland, 1995). Top-down studies of implementation are concerned with ensuring that decisions made by higher authorities are carried out as intended. According to this perspective, programs will succeed if met with sufficient economic resources and a clear mandate (Montjoy and O'Toole, 1979). Local level actors will conform to the commands from above provided sufficient authority is exerted. This approach is not appropriate to a comparison of different projects within the OWPPI. As Boismenu and Graefe (2000) point out, the federal government has never been in a position of significant influence in the field of labour market policy. This is attributed to the fact that this jurisdiction is shared with the provincial governments, in addition to its declining financial commitments since the 1990s. Furthermore, while local level implementers

depended on the federal and provincial governments for project funding, the latter also counted heavily on the services provided by the local level to ensure ultimate program success. The top-down approach, while having made a significant contribution to the field, is therefore not an appropriate model for implementation analysis within this project.

Standing in marked opposition is the bottom-up model, which emphasizes the importance of contextual factors affecting the policy process. As Matland (1995) argues, bottom-uppers see implementation as the interaction of policy and setting. This means that no single theory of implementation may be context-free. This also suggests that projects operating in similar contexts should produce similar results. For the projects under examination for this research, the conditions in which they were implemented were all relatively similar and were selected for analysis on the basis of this criterion. All projects were run in rural areas, where labour market conditions were among the least advantaged in the province. That different outcomes were produced for each project suggests that other variables may have affected the process of implementation in ways not accounted for in the bottom up model. This approach also focuses on the role played by officials at the local level. Authors such as Lipsky (1980) argue that administrators at the street level are central to determining the types of services delivered to the public. In his view, programs must be flexible enough to allow local level implementers the freedom to adapt them to their particular conditions. While organizational capacity at the local level played a significant role in program implementation, this does not adequately account for the variation in outcomes across individual projects. First, local level implementers were free to design projects that would best be suited to fit the

particularities of their local labour market. Second, local coordinators and their projects were carefully scrutinized by federal and provincial officials before they were approved for participation in the program. This served as a control on organizational capacity across projects.

Overall, neither the bottom-up nor top-down perspective is effective for explaining the diverse results obtained by individual projects within the OWPPI. First, the top-down approach fails to serve as an appropriate framework because the federal government has never exerted a strong influence over the provinces in the area of labour market policy. Second, the bottom-up approach suggests that similar contexts should yield similar implementation results, which was not the case for the projects under analysis. How is it, then, that each project produced a different outcome?

The OWPPI: A Question of Inter-Organizational Coordination

To answer this question effectively, one has only to take into account the number of organizations involved in implementing the OWPPI. As was highlighted in the previous section, three organizational levels were implicated in each project (federal, provincial, local). Additionally, once projects reached the provincial level, there was great variation as to the number of groups involved in putting projects into practice. Such is not uncommon in the field of public administration. Indeed as a wide number of authors have observed, public tasks are rarely carried out by a single organization (deLeon and deLeon, 2002; O'Toole, 1983; Lundin, 2007; Herranz, 2007, to name a few). Multiple agencies, whether governmental or private, are involved in the implementation of programs intended to address societal problems. Often, organizations

from several different sectors are called upon to jointly implement a program. Though Montjoy and O'Toole (1979) identified implementation as an organizational problem as early as two decades ago, their prescriptions would not be effective today. While they emphasize the importance of providing new resources and a specific mandate, they do not account for the shrinking pool of public resources and widening demand for services. Indeed, the current era is markedly different from anything that has occurred before due to the proliferation of organizations, whether public, private or non-profit, all ready and willing to participate in the provision of public services, even within a single program.

A Growing Multitude of Organizations: What Changed?

Several trends have led to the involvement of multiple organizations in the delivery of a single program. Some argue that the types of problems faced by society have become so complex that they can no longer be dealt with by a single organization and necessitate multiple units to pool their resources (Agranoff and McGuire, 2001; Rethemeyer and Hatmaker, 2008). Rethemeyer and Hatmaker (2008) also point to the emergence of corporate entities as participants in the realm of politics and policymaking. They suggest that community groups have become even more active in the face of this growing corporate power. As Ford and Zussman (1997) point out, a related effect is that as society has become increasingly critical of government, demanding much higher quality of public services, governments have responded by willingly sharing governance functions with individuals and community groups. Finally, the idea of the state undergoing a process of "hollowing out" (Milward and Provan, 2000) has become prominent in public administration literature over the last few years. While this is a

debated concept, the general notion is that 'units of government are separated from their outputs' (Agranoff and McGuire, 1998). Services once provided directly by government are now being delivered by third parties, acting on behalf of the state. Agreements, contracts and partnerships form the link between public and private organizations, whether nonprofits or firms. Together, these trends have led to the decline of bureaucratic, hierarchical structures. Instead, governmental organizations operate in an environment made up of numerous groups, whether public, private or non-profit, who must take one another into account in order to achieve their objectives (Goerdel, 2001.) The end result is that the field of public administration must be analyzed according to a new perspective, one that takes into account the fact that multiple actors and organizations play a role in policy making and implementation.

The Response within Government: Increasing Intergovernmental Interactions

From an institutional standpoint, such trends are noticeable in the extent to which government structures have been altered in order to adapt to this changing environment. Though intergovernmental interactions have always been necessary for states operating under a federal system (Agranoff, 2001), such relations have undergone significant increases in the last twenty years (Johns, et. al, 2007). The 1990s signalled the beginning of this shift, as rising global competitiveness came with accompanying demands for public sector reform under the innovative approach of New Public Management (Johns, et. al, 2006). Adopted diversely across various states, the principle tenet of this new style of governing is to emulate the private sector in the management of public goods and

services¹. This suggests a heightened focus on performance measures and contracting out to third parties. Additionally, a greater emphasis was placed on the importance of limiting duplication and overlap as a result of welfare retrenchment pressures (Rogers and O'Rourke, 2003). Within federal systems, such public sector reforms were viewed as necessary in order to increase the efficiency of intergovernmental relations. As such, many OECD countries have created partnerships between their levels of government by jointly managing projects and programs (Johns et. al, 2006). As Johns et. al (2007) find in their analysis of Canada's administrative machine, intergovernmental activity has increased in all policy areas, including even exclusive jurisdictions such as health, education and trade. Increasing inter-departmental interactions within the same level of government are evidenced in the growing number of departments with intergovernmental units of jurisdiction. Interactions between different levels of government are also on the rise, as federal-provincial/territorial partnerships have become a common tool for harmonizing policy between different jurisdictions and addressing issues that require joint action (Johns et. al, 2007). Interestingly, this rise in intergovernmental activity has not occurred with an accompanying rise in studies examining the policy implications of such changes. Indeed, many questions still remain regarding the effect on program performance (Agranoff, 2001).

¹ While theoretical debates abound about the meaning and utility of New Public Management, the practice of innovation in public service reform has become the norm over the last few years throughout the Canadian public service. Such changes may fall into three distinct categories: increased privatization, changes to government structures and processes or increased delegation (Kernaghan, 2008)

The Emergence of Networks and the Changing Role of Public Managers

Within the context of this changing structure of government, in which a greater emphasis is placed on the importance of decentralization,² shared decision-making and shared programme delivery, networks have emerged as a new and effective public administration tool. Adopting O'Toole's (1997) definition, networks are "structures of interdependence involving multiple organizations where one unit is not merely the formal subordinate of the others in some larger hierarchical arrangement" (45). These organizations may be governmental, private or non-profit. They may come together voluntarily or through contractual obligation. Some units may therefore relate to one another hierarchically, though this is not the case for all organizations within the network. Instead, it is more accurate to describe them as interdependent. Networks serve three main strategic purposes, according to Agranoff and McGuire (1998): policy making, resource exchange or project based. This third type of network, of particular relevance for this study, is likely temporary, as it developed in order to serve a specific purpose. It is based on the exchange of technical expertise for the purpose of implementing a particular project. Creating and implementing public programs now has much with crafting network forms and monitoring their performance (O'Toole, 2000). Within this new era of changing government patterns, networks have become a common choice for public service provision. Such multi-organizational arrangements solve problems that cannot be solved by a single organization (Agranoff and McGuire, 2001).

An important implication of the emergence of networks is the transformation of the work of public administrators and managers. Though traditionally understood as

² This represents one of several attributes of what Kernaghan terms the "post-bureaucratic paradigm" (Kernaghan, 2000). Other elements include a managerial culture that stresses innovation, consultation and results-oriented accountability.

POSDCORB (planning, organizing, staffing, directing, coordinating, reporting and budgeting) (a term coined by Luther Gulick and cited in Herranz, 2007 and Kernaghan and Kuper, 1983), working for government now requires an altered skill set, placing greater emphasis on some aspects of the traditional role, while adopting new roles and responsibilities. Within this changing environment, public managers are faced with the challenge of working in networks, where they have less authority and yet are being held more accountable for performance outcomes (Herranz, 2007). The key to their success, that is the successful implementation of programs they are assigned to manage, is their ability to foster a collaborative, open and effective relationship between all actors involved. In short, inter-organizational coordination is the key to successful program implementation.

Inter-Organizational Coordination and Program Success: The Evidence

Inter-organizational coordination, broadly defined, is the act of ensuring that “two or more parties take one another into account for the purpose of bringing their activities into harmonious or reciprocal relation” (Kernaghan and Kuper, 1983: 13). It becomes particularly crucial when these groups are called upon to jointly administer a program. Once tasks are divided, each group must perform its responsibilities in a manner that helps or at the very least does not hinder others from doing the same. Such necessitates clearly articulated roles and responsibilities for each group, as well as an open channel of communication. Effective coordination allows for greater information and resource exchange. For Rethemeyer and Hatmaker (2008), organizations coordinate because no single group can sustain its operations or achieve its goals alone. Each needs some of the

resources that can be offered by others, whether financial, political, human or knowledge-based.

While this body of literature is still in its infancy (Rhodes, 1996; Herranz, 2007), a number of interesting studies examining the relationship between inter-organizational coordination within a network and program performance have emerged. For example, in her examination of public education within the United States, Goerdel (2005) finds that high school superintendants adopt various styles of managing their relations with various actors, whether parent groups, state educators or other superintendants. Some opt to initiate interaction, while others will wait until communication is requested by others. Comparing these various styles against each program's education outcomes, she argues that management style does matter to performance. More specifically, she points to the importance of manager-initiated interactions, as these best foster collaboration and information-sharing, while reducing uncertainty. In an analysis of the system of public transit operating in San Francisco, Chisolm (1992) attributes its successful outcome to the informal relations between the various actors involved. These, he argues, are even more effective instruments for coordination than the formal mechanisms introduced.

Nowhere are theories of inter-organizational coordination and network management more developed than in the field of labour market policy. Standing at a cross between economic and social policy, necessitating dual macro and micro perspectives, labour market policy analysis is an undeniable fit with theoretical approaches dealing with coordination between multiple organizations. As Meier et. al. (1998) point out, the complexity and ambiguity of this policy area necessitate the creation of network forms. Changing labour market conditions, coupled with reforms to the

federal welfare and workforce policies have made network forms of governance particularly important in the United States (Herranz, 2007). There, a complex network of employers, non-profit organizations and unemployed people has emerged to ensure the delivery of employment services, as it is not politically acceptable within that context to depend on the state for employment (Agranoff and McGuire, 2001). Researchers such as Rogers and O'Rourke (2003) and Klassen (2000) are equally convinced that greater collaboration is needed in the field of labour market policy in Canada.

Many employment and training programs in the United States, Sweden and Germany make use of numerous organizational units for their planning and execution. Initiatives introduced under the Job Training and Partnership Act (JTPA) in the United States require the involvement of officials at the federal, state and local level, as well as for-profit and not-for-profit organizations. Studies of these programs have found different techniques for coordination to be more effective than others (Jennings and Krane, 1994; Jennings and Ewalt, 1998). While the JTPA includes a number of formal planning requirements, mandated activities and official coordinating bodies, these are no guarantee for successful coordination. Demonstrated in Jennings and Krane and Jennings and Ewalt's studies, techniques fostering communication and operational interaction are the most useful. This does not imply that joint planning is itself problematic, but that it must be fostered through working partnerships and regular meetings with staff from various units (Jennings, 1994).

In an examination of Boston's workforce development system, Herranz (2007) presents an analysis of different strategies used by public managers to coordinate within their network. Working in partnership with both not-for-profit and for-profit

organizations, public managers must bear in mind that each will have different interests and will not respond to incentives and disincentives in the same way. As a result, the same type of public service delivery outlet may operate differently, depending on the other members of its network. Such is the case for three of Boston's One Stop Career Centers. As Herranz explains, while each experiences similar funding levels, mandates and institutional parameters, they differ with respect to their approaches to coordinating within their network. From community-based, to bureaucratic to entrepreneurial, each centre is flexible enough to respond to its particular context, resulting in effective employment service provision.

As Agranoff and McGuire (1998) find in their analysis of economic development policy in several cities across the United States, a multi-organizational network exists to address an issue that cannot be handled by a single organization. In most cases, a local development corporation, the Chamber of Commerce, the county government and a local utility are involved in creating policies and strategies for the city. They find that the best performing cities are those where the public managers spend a great deal of their time developing and fostering collaborative relationships, as opposed to formal partnerships.

O'Toole (1983) equally points to the importance of sustained and stable relationships between individuals within different organizations in his studies of programs in Sweden and Germany. In the most successful Swedish program, for example, many of the parties have worked together on related issues over a long period of time (144). Lundin (2007) also finds that the most successful Swedish program involves much coordination between caseworkers and managers from the National Public Employment Service offices and the local municipal governments. Several factors are

incorporated in his measurement of coordination, such as whether or not managers from different units contact each other on a daily basis, whether they work together on particular cases and whether any formal collaborative contracts exist between them.

Together, these studies set the groundwork for future developments in the field of network management and inter-organizational studies. As Herranz (2007) points out, greater attention to the relationship between network coordination and program and service delivery performance is needed. In examining the different inter-organizational coordination mechanisms used to implement various projects within the OWPPI, this research contributes to the closing of such a gap.

Inter-Organizational Coordination: A Multi-Dimensional, Multi-Level Concept

Multi-Dimensional:

Inter-organizational coordination is a multidimensional concept, consisting of both formal and informal dimensions. Formal inter-organizational coordination is structural, taking on the form of officially-mandated interactions or legally binding arrangements between organizations. Governments use such mechanisms in response to the need to limit duplication and work collaboratively with other departments or levels of government on a jointly-administered policy or program. Informal inter-organizational coordination speaks to the behaviour of public managers forced to work with numerous organizations at any one time. Since many public tasks, particularly in the case of direct service provision, are delivered at arm's length from government, they will adopt different approaches in order to hold the various networks together (Goerdel, 2005, Agranoff and McGuire, 2001). Inter-organizational coordination includes their leadership

skills and ability to communicate with others. It is more likely to occur when organizations have worked together on other projects, as this increases their level of familiarity with one another, simultaneously decreasing their level of uncertainty. Moreover, information and resource-sharing is more likely to occur when collaborative relations have been fostered for some time.

The relationship between formal and informal coordination is debated throughout the literature. In their analysis of inter-governmental relations within the Canadian bureaucracy, Johns et. al (2007) focus on these two dimensions. According to their findings, public officials interact using both formal structures, such as intergovernmental affairs agencies, as well as more informal networks built through cooperative and stable relationships with other officials. These have increased dramatically during the last decade. In their view, the formal dimension of coordination has helped to create the informal dimension, as official meetings between federal and provincial actors have led to the development of stable and cooperative relationships over time. They even suggest that new formal structures such as the Social Union Framework Agreement and the Council of the Federation were both informed by the informal networks that have developed between federal and provincial officials over time. Conversely, Dobell and Bernier (1997) argue that informal networks form on their own. The erosion of the traditional bureaucratic model of command and control (Agranoff and McGuire, 2001) has allowed actors within these types of organizations to work pragmatically, developing informal exchanges and agreements (Dobell and Bernier, 1997). This suggests there is some disagreement in the literature as to whether the two dimensions must coexist, or whether they may be equally effective on their own.

Multi-Level:

In addition to having multiple dimensions, coordination also takes place between various organizational levels, from national, to sub-national, to local. A second line of inquiry discussed in the literature is the transferability of coordination mechanisms. Does an organization's ability to coordinate with one unit influence its ability to do so with a second separate unit? As Jennings (1994) argues, the ability of the federal and state governments to coordinate sets an example for the type of coordination that occurs with the local authority. Within the Canadian context, this suggests that the mechanisms used to coordinate between federal and provincial officials are replicated when such officials coordinate with the local organization. Thus, in the absence of such mechanisms between federal and provincial officials, weaker relations with the local level are likely. A competing line of reasoning holds the opposite: that federal-provincial coordination is not necessary for coordination with the local level to occur. Since provincial officials do not have to coordinate with the federal level, greater resources can be dedicated to ensuring effective coordination with the local organization.

Analytical Framework: Inter-Organizational Coordination within the OWPPI

Based on the structure of the OWPPI, coordination was necessary at two separate organizational levels: federal-provincial and provincial-local. The federal government, having ultimately formed the objectives for this program, was responsible for coordinating with the provincial government, ensuring they had adequate information and resources to fulfill their functions (federal-provincial coordination). The provincial level was then responsible for the design, planning and implementation of projects, in

partnership with the local level. Within each level, federal-provincial and provincial-local, there are two dimensions of coordination: formal and informal. Formal coordination is evident in the legally-binding agreements and official interactions that took place between all players. Informal coordination, in contrast, speaks to the behaviour of public managers at each level and the tools they used to maintain the network. The analysis thus treats inter-organizational as four separate variables: formal federal-provincial, informal federal-provincial, formal provincial-local, informal provincial-local.

What is the impact of inter-organizational coordination in the OWPPI?

3 Hypotheses

This analysis of the relationship between inter-organizational coordination and implementation success for projects operating under the OWPPI is structured by an examination of three hypotheses. The first hypothesis is centered on the effect of formal federal-provincial coordination on formal provincial-local coordination. According to Jennings (1994), the mechanisms used for coordination at one organizational level will serve as an example for the coordination mechanisms used at another level. Within the context of the OWPPI, this suggests that effective formal federal-provincial coordination is necessary for formal provincial-local coordination to occur. Based on this line of reasoning, the mechanisms used for coordination at the federal-provincial level will resemble the mechanisms used for provincial-local coordination. Conversely, if there is no relationship between formal federal-provincial and formal provincial local coordination, these mechanisms will not resemble one another. Given that the OWPPI

was developed out of an agreement between the federal and provincial government, mechanisms for federal-provincial coordination would have preceded mechanisms for provincial-local coordination. As such, the direction of causation flows from federal-provincial to provincial local.

Hypothesis 1: The higher the level of formal federal-provincial coordination, the higher the level of formal provincial-local coordination. The mechanisms used for formal federal-provincial coordination will be replicated for formal provincial-local coordination.

Null Hypothesis 1: The level of formal federal-provincial coordination has no effect on the level of formal provincial-local coordination. The mechanisms used at the federal-provincial level are not replicated at the provincial-local level. Provincial-local mechanisms develop without the influence of federal-provincial mechanisms.

The second hypothesis examines the relationship between the dimensions of inter-organizational coordination. As found in John et. al.'s 2007 investigation of intergovernmental relations within the Canadian bureaucracy, formal mechanisms of exchange, such as intergovernmental committees and agencies, have led to the creation of cooperative working relationships between administrators at all levels of government. This suggests that strong formal mechanisms of coordination must be in place for informal coordination to develop.

Hypothesis 2: Formal federal-provincial and formal provincial-local coordination mechanisms exert a positive impact on informal federal-provincial and informal provincial-local coordination. Therefore, the higher the levels of formal federal-provincial and provincial-local coordination, the higher the levels of informal federal-provincial and provincial-local coordination will be.

Null Hypothesis 2: Formal federal-provincial and formal provincial-local coordination are not necessary for informal federal-provincial and informal provincial-local coordination to develop. Therefore, the levels of formal federal-provincial and formal provincial-local coordination have no effect on the levels of informal federal-provincial and informal provincial-local coordination.

The third hypothesis focuses on the impact of informal provincial-local coordination on implementation success. What is most important in any analysis of labour market programs is what happens at the level of service delivery (Jennings, 1994). In the case of the OWPPi, the local organization was ultimately responsible for putting program objectives into practice. Provincial-local coordination was therefore an important determinant of the implementation outcomes for each project. Informal mechanisms have been emphasized throughout much of the literature on employment projects as particularly effective in ensuring success (Herranz, 2007; Ludin, 2007; O'Toole, 1983, to name a few). As such, not only is the level of coordination important (provincial-local), but the informal dimension is also key to achieving implementation success.

Hypothesis 3: There is a positive relationship between informal provincial-local coordination and project success. The more informal provincial-coordination mechanisms were used, the greater the likelihood that the project achieved implementation success.

Null Hypothesis 3: Informal provincial-local coordination is not necessary for a project to achieve successful implementation.

Each chapter within this study consists of an in-depth analysis of one of the OWPPI projects selected for examination. The three hypotheses noted above are tested for each case.

Data Collection, Measurement and Case Selection

Data Collection

Evidence compiled for this research project is based on ten semi-structured interviews conducted with the public managers and administrators involved at every stage of the implementation of the OWPPI, from the federal, to the provincial, to the local (see “Interview Codification”). Given the nature of the information required for this study, the use of interviews as a primary data collection tool was essential. Certain insights, such as a greater understanding of how individuals interact with one another in a professional setting, are unlikely to be documented and thus can only be revealed through dialogue. The evaluation reports prepared by each province and the overall evaluation report prepared by HRSDC further inform the findings put forward. Official documents

from the federal and provincial governments, as well as secondary sources were also consulted in order to provide accurate contextual information on each of the cases.

Measuring Implementation Success: The Dependent Variable

The primary objective of this analysis is to explain variation in the implementation of three OWPPI projects that took place in three different provinces. Borrowing from the work of Pressman and Wildavsky (1973), implementation is defined as “the process of interaction between the setting of goals and the actions geared to achieving them” (xxiii, 1973). A project’s implementation, it should be noted, is not the same as a project’s impact. As Montjoy and O’Toole (1979) suggest, a policy or project’s impact is the “ultimate effect on the target” (465). In the case of the OWPPI, the impact of any given project may be understood as the number of participants who successfully returned to the labour market. While such a measure does speak to the success of a project, it does not sufficiently address the larger goals of the federal-provincial program. The aim of the OWPPI was to *test* various approaches to increasing the employability of older workers, either by helping them to maintain their employment or reintegrate into the labour force (HRSDC Evaluation Report March 2005). In order to gauge the success of a project, it is necessary to take into account the actions geared toward achieving all of its objectives. The dependant variable, “Implementation Success”, is therefore constructed from three concepts, including the project’s impact or Increased Employability, as well as two other indicators: Achievement of Objectives by Local Level and Quality of Evaluation (See Table 1.2: “Measuring Implementation Success”).

“Increased Employability” measures the impact of the project in terms of the percentage of participants who took part in labour market training and the percentage of participants who were employed upon completion of the project. The greater these percentages are, the more successful the project.

Since the responsibility to implement projects was largely placed in the hands of the local level organization, the second indicator of implementation success measures the percentage of objectives achieved by the local administrators. The greater the percentage of objectives achieved, the more successful the project.

As indicated in HRSDC’s Evaluation Summary, “from the beginning of the OWPPI, evaluations were central to the design” (p.5). Successful project implementation is therefore also indicated in the quality of the evaluation. Speaking to the importance accorded to this element of the project, it is measured according to its comprehensiveness, or the percentage of participants for whom data was collected (the greater, the more successful), and its utility, that is whether or not the findings can inform future policy decisions (“yes” indicates the evaluation is useful, “no” indicates the evaluation is not useful).

Throughout the analysis, projects are therefore compared according to this complex measure of implementation success. Projects that perform well on the greatest number of indicators are ultimately deemed most successful.

Table 1.1: Measuring Implementation Success

CONCEPT	INDICATOR
1. Increased Employability	% of participants employed upon completion
	% of participants who took part in training or placement
2. Achievement of Objectives by Local Level Organization	% of objectives achieved
3. Quality of Evaluation	Comprehensiveness % of participants on whom data was collected
	Utility (Evaluation has the potential to inform future policy decisions) Yes/No

Measuring Inter-Organizational Coordination: Four Explanatory Variables

Within the context of the OWPPI, inter-organizational coordination is treated as four separate variables, corresponding to the organizational units between whom coordination was required, or the inter-organizational ‘levels’ (federal-provincial and provincial-local), and the two dimensions of coordination (formal and informal). The indicators used to measure each dimension, whether formal or informal, are examined at each level, federal-provincial and provincial-local.

Using Jennings’ (1994) methodology, formal inter-organizational coordination is measured according to the mechanisms used to share information between organizations and ensure that the activities of each did not conflict with one another. These mechanisms are the existence of a contract between the organizations, the satisfaction of each party with that contract, the use of progress reports to provide details on the activities of each organization, the use of conference calls to share information, the use of workshops exchange ideas and experiences with one another and the use of site visits by the

supervising organization (the federal level in the case of federal-provincial coordination and the provincial level in the case of provincial-local coordination). Each indicator is measured according to whether or not it was used (i.e. Yes or No). The greater the number of indicators used, the greater the level of inter-organizational coordination.

Based on the models used by Lundin (2007) and O'Toole (1983), informal inter-organizational coordination is measured using three indicators. The first is whether or not administrators within each organization have worked together on previous projects, as this indicates a higher level of familiarity and subsequently lower level of uncertainty in their interactions with one another, increasing the likelihood of effective collaborative relations. The second indicator is the frequency of communication between administrators within each organization, whether via telephone or electronic mail. Lundin (2007) measures frequency of communication as whether or not coordinators were in contact on a daily basis or seldom. Drawing from Lundin's study, frequency of communication will be defined as frequent if it occurs at least once per week, while it is considered infrequent if coordinators communicate less than once per week. This makes frequency of communication a dichotomous variable, assigning frequent communication an indicator of "yes" and infrequent communication an indicator of "no". The third indicator is the presence of an effective leader. Much of the literature on inter-organizational coordination points to the importance of leadership by a public manager in executing complex public tasks (Jennings, 1994; O'Toole, 1983, Goerdel, 2005, Agranoff and McGuire, 2001 to name a few). Within the context of the OWPPI, an effective leader is understood as an individual whose actions ensure efficient information-sharing between organizations, someone who serves as a "facilitator of exchange" (O'Toole,

1983: 138). This person works beyond the basic requirements for over-seeing his or her responsibilities in an effort to ensure that he or she has done everything possible to achieve a successful result for the project. During interviews with public officials involved in the implementation of the OWPPI, effective leadership was measured as to whether or not they identified a particular individual as having gone beyond the basic requirements in his or her work on this file.

Using these indicators of formal and information coordination, the level of inter-organizational coordination for each project is determined comparatively by assessing which project benefitted from the greatest use of each of the mechanisms. Inter-organizational coordination indicators are summarized in Table 1.3: “Measuring Inter-Organizational Coordination in the OWPPI”.

The analysis also examines the method used to initiate activities between each of the organizations, as this offers an indication of the strength of the network that has developed between them. Organizations that have worked together in the past, for example, are more likely to have already created patterns of communication that will allow effective information-sharing between them.

Table 1.2: Inter-Organizational Coordination, Four Independent Variables

CONCEPT	INDICATOR
Formal Federal-Provincial	Existence of contract (Yes/No)
	Satisfaction with contract (Yes/No)
	Progress reports (Yes/No)
	Conference calls (Yes/No)
	Workshops (Yes/No)
	Site visits (Yes/No)
Informal Federal-Provincial	Work on previous projects (Yes/No)
	Frequency of communication (1/week: Yes/Less: No)
	Presence of effective leader (Yes/No)
Formal Provincial-Local	Existence of contract (Yes/No)
	Satisfaction with contract (Yes/No)
	Progress reports (Yes/No)
	Conference calls (Yes/No)
	Workshops (Yes/No)
	Site visits (Yes/No)
Informal Federal-Provincial	Work on previous projects (Yes/No)
	Frequency of communication (1/week: Yes/Less: No)
	Presence of effective leader (Yes/No)

Case Selection Justification: Controlling for Extraneous Variance

The purposeful selection of cases ensures extraneous variance is kept to a minimum so that the principle determinants of variation in the dependent variable may be more closely scrutinized. This project adopts the “Most Similar Systems” design (Przeworski and Teune, 1970; Peters, 1998), in that many details about the individual projects are comparable (See Appendix II: “Case Descriptions”). They were selected on the basis of their similar objectives, to increase the employability of workers in rural

communities. The location of these projects is worth taking into account. Rural cities utilize more network actors for the purpose of policy making, while large central cities are more likely to be involved in contractual arrangements and partnerships (Agranoff and McGuire, 2001). This further emphasizes the importance of inter-organizational coordination, and makes these cases some of the more difficult to implement. It also ensures a comparable pool of participants for each project, most likely coming from a background in manual labour, either from forestry or farming. The projects operated in areas with similarly challenging labour market conditions, such as employment, unemployment and participation rates. Selecting cases operating under difficult labour market conditions further justifies the importance of positive project outcomes and makes it even more crucial to develop an understanding for the factors that led to successful and failed results in the end. The projects were all funded by the federal government, which was responsible for passing down guiding principles. The provincial governments all played a similar role in acting as the liaison between the federal and local level. Organizational capacity at the local level is comparable across all projects because each had to pass through a proposal process in which they were scrutinized by officials at both the federal and provincial levels.

A Significant Distinction between Cases: The Labour Market Development

Agreements

The main difference between the projects selected for this analysis is that they were implemented in different provinces: British Columbia (BC), Newfoundland (NL) and Quebec (QC). This serves as a crucial distinction, because the relationship between the federal and provincial governments in the area of labour market policy may fall under one of two types of inter-governmental regimes: co-management or full transfer. As Klassen (2000) explains, federal-provincial relations with respect to labour market policy have never allowed for a clear division of jurisdictional responsibility. In an effort to disentangle each level's roles (and in response to the growing demand to reduce government overlap and increase efficiency), the federal government introduced a series of bilateral agreements, the Labour Market Development Agreements (LMDAs) in 1996 (See Table 1.4 "Summarizing the Labour Market Development Agreements"). Two types of intergovernmental regimes have resulted from these agreements. Fully devolved or "full transfer" agreements leave the responsibility for design and delivery of employment programs with the provincial or territorial government. The federal government's involvement is limited to an annual contribution toward the administrative costs incurred by the province or territory (Treasury Board Secretariat). These arrangements have also resulted in the transfer of federal employees to the provincial payrolls. Under "co-management" agreements, provincial/territorial and federal officials work in close partnership, establishing priorities and strategic direction for labour market policy and programs. Under these agreements, federal employees are still responsible for the delivery of employment services through local HRSDC centres (Lazar, 2002).

The co-management agreements have allowed for the creation of a positive working relationship between public officials at the federal and provincial levels of government (Klassen, 2000; Lazar, 2002). Much coordination occurs between both organizations, whether through formal protocols, such as the Joint Management and Joint Evaluation Committees (Treasury Board Secretariat), or more informal methods of information exchange (Lazar, 2002). For full transfer provinces, the LMDAs have resulted in greater collaboration between the provincial and local levels (Klassen, 2000). Under the previous arrangement, the federal government maintained an alliance with the local level through its network of HRDC centres. These either offered employment services directly or subcontracted to third party organizations. Now, full transfer provinces have had to develop their own liaisons with the local level service providers. Few, if any, HRDC centres continue to operate in these provinces.

The LMDAs, in creating two types of inter-governmental regimes, affect the level of inter-organizational coordination that occurs between the federal government and each province. Formal federal-provincial coordination is much higher in co-management provinces than it is in full-transfer provinces. Administrators operating under the former type of agreement use more formal mechanisms to coordinate, such as joint planning and evaluation committees, and thus develop positive working relationships with one another. In contrast, formal federal-provincial coordination is at a minimum in full-transfer provinces.

Table 1.3: Summarizing the Labour Market Development Agreements

Agreement Type	Co-Management	Full Transfer
Labour market policy planning and program implementation	Shared control between federal government and provincial government	Full control by provincial government
Financial Transfer	No	All funding from Part II or "active measures" portion of EI fund.
Human Resource Transfers	No	Yes – ranges from 170 in New Brunswick, to 1084 in Quebec
Provinces/Territories under each type of agreement	Newfoundland and Labrador Nova Scotia* Prince Edward Island British Columbia Yukon Territory	New Brunswick Quebec Manitoba Saskatchewan Alberta Northwest Territories Nunavut

* A variation of the co-management model operates solely in Nova Scotia. The strategic partnership agreement calls for the federal and provincial government to collaborate and coordinate its efforts to improve their respective labour market programs and services. Neglecting any reference to client or expenditure figures, the agreement simply requires a joint-management committee to be established to examine areas of joint cooperation and collaboration (Klassen, 2000).

Expectations and Outcomes: A Brief Summary of the (Surprising) Findings

Both BC and NL are co-management provinces while QC is a full transfer province. Based on Klassen's contention that co-management provinces have resulted in stronger ties between federal and provincial officials than full transfer provinces, formal federal-provincial coordination is expected to be highest in BC and NL. Implementation outcomes should resemble one another in these provinces, while QC's results should stand apart. More specifically, BC and NL should be the most successful projects and QC should be the least successful. With reference to the three hypotheses outlined above, these expectations are further clarified:

Expectation 1: Formal federal-provincial coordination will be highest in BC and NL and will exert a positive impact on formal provincial local coordination. The mechanisms used for formal federal-provincial coordination in BC and NL will be replicated for formal provincial-local coordination in both these provinces. The lack of formal federal-provincial mechanisms for coordination in QC will lead to fewer formal provincial-local mechanisms, as administrators lack an example to follow.

As it has been discussed in the literature (Jennings, 1994), formal federal-provincial coordination exerts a positive impact on provincial-local coordination. This would suggest that co-management provinces (BC and NL) are more likely to have positive implementation outcomes than full transfer provinces, owing to the strong formal federal-provincial ties which result in stronger ties between the provincial and local project coordinators, both through formal and informal means. According to this line of reasoning, QC should have performed least well.

Expectation 2: In BC and NL formal federal-provincial and formal provincial-local coordination mechanisms will exert a positive impact on informal federal-provincial and informal provincial-local coordination.

In QC, the lack of formal federal-provincial mechanisms for coordination, and subsequent lower level of formal provincial-local mechanisms will lead to a lower level of informal federal-provincial and provincial-local coordination.

Expectation 3: In BC and NL, the positive relationship between informal provincial-local coordination and project outcomes will lead to these projects being more successful.

In QC, the lower level of informal provincial-local coordination will result in a less successful implementation outcome for the project under examination.

The Conditional Effect of the Labour Market Development Agreements

These expectations are based on the assumption that formal federal-provincial coordination is equally important for all provinces. However, contrary to expectations, the surprising findings of this analysis point to QC's project being the most successful according to all measures of implementation success. As the only full-transfer province examined, this suggests that rather than inform the level of formal federal-provincial coordination in all cases, the intergovernmental regime adopted by a province operates as a conditional variable. That is, for co-management provinces, the level of formal federal-provincial coordination used for a project's implementation is important for the project's success. In the case of full transfer provinces, the fact that formal federal-provincial coordination is low does not affect the level of formal provincial-local coordination. This is due to the fact that, in being free to develop labour market policy how it sees fit, the provincial government has created its own mechanisms for formal provincial-local coordination. It has replaced HRSDC's decentralized system for delivering labour market programs with one that is highly centralized (Bakvis and Aucoin, 2000; Klassen and Schneider, 2002). For the co-management provinces, a weakness in intra-governmental relations is discovered. With the reorganization of labour market policy, most provinces had to bring together two or more departments that were implicated in this field (Bakvis

and Aucoin, 2000). Evident in both BC and NL, problems in intra-governmental coordination had not been resolved at the time of the OWPPI, given their implementation outcomes. Looking to the three hypotheses tested in this analysis, the conditional impact of the type of LMDA intergovernmental regime adopted is explained.

Hypothesis 1 holds for co-management provinces (BC and NL) but does not hold for full transfer provinces (QC)

For the projects that operated in BC and NL, the strength of formal federal-provincial coordination exerted a positive impact on the strength of formal provincial-local coordination. In the case of BC, the mechanisms used for formal federal-provincial coordination were evident and set the example for the types of mechanisms used for formal provincial-local coordination. For NL, weak formal federal-provincial coordination led to weak formal provincial-local coordination. Few mechanisms were used to coordinate between federal and provincial administrators. Likewise, provincial and local project managers did not demonstrate strong inter-organizational coordination.

In the case of QC, mechanisms used for formal federal-provincial coordination were not replicated for formal coordination at the provincial-local level. Instead, formal provincial-local coordination was fostered through a different set of mechanisms. QC's full transfer LMDA resulted in the creation of a well-developed, far-reaching and active network of organizations involved in the implementation of labour market programs. While the provincial ministry serves as the centralizing body for most policy, regional boards are responsible for the dispersion of information and resources in their designated area. Each regional board is linked to a local employment center which provides a

number of employment services directly to citizens, in addition to creating and maintaining partnerships with non-profit and community organizations. The strength of this formal structure is reinforced by the fact that public managers at every level have worked with one another on numerous projects. Their level of familiarity with one another allows them to share information and resources openly and consistently, recognizing their common purpose of providing employment services to their client base.

Hypothesis 2 holds for co-management provinces, provided formal coordination is fostered over time. For QC formal federal-provincial coordination has no effect. Instead, only formal provincial-local coordination exerts a positive influence on informal provincial-local coordination in this full transfer province.

While it was found that formal coordination is used to promote the creation of informal ties, neither BC nor NL illustrates the relationship in its positive form. As such, these findings are somewhat qualified. In BC, workshops were hosted at both the federal and provincial levels to promote more effective communication between project managers. As those responsible for the project became more familiar with one another, the goal was to encourage them to open up their channels of communication and to take the initiative in becoming more effective coordination facilitators. There was, however, a problem encountered in BC: the OWPPI file was transferred from one ministry to another in the middle of its implementation process. As a result, the ties that had developed between the provincial level and their federal and local counterparts had to be rebuilt, before they could effectively contribute to successful project implementation. NL illustrates this relationship in its negative form. That is, a lack of formal mechanisms of

coordination resulted in a lack of informal coordination in the province. Apart from the use of conference calls, which did contribute to information exchange, few other formal mechanisms were used to foster informal ties. Coincidentally, the OWPPI file was also transferred from one division to another. As a result, whatever familiarity had been created had to be recreated from the ground up. In addition, high staff turnover meant that four different people were assigned responsibility over the program, further weakening informal coordination.

In QC, as a result of the full transfer LMDA, a new government unit called Emploi-Quebec was created under the Ministry of Employment and Social Solidarity (Haddow, 1998), responsible for all matters related to labour market programs. Since its establishment it has aided in the development of an extensive network of organizations from the provincial, to the regional, to the local level. Active labour market programs such as the OWPPI are now implemented through this network of organizations. This formal provincial-local mechanism has helped foster a high degree of informal provincial-local coordination. Indeed, the system has resulted in a large group of civil servants with a high level of experience and knowledge of labour market program implementation developing important leadership skills in the delivery of programs such as the OWPPI.

Hypothesis 3 holds for all three cases. Informal provincial-local coordination has been most greatly fostered in QC. The maturity of inter-organizational ties in this full transfer province have promoted the development of a strong network capable of implementing successful labour market programs for older workers.

In BC and NL, weak informal provincial-local coordination led to each project achieving less successful implementation outcomes than were achieved in QC. In both cases, as has been pointed to above, the transfer of the OWPPI file from one ministry or division within a ministry was extremely problematic. For BC, this affected goal cohesion (that is, the goals of the new ministry and the local managers did not align), while in NL it simply resulted in little information-sharing, leading to poor project timing for the community organization.

The results achieved by QC's AT55 are clearly attributable to strong informal provincial-local coordination. In QC, an extensive network of organizations dedicated to the implementation labour market programs have been working together for some time. This has allowed informal channels of communication to develop between actors within each organization. They have gained knowledge and experience in working on many employment programs, and have used this to the benefit of the project's success.

The Missing Link: The Role of *Intra-Organizational* Coordination

Throughout the implementation of OWPPI projects, both BC and NL suffered from weak *intra-organizational* coordination. In BC, the OWPPI program was transferred from the MAE to the MHR in 2003. For NL, the OWPPI was transferred from one division of the department of HRLE to another. In addition, four different provincial coordinators were assigned to the program. In contrast, QC never experienced problems in *intra-organizational* coordination. This is explained, in part, by the role of the LMDA each province opted for in 1996. The co-management option was selected by both BC and NL. This means that, in general, labour market responsibilities are shared between

the two orders of government (Klassen, 2000). Provinces that chose these arrangements recognized that the federal government could continue using the infrastructure it already had in place for delivering employment programs (Bakvis and Aucoin, 2000). The implementation of the OWPPI was assigned to the provincial level. As is illustrated in this study, evidenced in the failures of intra-organizational coordination, co-management provinces were not well equipped to take on this responsibility on their own³.

With the signing of a full transfer agreement in QC, the province pursued the creation of a hierarchical government organization dedicated to delivering employment programs. The centralized approach adopted here has allowed them to avoid intra-organizational failure in the implementation of projects. Lines of communication follow a precise pattern, from the province to the region to the local centre to the community organization. In addition, local capacity is fostered because the same patterns are followed for their myriad of programs. As a result, the local organization contributes to the achievement of successful programs. Overall, QC, in signing its full transfer LMDA has avoided intra-organizational failure and has developed an effective method of implementing projects for older workers.

Conclusion

Inter-organizational coordination matters to program implementation. As the next three chapters will illustrate, projects that benefitted from more coordination

³ For the purpose of clarification, the OWPPI was funded by the federal government with money from the Consolidated Revenue Fund, while the LMDAs were negotiated around funding from the EI Part II “active measures” federal account. As such, the fact that all provinces, regardless of their chosen LMDA, were responsible for the planning and implementation of OWPPI projects does not conflict with the arrangements made under the two LMDA regimes. Funding from the Consolidated Revenue Fund does not fall under the requirements of the LMDAs.

mechanisms, whether formal or informal, succeeded in achieving greater implementation results. This analysis also suggests that the province in which the project was implemented matters, because of the variation in its relationship to the federal government. Indeed, the selected LMDA has an impact on how federal-provincial interactions are carried out, and what bearing this has on the local organization's capacity to implement the projects operating under the OWPPI.

The following three chapters consist of a detailed examination of each of the projects under analysis. The implementation outcomes are explained in relation to the hypotheses guiding the study. Measures of inter-organizational coordination are accounted for. In Chapter 2, British Columbia's Primetime Employment Options is discussed. This project achieved mixed results, owing to a number of inter-organizational coordination failures. Chapter 3 describes Newfoundland and Labrador's Agricultural Awareness Program. Despite the best intentions, the focus of this chapter is on the extent to which this project was an entirely failed attempt. Finally, Chapter 4 is about Quebec's Action-Travail 55. By all accounts, this project was a complete success. A summary of findings and conclusion is included in Chapter 5. Within this final section, the implications of the research are described. As Canada's workforce continues to age, the findings from this study contribute to the development of appropriate policy responses that may hopefully prevent this demographic phenomenon from evolving to the level of crisis.

CHAPTER 2

British Columbia's Primetime Employment Options: Mixed Results

In British Columbia, the problem of workforce ageing is regionally dispersed. This has much to do with its economic situation, in that, for the most part, its richness in resources has fostered a relatively strong business and middle class (Haddow and Klassen, 2006). However, while its economy initially depended on resource extraction, agriculture and forestry, the greatest portion of the workforce is now in the service sector. As a result, regions developed around the primary industries are facing more difficult labour market conditions. This is particularly the case for older workers in these regions, who feel their skills have become outdated (Primetime Employment Options Final Report [PEOFR], 2004). The OWPPI in BC was so important, particularly in such regions.

BC's OWPPI resulted in the implementation of 18 projects throughout the province. These were contracted to non-profit organizations, colleges and private companies across the province. HRSDC spent \$7,098,258 in the province, while the provincial government spent \$1,774, 563 (of in-kind contributions only) for a total of \$8,872, 822. The average spent per project was therefore \$492,934 (BC CEISS REPORT).

BC is a co-management province. Under the LMDA, it opted to share the responsibility of implementing active labour market policies with the federal government. In the case of the OWPPI, however, the province was responsible for overseeing all aspects of program design and implementation without the input of the federal government. As will be discussed in this chapter, BC faced some challenges in implementing its projects. In particular, the inter-ministerial transfer of the OWPPI file

from the Ministry of Advanced Education to the Ministry of Human Resources led to less than optimal results for the project. Indeed, intra-organizational failure between these ministries had adverse effects on the implementation results achieved by the project serving as the case study for BC.

This chapter begins with a description of the project and its implementation results. It then describes the mechanisms for coordination used in the province. In the third section, the hypotheses described in Chapter 1 are tested. The final section explains in detail why intra-organizational failure also contributed to the mixed results achieved by BC's PEO.

Program Description

PrimeTime Employment Options (PEO) operated out of the College of New Caledonia (CNC) in Prince George, British Columbia from June, 2002 to March, 2004. The college is located in the Cariboo Economic Region, where unemployment rates were among the highest in the province during the time of the OWPPI. The organization offered a number of services, including the development of action plans, assistance with resume-writing, career exploration, individual training, work experience placements and peer support and counselling. Program coordinators met with prospective clients on an individual basis through a continuous intake process.

CNC's capacity to deliver training programs to adult learners was clearly illustrated by its vast experience in this area. Serving the region for over 30 years, the college had offered a myriad of services over time and had demonstrated immense success in developing an extensive network of community and business contacts.

PEO operated on a budget of \$359, 892, an amount that was sufficient for its implementation activities. Nowhere in the final report was it indicated that a lack of funding prevented the achievement of set objectives. Instead, other unforeseen factors led to PEO's mixed results overall, that is while some outcomes were successful, others failed.

Implementation Outcomes: Mixed Results

The implementation outcomes of BC's PEO were overall mixed. This is because while some indicators performed well, others performed poorly. The results for each indicator are elaborated on below. These are summarized in Table 2.1, "Implementation Results for BC's PEO".

Increased Employability

The main goal of OWPPI was to address the labour market implications of population ageing by encouraging older workers to re-integrate into the labour market. Individual projects were assigned the task of increasing the employability of their participants. This is understood as helping participants to find work, but may also be defined as providing them with training that would help them to re-integrate. Based on this latter indicator, 80% of participants took part in training sessions and workshops, an impressive figure leading to the partial conclusion that employability did, indeed, increase for participants. However, when taking into account the number of participants who were actually re-integrated into the labour market, either through full-time, part-time, casual work or self-employment, the results are much less striking. Of the 131

participants, only 33 succeeded in locating employment, a mere 25% of the total. 20 participants (or 15.27%) were integrated into full-time work, while 13 (9.92%) found part-time positions (PEOFR, 2004). Such results, when taken together, suggest that while training opportunities were provided to many, in the end only a small portion of participants were actually re-integrated into the labour market.

Achievement of Objectives

In seeking a greater understanding of the implementation results achieved by individual projects, it is important to take into account whether the specific objectives set by project coordinators were fulfilled. For PEO, three main objectives were established. The first was to remove existing barriers and to advocate the benefits of older workers. This was achieved by contacting employers personally (73 per month) and making presentations to employers and employer organizations (3 in total). The second objective was to connect older workers to employers. A third objective was to offer specialized training services to participants. These were numerous and varied, including introduction to computers, Windows XP, a resume workshop and an interview workshop. Overall, PEO administrators achieved all of the objectives they set for themselves.

Quality of Evaluation

Comprehensiveness

The quality of the evaluation submitted by PEO is judged according to two indicators. The first is the comprehensiveness of the evaluation, which is measured as the proportion of total participants for whom data was collected before taking part and upon

completion of the project. The greater the proportion of participants is, the higher the quality of the evaluation. Comprehensiveness is deemed an important element of the evaluation, as it demonstrates whether or not local project coordinators recognized the necessity of collecting information on participants. This also speaks to the role of provincial administrators, as they were responsible for developing an evaluation method that would allow them to collect information on the projects.

In BC, a Joint Evaluation Committee was created to oversee projects' evaluations, made up of representatives from HRSDC as well as the province's Ministry of Human Resources (MHR) and the Ministry of Advanced Education (MAE). The committee designed a series of administrative forms, intended to collect information on each of the projects. The first was an Intake form, which consisted of demographic and employment status information. The second was the Initial Assessment form, which documented employment status in greater detail, as well as participation in other employment programs and participants' opinions of their respective projects as well as the program overall. The third form was an Exit form, which was completed twice by each participant, both during and at the end of their participation in the project. This form collected information on their views about the project's operation.

Local project coordinators were asked to complete these four forms and submit them to the province. To ensure an effective administrative intake process, the Ministry designed an Access database to manage all forms submitted to them. Unfortunately, local project coordinators did not submit these forms on a regular basis. In addition, the third and fourth forms were not submitted by the majority of project coordinators, including PEO's, and thus could not be used in evaluating the Initiative as a whole (CEISS

Research and IT Solutions [CEISS], April 2004). As such, the Access database was a failed attempt to effectively evaluate project outcomes. PEO administrators reported that a great deal of time was required to complete the series of forms. They only succeeded in ensuring the completion of 81 Exit Forms, representing 61.2% of participants. The remaining 50 participants could not be reached for various reasons.

Utility

According to HRSDC's description of the OWPPI objectives, evaluation of the pilot projects was an integral part of the initiative (HRSDC, 2005). Indeed, the main goal of the OWPPI was to test approaches to increasing the employability of older workers, which necessarily requires the collection data. It is also important that it be possible to conduct an analysis of this data in order to inform future policy decisions. The utility of the evaluation speaks to the potential future use of the data collected and the analyses performed. In the case of PEO's evaluation report, all pertinent data on the general activities, objectives and outcomes of the project was included. It was completed following the objectives that had been laid out in the initial proposal submitted by PEO. However, the information collected was never compiled into the Access database, as initially planned by the provincial level. Therefore, while the PEO's administrators successfully completed their responsibilities with respect to contributing to the utility of the evaluation, the fact that the provincial level failed in making it possible to use the findings from the OWPPI to inform future policy, the evaluation can only be considered *somewhat* useful.

Table 2.1: Implementation Results for BC's PEO

IMPLEMENTATION RESULTS	BC's PEO
Increased Employability	
% of participants employed upon completion	25%
% of participants who took part in training or placement	80%
Achievement of Objectives	
% of objectives achieved	100% (3/3)
Quality of Evaluation	
Comprehensiveness (% of participants on whom data was collected)	61.2%
Utility	Somewhat

To summarize, while the percentage of participants who took part in training was a high 80%, the number falls dramatically when considering the percentage of participants who were reintegrated into employment, a mere 25%. PEO's capacity to fulfill the objectives set by local project coordinators is clearly illustrated in the fact that all three objectives set were met. With respect to the quality of the evaluation, collecting data on 61.2% of participants is significant. This suggests that the local project coordinators placed considerable emphasis on collecting information on the participants upon their completion of the project. However, the utility of the evaluation is questionable. The provincial coordinators had aimed to create a database of all the information collected on participants. Unfortunately, this was never created, which would have significantly improved the utility of the evaluation. Indeed, the database would have been used to inform policy decisions related to older workers' employment programs. - That PEO performed well on some indicators (the high percentage of participants who took part in training, the achievement of all three objectives), but failed in others (the low percentage of participants actually reintegrated in to the labour market, as well as the weak utility of the evaluation) places it in the category of "mixed" results. Subsequent

chapters will refer comparatively to the results achieved by PEO, so as to establish the relative performance of each of the projects.

Inter-Organizational Coordination⁴

Initiating Coordination

To fully assess variations in inter-organizational coordination across different projects and provinces, the manner in which organizations first develop relations with one another is important. This speaks to the strength of the network that exists between the different organizations, whether coordinators had developed past relations before working on the OWPPI.

Federal-Provincial

Involvement in the OWPPI by each province and territory began with a letter written by the Minister of HRSDC to the provincial equivalent explaining the program, its goals, objectives and requirements of the provincial government. The decision to participate in the program was then left to the province (Interview 1). Once participation by the provinces and territories (all with the exception of Ontario and Manitoba) was secured, the program was sent on to the organizations at each level who would oversee its implementation. For the federal government, this was the department of HRSDC. In BC, the MAE was first selected to administer the OWPPI, beginning in June 1999. In April

⁴ Due to circumstances beyond the control of the researcher, the provincial coordinator responsible for BC during the implementation of the OWPPI was unavailable for interview. Instead, an interview was conducted with BC's current provincial administrator responsible for the Targeted Initiative for Older Workers (TIOW). This new program represents a permanent extension of the previous pilot project. As such, some of the conclusions drawn on the activities at the provincial level are based on information collected from the TIOW provincial administrator.

2003, the program was transferred to the MHR. After ten years of NDP administration, BC's provincial Liberals became the governing party in 2001. Changes in government often result in a re-organization of the government machinery, including shifting responsibilities between departments and ministries⁵.

Provincial-Local

Local service providers were made aware of the OWPPI through the government website's call for proposals (Interview 3). Community organizations equipped to offer employment services would thus have needed to have been aware that the government routinely announces Requests for Proposals on its website. PEO administrators often checked BC's website, actively staying up to date on developments in the area of employment programs and thus was informed of the funding opportunity in this way (Interview 3).

Federal-Provincial Coordination

Formal Federal-Provincial

Relations between HRSDC and the MAE were formalized through a written contribution agreement between the two parties, called the British Columbia Older Worker Pilot Project Initiative (BC OWPPI). It outlined the roles, responsibilities and requirements of each organization, i.e. HRSDC and the MAE, as well as the amount of funding to be allocated from the federal government and the conditions under which

⁵ For example, when Prime Minister Campbell became Canada's federal leader in 1993, her first order of business was to introduce a massive re-organization of the government's operations. She reduced the number of government departments from thirty two to twenty three, merged or broke up fifteen others and provided new mandates to those left (Savoie, 1999).

payments would be made. There was no evidence to indicate that either the federal or provincial administrators were dissatisfied with the contract. Provincial coordinators submitted progress reports to federal officials in order to keep them up to date on the overall operation of each project, their activities and the number of participants. They also had to submit monthly or quarterly claims for funding to the federal government. Beyond the contribution agreement, federal officials at HRSDC used three formal mechanisms to coordinate with their provincial counterparts at the MAE: site visits, conference calls and workshops. While it was the responsibility of provincial administrators at the MAE to conduct site visits to the local projects, HRSDC administrators also visited several projects to witness their progress. Federal officials with HRSDC coordinated group conference calls to allow provincial administrators to exchange information about their experiences, lessons learned and best practices. During the implementation of the OWPPI, two workshops were hosted by HRSDC. The goal was to encourage more open communication and interaction between officials at the federal and provincial levels. Provincial officials found this particularly helpful in exchanging ideas about best practices and sharing advice on how to address the various challenges encountered throughout the project (Interview 2). They were also able to identify common challenges, such as the fact that they found it difficult to create any employment at all in disadvantaged communities, let alone employment for older workers. In this type of group environment, their ability to communicate allowed them to articulate a common request, namely that the federal government provide funding for relocation of older workers.

Informal Federal-Provincial

As indicated in much of the research on inter-organizational coordination, effective leadership from a public manager is crucial to ensuring the successful implementation of programs (Jennings, 1994; O'Toole, 1983, among others). Relations between organizations must be maintained regularly to ensure the channels of communication are always open. Public managers working in a network environment should thus view their maintenance of that network as part of roles and responsibilities. Indeed, those who perform this function well are more likely to experience success in the implementation of their programs, as O'Toole (1983) and Goerdel (2001), among others, have found. In the case of BC's OWPPI, it is not clear that either the federal or provincial coordinator was a strong initiator of communication.

Developing a relationship between coordinators at different levels of government does not occur spontaneously. The federal managers had never worked with officials at the provincial level before. Their level of familiarity with one another was therefore not very high. Communication between the coordinators at each level of government took place via telephone and electronic mail. Their level of communication varied according to whether or not a submission deadline was approaching or had passed. Indeed, during times when progress reports or financial statements were expected to be submitted from the province, they may have been in contact at an average of four times per day (Interview AM). However, during slower periods, they may have only exchanged an email or telephone call once every few weeks (Interview 1).

Provincial-Local Coordination

Formal Provincial-Local

Relations between MAE and PEO were also formalized through a written contribution agreement which outlined the requirements of each organization, as well as the funding allocations and the conditions under which payments would be made. Local project coordinators were charged with the responsibility of completing the series of administrative forms demanded by the provincial officials so that the information could be passed on to federal public managers within HRSDC. However, these forms on each of their participants were never completed in their entirety and with great accuracy. The director of PEO, along with many of the local project coordinators reported that a great deal of time was required to complete these forms (Interview 3). They were poorly designed and laborious, often asking for duplicate information. Overall, despite the requirement for administrative data to be collected by the local coordinators, this aspect of the contract was not fulfilled, illustrating a lack of satisfaction with the terms decided upon when it was signed.

A number of mechanisms were used to ensure activities at the provincial and local level were coordinated. Four site visits to each pilot project were conducted throughout the duration of the BC Initiative. The purpose was to ensure that the project coordinators were providing the services outlined in their contract. Every two months, the provincial coordinator organized conference calls between the local project coordinators. The goal of these calls was to promote exchange and ensure that each local coordinator was following the requirements of the contract. According to the PEO administrators, conferences calls were useful, as many local organizations were experiencing the same

types of challenges and could thus discuss various solutions (Interview 3). The provincial public manager hosted one workshop for local project coordinators. Those responsible for projects at the local level were invited to meet face to face and exchange ideas about their experiences and lessons learned.

Informal Provincial-Local

As in the case of coordination between the provincial and federal administrators, it is not clear that either the provincial or local manager went beyond the call of duty in ensuring a clear channel of communication. While the college had experience with federal and provincial government contracts, the director of PEO had never worked with the provincial coordinator before. Communication between the provincial and local level was restricted to these two administrators. Throughout the initiative they succeeded in developing a more collaborative relationship. Indeed, as reported by the director of the PEO, the official responsible for BC was very helpful in providing information, advice and support in order to ensure the successful implementation of project. For example, when the local director decided to alter the project's budget to include funding for computer training in the place of counselling, the provincial official was easy to get in touch with and worked promptly to ensure the necessary changes were made. They were not in constant contact, however. They communicated mostly in the time leading up to the approval of the project's budget. After this time, their contact was limited to the bi-monthly conference calls (Interview 3).

Table 2.2: Inter-Organizational Coordination in BC's PEO

INTER-ORGANIZATIONAL COORDINATION (Dimensions & Levels)	BC's PEO
Formal Federal-Provincial	
Existence of contract (Yes/No)	Yes
Satisfaction with contract (Yes/No)	Yes
Progress reports (Yes/No)	Yes
Conference calls (Yes/No)	Yes
Workshops (Yes/No)	Yes
Site visits (Yes/No)	Yes
Informal Federal-Provincial	
Work on previous projects (Yes/No)	No
Freq. of communication (At least 1 contact per week?)	Yes
Presence of effective leader (Yes/No)	No
Formal Provincial-Local	
Existence of contract (Yes/No)	Yes
Satisfaction with contract (Yes/No)	No
Progress reports (Yes/No)	Yes
Conference calls (Yes/No)	Yes
Workshops (Yes/No)	Yes
Site visits (Yes/No)	Yes
Informal Provincial-Local	
Work on previous projects (Yes/No)	No
Freq. of communication (At least one contact per week?)	No
Presence of effective leader (Yes/No)	No

The Impact of Inter-Organizational Coordination: Findings from PEO's Experience

Results for Hypotheses 1, 2 & 3

1. Formal mechanisms used to induce coordination at the federal-provincial level are reproduced at the provincial-local level.

In examining how coordination took place between public managers at each organizational level, it is interesting to note that the mechanisms used to foster coordination between the federal and provincial administrators were used by the provincial coordinator in relations with the directors of projects at the local level. Site

visits, conference calls and workshops were used first by the federal level in its interactions with provincial officials. During the implementation of OWPPI projects, the provincial administrators then used the same type of mechanisms. This supports Jennings (1994) contention that mechanisms used between federal and provincial managers (or federal and state in Jennings's case) will be reproduced to ensure coordination with the local level.

2. Formal mechanisms of coordination are used to foster informal ties. These must be sustained over time to truly be effective.

Looking to the indicators of informal coordination both at the federal-provincial level and the provincial-local level, none appear to have had strong influences. From effective leadership, to working on previous projects and being in constant communication, it is not clear that informal ties between managers at any level were significantly fostered by the formal mechanisms.

At the same time, interviews with administrators at the federal, provincial and local levels emphasized the role of workshops and conference calls in opening of the channels of communication between them. Indeed, these helped to develop a level of familiarity between managers that had otherwise not been present. Bringing together representatives from HRSDC, along with all the provinces and territories reinforces the sense that people work better with one another once they have met face to face. Their level of comfort in exchanging with one another, whether for advice on a difficult issue or a clarification of the program's requirements, inevitably increases and ensures a more open channel of communication. The first of these was held early on when the program was first

implemented. As one of the federal administrators explained, this “set the tone for relations between coordinators” (Interview 1). They were useful in encouraging communication between provincial and territorial officials in addition to aiding in the development of a working relationship between federal officials and their provincial counterparts (Interview with BC).

Workshops were, in fact, used to foster these informal ties. This illustrates the point made by Johns et. al (2007), that formal mechanisms help in the creation of a working relationship between officials at all levels, and may be the key to ensuring the development of these interactions. This also suggests that Dobell and Bernier (1997) may have been inaccurate in their argument that informal ties will develop spontaneously simply out of necessity. While there is a great deal of pragmatism associated with a healthy working relationship between officials at all levels, formal mechanisms may be a pre-requisite for these to grow.

An added finding with respect to informal coordination is that it requires some time to develop. As one of PEO’s administrators pointed out, they had never worked with that particular group of provincial officials before. While the workshops had helped to increase their level of familiarity with one another, their opportunity to foster such ties was short-lived. Just as communication patterns began to develop, the program was moved from the MAE to the MHR, where new ties had to be developed (Interview 3). The inter-ministerial transfer of the program was, in itself, problematic to the implementation of the project, as will be discussed below. Overall, formal mechanisms of coordination can be used to develop informal relations between administrators. The key is for these informal ties to be fostered through sustained relations over time.

3. Implementation outcomes are most affected by provincial-local coordination. In the interest of developing local capacity, this type of coordination must be fostered over time.

In analyzing the role of inter-organizational coordination in the implementation of PEO, a third finding illustrates the importance of the local level organization. That is, while federal-provincial interactions had an effect on the implementation of the PEO (through their input in designing the evaluation forms), the overall outcomes had most to do with provincial-local coordination. This is clear when taking into account PEO's main. As will be elaborated on in the following section, the ability of the local level to administer a successful project has much to do with its relationship with the provincial level coordinators.

To begin with, the fact that relations with the local level were first initiated through a call for proposals from the government websites suggests that organizations would have required some previous knowledge as to the system used to communicate such funding opportunities and would have benefitted from previous experience, given the level of complexity demanded in the proposal agreement. Moreover, local organizations that have worked with the provincial government before are at a clear advantage in terms of selection criteria (Interview 2). The ability to demonstrate that they have been previously funded by the provincial or federal government is viewed as representing their ability to fulfill a government mandate. It also speaks to their level of familiarity with the requirements for such assignments (Interview 2). The value of

previous experience thus demonstrates the importance of fostering provincial-local relations over time.

According to the provincial evaluation report (CEISS), one of the main weaknesses of projects implemented in BC is that few partnerships with local employers and community groups were created. These are important in securing the reputation of the organization as one that is capable of helping older workers increase their employability. A strong relationship with local employers ensures that the community organization will be capable of helping people reintegrate into the labour market. Despite contacting a number of employers through the course of the project, PEO administrators were not entirely successful in integrating their participants into employment. Many employers failed to recognize the value of older workers' skills and experience and PEO administrators failed to convince them otherwise (PEOFR, 2004). To succeed in changing these types of biases does not happen instantly, but requires time to illustrate successful outcomes. The outlook for PEO in achieving this goal does not look good, given that its contract was not extended past the initial agreement. Just as the local project seemed to be gaining momentum, was developing a commendable reputation in the community and was receiving a high number of referrals from organizations within their employment service network, funding was cut. Indeed, requests to participate in the project continued for six months after the project was terminated. Several attempts were made to extend the project through other means (Interview 3). Proposals were sent to other organizations in search of funding, though none proved fruitful. Sustained support from the provincial and federal levels is crucial for a local organization to succeed in its goal of integrating older workers back into the labour market. Many local organizations

are not even able to sustain themselves without the support of the provincial government. Though many contracts were extended throughout the BC OWPPI, administrative delays were disastrous for some projects. Indeed, many lost staff, participants and their general operational momentum (CEISS) and were therefore unable to continue.

The maturity of provincial-local relations is therefore essential for ensuring service provision at the local level. As such, communities in BC where no local organizations even exist to offer employment programs are faced with a difficult challenge. The province cannot support projects where local capacity is lacking to such an extent that no applications for funding are even submitted (Interview 2). This gap in service provision at the local level demonstrates the mutually reinforcing effect of provincial-local coordination. By not sustaining such relations over time, it is unclear whether BC will ultimately prove successful in reintegrating its older workers back into the labour market. Moreover, there has been a shift in the provincial government away from public sector organizations such as colleges in favour of the private sector (Interview 3). Public organizations are now viewed as representing a conflict of interest, despite their capacity for offering training services. For example, because PEO was operating out of a college, clients had access to the computers in the continuing education department as well as beginner-level instructors. Optimizing the resources already available, PEO was able to increase its training services to its participants. Overall, BC's future ability to address the labour market implications of population ageing is unclear. As it has been argued, developing capacity at the local level requires provincial-local relations to develop over time. Using the experience of PEO as an example, it is not certain that such ties are being adequately fostered.

The Missing Link in BC: Weak *Intra-Organizational* Coordination

PEO's implementation results were overall less than optimal. While all the objectives set by the local level were achieved, the evaluation was not comprehensive or useful, nor was the employability of participants involved increased substantially. As was discussed above, the failure to create an Access database may be understood as a problem in provincial-local coordination. The provincial level did not effectively communicate the necessity of handing in the forms to allow them to be compiled into the database. With respect to the local level's inability to integrate 75% of participants into employment, federal-provincial and provincial-local inter-organizational coordination failure are both to blame.

The lack of effective information-sharing between departments within the federal government and the provincial government left PEO with a less-than optimal base of clients for participation in the program. This, despite the fact that recruiting participants did not pose a significant challenge in the Cariboo Economic region, where labour market conditions had been difficult for some time. Participants simply had to meet the criteria established by HRSDC and agreed-upon by the provincial ministry. While not an obviously difficult feat, ensuring that the right participants had been recruited to take part in a project proved to be more difficult than initially perceived.

When the OWPPI was first being implemented, recipients of Employment Insurance (EI) were restricted from participation. Over time, federal government administrators recognized that many people who could benefit from such employment services were being left out. As a result, the eligibility criteria were adjusted to include EI recipients. Administrators at the local level, such as the director of PEO, were not made

aware of these changes (CEISS). On its own, this illustrates a failure in Provincial-Local coordination. However, when taking into account the role played by local Service Canada centres, this example also illustrates a failure in intra-organizational coordination.

Located in regions throughout the country, Service Canada centres oversee the distribution of federal EI funds. When EI recipients were made eligible to participate in OWPPI projects, this information was not communicated by HRSDC to these Service Canada outlets. As such, though local project administrators used Service Canada as a resource in ensuring their pool of participants had been well selected, they were not given accurate information about who they could and could not offer services to. This problem continues to persist in the case of the TIOW. As the provincial coordinator explained, some Service Canada employees are not even aware that employment programs for older workers have been introduced through a federal-provincial partnership.

A second intra-organizational failure leading to a lower level of increased employability occurred at the provincial level. When BC's OWPPI was first introduced in 1999, it was under the responsibility of the Ministry of Advanced Education, Skills and Training (MAE). In April 2003, the program was transferred to the Ministry of Human Resources (MHR). Despite a well-planned transition process between ministries, the change in responsibility had a negative effect on local project outcomes. This was due to the fact that the Ministry of Human Resources saw in the BC OWPPI an opportunity to reintegrate social assistance recipients under their supervision back into the labour market through the employment services offered in local projects. Participation in a local project was subsequently introduced as a condition for eligibility of such benefits from the province. According to the director of PEO, these participants were not well suited for

OWPPI projects. Their level of motivation to find employment was noticeably different from those who had chosen to take part out of their own interest. It was clear that they had been forced to participate. PEO administrators were unsuccessful in increasing their employability. As the PEO director pointed out, there is always an adjustment process when projects change from one ministry to another (Interview 3). Verbal agreements made between one set of officials must necessarily be renegotiated. Communication patterns change and the level of familiarity and trust that had developed between officials must be recreated. In addition to these challenges, PEO administrators, along with the coordinators for all local projects in BC were forced to deal with a new clientele base that were unlikely to be reintegrated into employment, due to their lower level of motivation. The lack of information-sharing and goal cohesion between the MAE and the MHR on this issue illustrates how a failure in intra-organizational coordination can lead to unsuccessful implementation results at the local level.

Conclusion

This chapter has illustrated the extent to which inter-organizational coordination plays a role in project outcomes. Formal mechanisms for federal-provincial coordination are reproduced in an effort to ensure provincial-local coordination. In BC's case, workshops, conferences and site visits were used at the federal level and reproduced at the provincial level to ensure effective information sharing. However, PEO's experience has also emphasized the impact that weak intra-organizational coordination can have on project implementation. Indeed, in transferring the OWPPI file from the MAE to the MHR, the local organization was left with a new set of coordinators to develop relations

within. More importantly, there was a lack of goal cohesion with the MHR, in that they used participation in the PEO as a requirement for collecting social assistance. This left PEO's administrators with a less-than-optimal group of participants to reintegrate into the labour market, particularly because some of them had no desire to become re-employed.

In the case of Newfoundland and Labrador's Agricultural Awareness Program, the importance of inter-organizational coordination is illustrated by the complete failure of all the project's outcomes. As will become clear in the next chapter, some common trends in these two co-management provinces have resulted in less successful implementation results for projects.

CHAPTER 3

Newfoundland and Labrador's

Agricultural Awareness Community Service Program: a Failed Attempt

Workforce ageing is one of several economic challenges occurring in Newfoundland and Labrador. Its population is ageing more rapidly than most provinces in Canada, with 50% expected to be aged 50 and older by 2026 (Ageing and Employment Canada, 2005). Since the introduction of the Northern Cod Moratorium in 1992, the province has been forced to undergo a large scale shift away from its primary economic base of the fisheries. As a result, unemployment rates are higher here and in the other Atlantic Provinces than elsewhere in Canada. Throughout the 1990s, for example, Newfoundland's unemployment rate was 2.8 times higher than that of Saskatchewan (Klassen and Schneider, 2002). In general, the economic restructuring that took place in the 1990s left NL quite dependent on federal income support programs such as The Atlantic Groundfish Support program (Bakvis and Aucoin, 2000).

During the LMDA negotiations, NL opted for a co-management agreement. Provincial officials recognized that the federal structures already in place in the province were operating at a level of efficiency that necessitated no change in the way labour market programs were being implemented (Bakvis and Aucoin, 2000). As such, the federal government plays an active role implementing employment programs for workers in the province.

Given the labour market challenges being faced by many throughout the province, coupled with the high proportion of older workers, the OWPPI provided an important opportunity to address the problem of workforce ageing by testing approaches to

reintegrate older workers back into employment. In total, four projects were implemented in the province. The federal contribution was \$1,049,360, while the province contributed \$406,605 (in in-kind contributions) for a total cost of \$1,455,965. The average spent on each project was therefore \$363,991.

The Agricultural Awareness/Community Service Project (AACSP) was selected for analysis because of its comparable labour market conditions with the projects in BC and QC. Despite their similarities, however, AACSP's implementation outcomes failed according to a number of indicators. Weak federal-provincial coordination, as well as provincial-local coordination resulted in project activities being implemented at a much later date than was initially intended. Many of the objectives set were not achieved, and the evaluation report was not based on the collection of any data from participants.

NL's dependence on the federal government to administer labour market programs was clearly evidenced in this case study. The OWPPI left the design and delivery of projects up to the provincial governments. In NL, this resulted in a complete failure for the projects. AACSP's most significant failure is the project's poor timing. Indeed, though participants were supposed to be provided with training in agriculture, which begins in May, the project only commenced towards the end of the farming season, in August. Throughout this chapter, it is argued that weak federal-provincial coordination, as well as weak provincial-local coordination and weak intra-organizational coordination all contributed to the failure of this project.

The next section of this chapter provides details on the project, and its implementation results. Following from that, the elements of inter-organizational coordination are measured. The final section examines the various hypotheses relating to

inter-organizational coordination and speaks to the importance of intra-organizational coordination.

Program Description

AACSP was offered by the Lower Trinity South Regional Development Association (LTSRDA) from July 2003 to February 2004 in partnership with its subsidiary, Spruce Hills Farm (SHF). LTSRDA is one of many regional development organizations in NL. It is made up of representatives of the constituents within its jurisdiction. In 2000, the association acquired funding from Atlantic Canada Opportunities Agency and purchased fifty two acres of farmland in Heart's Content with the goal of developing the region's agricultural sector through training and by raising awareness. The LTSRDA saw a fitting opportunity to develop a project for older workers that would offer participants theoretical knowledge and practical training in farming. In addition, the aim of the project was to provide computer training and offer career development guidance. Through these activities, the ultimate goal was to help participants reintegrate into the workforce, particularly through self-employment.

Heart's Content is one of the most economically disadvantaged regions in Newfoundland and Labrador. Residents have a lower than average level of education, employment and income as compared to the province as a whole. According to the Evaluation of the Agricultural Awareness/Community Service Program ([EAACSP], 2004) the population in this area collects more social assistance and employment benefits than the provincial average, and is ageing quite rapidly⁶. There was therefore a great

⁶ In 1996, 8.52% of the population was aged between 55 and 64. This had increased to 11.46% five years later (EAACSP, 2004: 4).

necessity for a project seeking to reintegrate older workers into the labour market. SHF was an appropriate location for the project, given the facilities available and the farming and training expertise of the staff. Out of the thirty people who applied to take part in the project, twelve were selected. Financial need was one of the criteria for participation. According to the Evaluation Report, some applicants did not qualify because they expected to be recalled for work positions they had previously held. The main activities offered by project coordinators were training in agricultural activities, secondary processing and computer use.

Implementation Outcomes: Many Failures, Few Successes

NL's AACSP failed to perform on all indicators of implementation success, with the exception of one (See Table 3.1: Implementation Outcomes for NL's AACSP). All participants in the project benefitted from increasing their employability through training. As will be elaborated on in the following section however, even though participants took part in training, the kind of training they took part in was not what was initially intended by the project coordinators.

Increased Employability

Increased employability is defined as both whether or not participants were provided with the tools necessary for reintegrating into the labour market and whether or not they actually succeeded in finding work upon the project's completion. Within the context of the AACSP, the goal was to provide participants with theoretical knowledge

and practical training in farming, as well as to help them develop career plans to encourage their reintegration into the labour market.

The most successful implementation outcome achieved by AACSP is that all participants were provided with training in a number of areas, including weed control, harvesting, storing crops, cleaning the farm facilities and secondary processing. While the fact that 100% of the participants were trained is an important achievement, problematic elements of their training make these results questionable. For one, the poor timing of the project meant that participants were not exposed to the entire growing season. The intended project commencement date was May 2003. This would have allowed them to take part in agricultural training during the growing season. In Newfoundland and Labrador, farming is primarily a spring to fall operation. The fact that the project only started in August meant that participants were not able to take part in planting (EAACSP, 2004). Moreover, while the initial intention had been to begin the days with theoretical teaching and follow this up with hands-on training, this schedule was not followed. Due to the project's late start, participants were immediately exposed to practical training, and only learned the theoretical underpinnings at the end of the project. Computer training was offered as intended, though its effectiveness is questionable, given that the two computers had to be shared between all twelve participants.

With respect to the second measure for increasing employability, evaluators were unable to determine whether or not the project helped participants reintegrate into the labour market because the evaluation was conducted immediately following the completion of the project. As such, the long term impact of the project is unknown. At

the end of the project, however, all twelve participants were collecting employment insurance, suggesting that they likely had not been reintegrated into the labour market.

Achievement of Objectives

In total, AACSP's project coordinators set out to fulfill eight objectives. Three of these were fulfilled. These include: hands-on participation in agricultural work, development of skills in marketing of products and produce and computer training. Five of the objectives established in AACSP's initial proposal were not completed. For one, career development plans were not completed. Second, it was initially intended that participants would be trained in secondary processing at the College of the North Atlantic Food Ventures Facility. This did not occur because the facility was not in operation and did not have a qualified supervisor on staff to assist the project's participants. Third, project coordinators had planned to offer some of the participants' training in the Avalon West School District's greenhouse. While this facility would have exposed participants to the use of information technology in agriculture, this was to no avail. At the commencement of the project, the greenhouse had already completed its operations for the season. A fourth failure was that participants were not introduced to the facilities available at the Career Information Resource Centre at the HRSDC Centre in Harbour Grace. While a representative did come and deliver a presentation on the programs provided through HRSDC, participants did not gain the experience of visiting the centre for themselves. As one informant indicated, the local HRSDC office actually had no involvement in the project (EAACSP, 2004). Finally, an inventory of participants' skills,

abilities and interests was not completed, as had been initially intended. This would have helped LTSRDA connect these participants with interested employers.

Quality of Evaluation

Comprehensiveness

One of the indicators used to measure the quality of the evaluation is the percentage of participants for whom data was collected. AACSP's evaluation failed in contributing to this objective. Though information on participants was collected prior to the commencement of the project, this could not be reviewed by the evaluator, as it was destroyed in order to respect perceived privacy laws (EAACSP, 2004). Thus, no data on participants contributed to the evaluation.

Utility

The utility of the evaluation speaks to its potential to inform future policy. Few components within AACSP's evaluation could contribute to this objective. Information-tracking was not a strong aspect of this project. Indeed, a major challenge for those evaluating the project was the fact that much of the information was misplaced or misfiled (EAACSP, 2004). In order to collect information and feedback on the project, participants were asked to complete a weekly report on the activities they had participated in. Participants then met with the project administrators once per month, where they were required to present their report. Many of these reports were delivered orally, lacking any accompanying documentation. Therefore, while project administrators were able to obtain feedback on the project, this information was not recorded and could

not be passed on to policy makers. Finally, the evaluation was conducted immediately following the completion of the project. Consequently, it was not possible to measure the long term impact on the employment objectives of participants. Overall, the evaluation of the project failed in its ability to inform future policy for older workers.

Table 3.1: Implementation Outcomes for NL’s AACSP

IMPLEMENTATION SUCCESS	BC’s PEO	NL’s AACSP
Increased Employability		
% of participants employed upon completion	25%	0
% of participants who took part in training or placement	80%	100%
Achievement of Objectives		
% of objectives achieved	100% (3/3)	37.5% (3/8)
Quality of Evaluation		
Comprehensiveness (% of participants on whom data was collected)	61.2%	0
Utility	Somewhat	No

Comparing BC’s PEO and NL’s AACSP Implementation Results

With the exception of the percentage of participants who took part in training, BC’s PEO resulted in higher levels of implementation success on all indicators. Though only 25% of BC’s participants were reintegrated into employment, this figure is impressive when compared to the fact that no participants were employed at the end of NL’s project. BC’s project coordinators successfully achieved all of their objectives, while those in NL were only able to complete three out of the eight they had intended. BC was also more successful with respect to the quality of the evaluation. Indeed, not only did NL fail to collect data on any participants (as compared to BC’s 61.2%), the overall utility of each project’s evaluation clearly leaves BC in higher regard. Overall,

NL's failures are made even more evident when compared to the mixed success that BC achieved.

Inter-Organizational Coordination

Initiating Coordination

Both BC and NL followed a similar pattern with respect to how relations between the federal and provincial government were initiated. Involvement in the OWPPI began with a letter written by the Minister of HRSDC to the provincial equivalent explaining the program, its goals, objectives and requirements of the provincial government. In the case of NL, the provincial equivalent was the Ministry of Human Resources, Labour and Employment (HRLE). The decision to participate in the program was then left to the province (Interview 1). While this official procedure was identical, the process of informal exchange that took place with each province and territory was, to a certain extent, unique. Indeed, as one of the federal administrators explained, not all provinces and territories have the same level of experience in delivering employment programs (Interview 1). As such, each had to be dealt with on an individual basis. In the case of NL, the delivery of employment programs by the provincial level was a relatively new endeavour (Interview 1). This meant that a great deal of information-sharing between the federal and provincial coordinators was necessary during the initial stages. Contact, whether through email or telephone conversations, was daily.

Recognizing the potential fit to create a project for older workers by using the training facilities available at SHF, the administrators at LTRDA developed a proposal

to take part in the OWPPI and submitted it to the provincial coordinator at HRLE. The project coordinators at LTSRDA then worked in close consultation with the person responsible within HRLE in order to ensure the proposal was in line with the requirements of HRSDC's program. As reported in the Evaluation, the HRLE coordinator acted as the liaison between HRSDC and LTSRDA, making sure the objectives established by the local project were in line with the goals of the OWPPI. During the initial stages, the provincial coordinator was in daily communication with LTSRDA administrators. According to HRLE's representative, the organization needed considerable guidance with respect to the development of the proposal (Interview 4).

Federal-Provincial Coordination

Formal Federal-Provincial

At first glance, formal Federal-Provincial coordination in NL resembled the form taken by BC. A formal contract was signed between the federal and provincial government, indicating the financial arrangements for the projects. Funds were then transferred to the province, where they were distributed to each project. The contract outlined the requirements of both levels of government, as well as the eligible expenses that would be paid by the federal government. As pointed to earlier, arrangements were made separately between the federal government and each province and territory. This may have allowed for the particular needs of each province and territory to be taken into consideration within the agreement. For example, in NL, transportation is a challenge for many residents, especially in rural areas where there is little, if any, public transit.

Though the provincial coordinator within HRLE suggested that some funding by the federal government be provided for transportation, HRSDC declined (Interview 4). This suggests that while a formal agreement was signed between each province and HRSDC, the terms may not have suited the particular needs of every province or territory in a similar way.

According to administrators within LTSRDA, the process used to allocate funding seemed somewhat “cumbersome” (EAACSP, 2004: 9). While the same process was followed for BC (from the federal, to the provincial, to the local), it is only within this project that such an observation was reported. This speaks to the extent to which the initial formal arrangements may be similar, while other mechanisms used to ensure coordination may have fallen short. For example, while federal-provincial coordination in BC moved beyond the formal contract to include site visits, conference calls and workshops, such mechanisms were not heavily relied upon in NL.

As stated previously, AACSP’s major weakness was its late start. In seeking to explain this ill-timed project, it is interesting to note the conflicting accounts put forth by informants at the federal and provincial levels. According to NL’s evaluation report, the project was not able to begin on its May 31st start date due to delays within the review process of the federal government (EAACSP, 2004: 14). However, when funding issues were discussed with those involved in the federal government, NL’s Intergovernmental Committee, a body that oversees all funding decisions throughout the province was mentioned (Interview 1), alluding to its potential for delay. Weak inter-organizational coordination is thus evident in the lack of communication between the federal and

provincial governments in the area of funding decisions and on the impact that delays in such decisions have on the implementation of individual projects at the local level.

Informal Federal-Provincial

As was the case in BC, coordinators at both the federal and provincial levels had never worked together on previous projects. Though they communicated weekly, either by telephone or email during the initial stages of the program, their familiarity was not likely to be very high. Moreover, once the basic parameters for the projects in NL had been established, the level of contact with the federal government administrators was noticeably reduced. Communication patterns resemble that of BC, in that during times when progress reports or financial statements were expected to be submitted from the province, they may have been in contact at an average of four times per day. However, during slower periods, they may have only exchanged an email or telephone call once every few weeks (Interview 1). As was the case in BC, none of the coordinators involved in the project emerged as a particularly effective leader. At the provincial level, this was likely due to the high level of turnover in the staff responsible for this project. Over the course of the project's implementation, four different civil servants were assigned oversight of the file (Interview 1).

Noticeable Absence of Site Visits and Workshops

One of the benefits of comparative analysis is that it allows the strengths and weaknesses of each case to be illustrated with a level of clarity that would not likely be achieved otherwise. In examining the implementation of AACSP in isolation, it would

not necessarily be deemed problematic that few mechanisms were used to ensure coordination between the federal and provincial administrators. However, when looking to the use of site visits and workshops in the case of BC's PEO, it becomes evident that NL's project was somewhat lacking in this regard. Indeed, while HRSDC representatives had visited PEO during its implementation, no federal administrators ever conducted a site visit to AACSP to monitor its progress. Provincial representatives in NL did not take part in any workshops during the implementation of the OWPPI projects (Interview NL). The sole coordination mechanism used was conference calls.

Provincial-Local Coordination

Formal Provincial-Local

A formal contract was signed by representatives of NL's Ministry of HRLE and LTSRDA, indicating the obligations and responsibilities of each party for the duration of the project. Funding to LTSRDA was contingent upon its fulfillment of the objectives outlined in the proposal. The provincial coordinator was required to ensure that the project was being implemented as expected and would speak to the local coordinator on a weekly basis over the telephone. The local project coordinator was required to submit financial statements and data on the participants every month. Given the number of objectives that were not fulfilled by the local coordinators as well as the lack of data that was submitted, it is not likely that the provincial administrators were satisfied with the terms of the contract.

Just as site visits and workshops had not been used to promote federal-provincial coordination between HRSDC and NL, these mechanisms were not used by the

provincial administrator to coordinate with the local level. As indicated in the Evaluation, local project coordinators did not sense a high degree of involvement by the provincial government. Not only were there few guidelines as to project monitoring, not a single site visit from the provincial government occurred during the implementation of the project (EAACSP, 2004; Interview 5). This was due to the lack of funding from the federal government for such activities (Interview 4). In order to visit the AACSP, a project being implemented two hours away, those responsible at the provincial level would have had to use funds from the provincial budget, something that did not appear necessary (Interview 4). The sole mechanism used to promote coordination between the provincial and local level was conference calls. Two such calls were scheduled during the implementation of the AACSP. This allowed project coordinators to discuss the difficulties they were encountering with the various activities and to work these out as a group (Interview 4).

Informal Provincial-Local

The provincial and local coordinator would speak weekly over the telephone to exchange information on how the project was proceeding. During this time, it is likely that their level of familiarity with one another grew, despite the fact that they had never worked together before. At the same time, high staff turnover was reported at the provincial level, with the project changing hands four times throughout its implementation. Thus, even if communication patterns between the provincial and local coordinators were developing with each opportunity to exchange information, these had to be built up from nothing every time a new provincial administrator was assigned to the

project. Moreover, this situation did not allow for any effective coordination facilitator to emerge.

Table 3.2: Inter-Organizational Coordination in NL's AACSP and BC's PEO

INTER-ORGANIZATIONAL COORDINATION (Dimensions & Levels)	NL's AACSP	BC's PEO
Formal Federal-Provincial		
Existence of contract (Yes/No)	Yes	Yes
Satisfaction with contract (Yes/No)	No	Yes
Progress reports (Yes/No)	No	Yes
Conference calls (Yes/No)	No	Yes
Workshops (Yes/No)	No	Yes
Site visits (Yes/No)	No	Yes
Informal Federal-Provincial		
Work on previous projects (Yes/No)	No	No
Freq. of communication (At least 1 contact per week?)	Yes	Yes
Presence of effective leader (Yes/No)	No	No
Formal Provincial-Local		
Existence of contract (Yes/No)	Yes	Yes
Satisfaction with contract (Yes/No)	No	No
Progress reports (Yes/No)	No	Yes
Conference calls (Yes/No)	Yes	Yes
Workshops (Yes/No)	No	Yes
Site visits (Yes/No)	No	Yes
Informal Provincial-Local		
Work on previous projects (Yes/No)	No	No
Freq. of communication (At least 1 contact per week?)	Yes	Yes
Presence of effective leader (Yes/No)	No	No

Measures of Inter-Organizational Coordination in Comparative Perspective: NL's AACSP vs. BC's PEO

Looking to the formal mechanisms used for coordination in BC and NL, a number of striking differences emerge. For one, while BC administrators were satisfied with the terms outlined in their contract, this was not the case in NL because no funding had been

provided for public transportation. Secondly, none of the other formal mechanisms used for federal-provincial coordination in BC were used in NL. With respect to the formal provincial-local mechanisms, while neither BC nor NL were satisfied with the terms of the contract, BC still submitted progress reports and took part in workshops and site visits. In contrast, NL only used conference calls to promote provincial-local coordination. The informal coordination measures for BC and NL at both the federal-provincial and the provincial-local levels are identical. In sum, while BC's level of formal coordination is higher than NL's, they are comparable with respect to measures of informal coordination.

The Impact of Inter-Organizational Coordination: Findings from AACSP's

Experience

Results for Hypotheses 1, 2 & 3

1. An absence of formal inter-organizational mechanisms at the federal-provincial level is likely to result in a similar absence at the provincial-local level.

Just as it was the case for BC that the formal mechanisms used for coordination between the federal and provincial levels were reproduced to promote provincial-local coordination, the fact that few such mechanisms were adopted in NL resulted in weak formal provincial-local coordination for AACPS. Neither HRSDC nor HRLE performed any site visits to SHF to witness the progress of the project. The provincial coordinator did not take part in any workshops during the OWPPI and did not host any for the local project coordinators. The fact that conference calls were the sole exception mentioned by both the provincial and local administrators in their coordination with their federal and

provincial counterparts respectively illustrates this same finding. As Jennings (1994) had suggested in his observations with respect to the United States employment programs, the mechanisms used for federal-provincial (or state) coordination will be adopted when the province (or state) is required to coordinate with the local level. Furthermore, the local level is clearly influenced by its coordination mechanisms with the province. In the case of the AACSP, this resulted in no formal agreement being signed with its partnering organizations. Incidentally, two of these partnering organizations cancelled out on their original commitments. That no written agreement had been created between AACSP and the North Atlantic Food Ventures Facility or the Avalon West School District made it easier to dismiss the arrangements, leading to unfulfilled project objectives. This suggests that the reverse of Jennings' argument is true: an absence of strong federal-provincial mechanisms will lead to an absence of strong provincial local mechanisms.

2. In the absence of formal mechanisms of coordination, it is unlikely that informal ties will develop.

Though BC's experience demonstrated the extent to which a formal mechanism such as a workshop can be used to foster informal ties, no such opportunity existed in the case of NL's AACSP. This does not suggest that informal coordination between the federal and provincial level and the provincial and local level was entirely absent. Indeed, administrators at each level communicated with one another at least once per week. As well, if local coordinators ever needed clarification that could not be provided by the provincial coordinator, the federal coordinator would be contacted and would correspond directly with the local coordinator (Interview 4), illustrating a tendency for open lines of

communication. It is only when taking into account the other indicators used to examine informal coordination that such ties appear weak in NL. For one, none of the administrators, either the federal, provincial or local, had ever worked together on previous projects. Secondly, with the transfer of the OWPPI file from the Policy, Planning and Evaluation division of HRLE to the Employment and Career Services division, the familiarity that had developed with the provincial coordinator and the administrators at both the federal and local level suddenly became obsolete, in addition to the knowledge of the project that had been obtained during that time. There is always an adjustment process when projects change from one department to another (Interview 3). The level of trust between public managers at each level must be recreated, as communication patterns change and verbal agreements must be renegotiated.

3. Implementation outcomes are most affected by provincial-local coordination. In the interest of developing local capacity, this type of coordination must be fostered over time.

AACPS failed to achieve a number of its objectives. While training was provided to participants, none succeeded in finding work when the project ended. Several of the activities that the local coordinator planned to offer to participants could not take place as intended, due to the project's poor timing. The evaluation was conducted quite soon after the completion of the project, making it impossible to assess its long term impact. Moreover, many of the evaluation reports submitted by participants were either misfiled and lost or delivered orally.

In seeking to identify the root causes of such failures, it is clear that a lack of inter-organizational coordination is to blame. Little information-sharing took place between the local and provincial administrators, resulting in the project's poor timing. Had the local coordinator been aware of the likelihood of delays, a different mix of activities may have been planned instead of those stated in the proposal, and AACSP's objectives may have been achieved with a much higher degree of success. Experience in dealing with funding that comes through the provincial government would thus have been a valuable asset to have before embarking on the implementation of the project.

The absence of site visits by provincial representatives was also problematic. Had the province been more aware of how information was being collected for the evaluation, the use of written documentation from participants and an organized filing system would perhaps have been recommended. This would likely have improved the quality of the evaluation. As indicated in the Evaluation Report, however, there was very little involvement by the provincial government (EAACSP, 2004).

With limited resources at the local level, projects depend on the support of the province. In particular, AACSP could not commence without confirmed funding from the provincial government (Interview 6). The provincial coordinator further echoed this contention, noting that a major barrier in developing projects at the local level is the fact that community organizations never know how long they will be funded for (Interview 4). They can only exist for as long as there is funding provided by outside sources. Sustained funding could therefore have allowed AACSP to begin on time, thus offering its proposed training activities as planned.

Overall, AACPS's results could have been vastly improved with more effective coordination with the provincial government. As funding becomes available for projects in the future, the key to ensuring an effective outcome at the local level will be for public managers at the provincial level to recognize their role in implementation as one of information-sharing, especially with respect to funding schedules and levels, support and monitoring.

Weak Intra-Organizational Coordination: An Emerging Pattern in NL and BC

Looking back to the case of BC, intra-organizational coordination failure clearly affected the outcomes achieved by PEO. Miscommunication between the MAE and the MHR resulted in less-than-optimal participants being selected to take part in the project. Their lack of motivation made them the least likely candidates to find work, as they had been forced to enrol in the project in order to be secured their unemployment benefits. In the case of NL's AACSP, similar weaknesses in intra-organizational can be observed. At the same time, NL's OWPPI file was transferred in September 2003 from the Policy, Planning and Evaluation division of HRLE to the Employment and Career division (EAACSP, 2004). While a Program Supervisor was responsible for "ensuring all processes were maintained" (p.9), such does not seem likely, given that the position of provincial coordinator in NL was held by four different people throughout the implementation of the OWPPI (Interview 1). It is unlikely that strong informal ties were maintained between AACSP's local coordinator and the provincial equivalent. Moreover, the high level of turnover weakens the likelihood that strong informal ties developed

between the local and provincial levels. New communication patterns would have had to be developed from the ground up with each new provincial representative.

Conclusion

Throughout this chapter, the implementation failures encountered by AACSP have served as an illustration of the importance of inter-organizational coordination. Information-sharing is crucial for project timing, which, in the case of AACSP served as the major weakness of the project. In seeking to address the root causes of its many failures, weak federal-provincial coordination was extremely problematic. Funding delays, whether due to a stalled decision process at the federal level or the provincial level, or may be explained by a combined slow-down at both levels, led to the project's poor timing. Either way, it is clear that information-sharing between each level, from the federal to the provincial to the local was weak, given that the urgency of the start date for the project was neither well-communicated, nor respected.

The other challenge faced in NL is similar to that faced in BC. Weak intra-organizational coordination meant that informal ties between the provincial coordinator and its federal and local counterparts could not be fostered. Just as had been the case in BC, the OWPPI file was transferred between divisions. Moreover, high staff turnover meant that none of the provincial administrators were able to develop a solid knowledge of the project and subsequently become a strong coordination facilitator. These common trends in BC and NL are likely to do with their co-management agreements, in that most labour market programs are delivered jointly by the federal and provincial government, while the province was left to implement this program on its own.

In the following chapter, Quebec's experience with Action-Travail 55 will be explored. The high degree of success achieved by this project has much to do with the level of provincial-local coordination that occurred throughout its implementation. QC's full transfer agreement has meant that it has been implementing labour market programs independently for some time. Its experience in this area resulted in a very successful project, which will be examined in the Chapter 4.

CHAPTER 4

Québec's Action-Travail 55: A Remarkable Success

The population ageing and labour market challenges occurring in Quebec are not unlike those faced in the Atlantic Provinces such as Newfoundland and Labrador. Over the last twenty years, the number of Quebecers aged 65 and up increased from 586,500 in 1985 to 960,900 in 2005 (Legris, 2006). The average unemployment rate for both the Atlantic Provinces and QC was 11.2% in 2000, compared to 5.6% in the rest of Canada (Klassen and Schneider, 2002). Just as NL's significant fisheries economic base has been in decline, QC has been experiencing a decline in its forestry sector for some time. BC, with its decline in the forestry sector, is also experiencing similar challenges, though mostly concentrated in specific areas. All three provinces were therefore faced with the challenge of reintegrating older displaced workers into the labour market and opted to do so by participating in the OWPPI. Beyond these similarities, QC is entirely distinct from BC and NL.

QC's Action-Travail 55 (AT55) was the only project selected for detailed analysis that was implemented in a full transfer province⁷. Since 1997, QC has had full control over all measures of employment policy. Upon the signing of its agreement, it created *Emploi-Quebec*, an independent unit that operates within the Ministry of Employment and Solidarity and oversees all programs dealing with labour market training and assistance. Beyond *Emploi-Quebec*, the province also proceeded with the creation of a widespread network of organizations each participating in the delivery of employment

⁷ Recall that projects were selected on the basis of their similar activities and labour market conditions. The type of LMDA chosen by each province was not initially expected to play a significant role in differentiating the projects.

programs. Activities are centralized in the provincial capital in Quebec City. Employment centres are set up throughout the province. These regional offices oversee activities in a number of local offices. The local offices, known as Centres local d'emploi (CLE), are then responsible for maintaining ties with local non-profit organizations. In essence, QC has managed, over the last few years, to move from a system that was relatively decentralized when it operated under HRSDC to one that is highly centralized (Bakvis and Aucoin, 2000; Klassen, 1999). As is evidenced in this analysis, in doing so, QC has developed a system that has all the conditions necessary to ensure successful project implementation. Indeed, QC performed better than both BC and NL on all except one indicator of implementation success.

A total of 57 projects were administered in QC under the OWPPI. The federal government contributed \$19,246,797, while the province paid \$8,437,738, for a total of \$27,684,535. The average spent per project was \$485,693.

The satisfaction rate of projects in the province was quite high. This is largely due to the model used in QC, which is seen as efficient because it serves the needs of older workers in an effective manner. Participants can visit one location and be provided with a myriad of services (Interview 7). The successful results achieved by AT55 are largely attributable to the system that exists in the province. As will be elaborated on in this chapter, strong provincial-local coordination mechanisms, both formal and informal allowed this project to be the most successful of the three under analysis. This chapter begins with a description of the project and its implementation results. It then describes the mechanisms for coordination used in the province. In the third section, the hypotheses described in Chapter 1 are tested. The final section explains in detail why AT55 achieved

the high level of success that it did. As will be elaborated on throughout the chapter, the results obtained by this project are a noteworthy example of what can be achieved when those responsible for the project at each organizational level are dedicated to coordinating their efforts. These findings serve to illustrate a broader picture of Quebec's approach to the implementation of employment programs, one that has the potential to serve as the model for all programs of this kind.

Program Description

AT55 operated out of Service d'aide à l'emploi du Temiscouata (SAET), a non-profit organization dedicated to labour market development in the region. Largely dependent on the forestry sector, Temiscouata's economy had been facing a downturn over the last few years. This presented a major challenge for many workers throughout the region, particularly those who had spent their entire lives in the same type of employment. For older workers, exploring other sectors of the labour market did not seem possible, as they were unable to recognize the transferability of their skills (Services d'aide à l'emploi de Temiscouata Final Report [SAET], 2004). The goal of Action-Travail 55 was therefore to reintegrate displaced older workers into employment by helping them transfer their skills and experiences to other sectors of the labour market. A number of activities were offered through the project, including workshops and job-search training sessions. Participants also took part in one-on-one consultations in order to identify their specific skills, strengths and weaknesses. Partnerships were established with several employers throughout the region who had agreed to hire participants and train them for a period of 6 to 10 weeks, in some cases with subsidized salaries.

Throughout the work placements, monthly follow-ups were conducted in order to ensure a healthy transition to the labour market. Upon completion of the project, 71% of the participants had been reintegrated into employment through job placements. Ten months after the project had ended, 72% had been bridged into full time positions within the companies they were working for. Beyond this remarkable employment increase, Action-Travail 55 succeeded in achieving all its set objectives, as well as providing a complete and effective evaluation. In total, \$496,782 was spent on AT55, with \$347,747 coming from the federal government and \$149,035 spent by the province (through Emploi-Quebec).

Implementation Outcomes: An Overall Success

QC's AT55 performed successfully on all implementation indicators. Moreover, with the exception of the proportion of participants who took part in training, its implementation results were the highest of all three provinces under analysis. These results, explained in detail below, are summarized in Table 4.1, "Implementation Results for QC's AT55".

Increased Employability

As a primary goal, the coordinators for Action-Travail 55 sought to increase the employability of participants. In total, 39 out of the 55 participants were successfully reintegrated in to the labour market through a work placement in a company. This yields an impressive success rate of 71%. Of the 16 who did not return to employment, three returned to school, three decided to work for themselves and ten were struck with illness,

abandoned the project early, or experienced other reasons such as family obligations. Those returning to school or deciding to work for themselves demonstrate a further increase in employability, albeit not a direct return to the labour market. Of the 39 participants who found work, 72% maintained their employment up to the time of the evaluation, which was 10 months after the commencement of the project. Their persistence in the labour market serves as an additional indicator that the project was successful in increasing their employability.

Achievement of Objectives

Five objectives were established by the Action-Travail 55 project coordinators. The first was to prepare participants for transition in to employment through workshops, one-on-one consultations, and information sessions on available employment resources. In total, 38 participants took part in workshops and were provided with the necessary support and information to facilitate their transition into employment. Indeed, participants gained great insights in job search techniques. Having previously only used newspaper listings to look for employment openings, many were surprised and fascinated to learn that a large majority of postings are not officially advertised (SAET, 2004). Workshops increased their awareness of their potential for reintegration into the labour market. They also offered training in using the internet, job search techniques, one-on-one meetings with employment councillors, visits to training facilities, creation of action plans, interview practice workshops. The second objective was to develop work placements for participants. The project coordinators established partnerships with 18 different companies throughout the region, who then hired participants to work for them. A third

objective was to provide training within these work placements, which was the case, incidentally, for all placements. Salary subsidies were provided to all participants, an element representing a fourth objective. Project coordinators also sought to conduct follow-ups with all participants. This final objective was also achieved.

Quality of Evaluation

Comprehensiveness

The evaluation was conducted by the Action-Travail 55 coordinators, who collected information, then passed it on to the CLE administrators for further analysis (Interview 9 and 10). It is clear that this element of the project was accorded great emphasis. Each individual participant is accounted for in the evaluation. Data is provided on a number of characteristics, including their previous work experience, whether or not they were collecting employment benefits when they enrolled into the program and their gender. For example, it is documented that at the beginning of the project, 18 participants were collecting employment insurance, 13 were collecting welfare benefits, 11 participants had some access to part-time or seasonal employment, while 11 claimed to not be collecting any revenue. Information was also collected on their education levels, their living arrangements (whether living in a couple or alone), and whether or not they were currently caring for children in the home. Information on each employer was also recorded in the evaluation. It specifies the name, size and activities of the company and the positions being offered, whether full time, part-time or seasonal.

Utility

The evaluation allowed administrators to gain great insights into the effectiveness of the project's activities. Information was collected on participants 6 months and one year after the project was completed in order to ensure the continued success of the work placements. Evaluation is an integral part of policy implementation in Quebec. In fact, the evaluation framework used for the OWPPI was developed by the province's evaluation specialists (Interview 7). A great deal of time and effort was accorded to the evaluation of OWPPI projects in Quebec, more than the provincial representatives had anticipated initially (Rapport Synthèse [RS], 2004). Though a myriad of information was collected by coordinators throughout the province, the official reports submitted to the federal level only summarized the majority of what they had found (Interview 7).

Table 4.1: Implementation Outcomes for QC's AT55

IMPLEMENTATION SUCCESS	BC's PEO	NL's AACSP	QC's AT55
Increased Employability			
% of participants employed upon completion	25%	0	72%
% of participants who took part in training or placement	80%	100%	71%
Achievement of Objectives			
% of objectives achieved	100% (3/3)	37.5% (3/8)	100% (5/5)
Quality of Evaluation			
Comprehensiveness (% of participants on whom data was collected)	61.2%	0	100%
Utility	Somewhat*	No	Yes

Comparing Implementation Results for BC's PEO, NL's AACSP and QC's AT55

QC's AT55 succeeded in performing the highest on all implementation indicators with the exception of the percentage of participants who took part in training or a work placement. Project coordinators reintegrated the highest proportion of their participants back into the labour market, they achieved all of the objectives they set (as did BC) and collected data on 100% of their participants, producing the only evaluation report that could inform future policy decisions on programs for older workers.

Inter-Organizational Coordination

Initiating Coordination

Federal-Provincial

Within all three provinces, the process used to initiate coordination between representatives at the federal and provincial levels was the same. Involvement in the OWPPI by each province and territory began with a letter written by the Minister of HRSDC to the provincial equivalent explaining the program, its goals, objectives and requirements of the provincial government. The decision to participate in the program was then left to the province (Interview 1). In Quebec, the Ministry of Employment, Solidarity and Family (MESF) oversaw the implementation of the OWPPI. A national committee was established to examine all the submitted projects and put forward recommendations (Interview 7). It was made up of representatives from the MESF, as well as HRSDC and Emploi-Quebec (Rapport d'évaluation [RE], 2004). Federal HRSDC centres were consulted to ensure that the projects served the needs of the regions, as well

as to limit duplication with other programs (Interviews 1 and 7). Though ultimate approval of all projects was reserved for the federal government (Interview 7), this process sought to ensure effective consultation with all those who would be able to share their knowledge on the province's labour market situation.

Provincial-Local

Those working for Emploi-Quebec were responsible for soliciting the participation of community organizations in the OWPPI. Initiating coordination at the provincial-local level was a straight-forward endeavour. In Quebec, employment policies and programs are always administered through a network of government and non-government organizations, all of whom have been working in partnership on a variety of initiatives for some time. For the OWPPI, the chain of communication was no different. Once the federal-provincial agreement was signed, the representative within the MESF contacted the Emploi-Quebec regional directors (Interview 8). The regional directors then passed on the information to the local centres. The directors within the local centres have long-established working partnerships with the community organizations in their area. Within the government of Quebec, it was decided that projects would be given priority if they were to be operated out of a region where there had been plant closures (Interview 7). Beyond this requirement, it was also decided that community organizations who had worked with older workers before would also be given priority. For AT55, the representative from the regional director contacted the CLE in Temiscouata. The SAET was then contacted and asked to develop a proposal for the OWPPI (Interview 9).

Federal-Provincial Coordination

Formal Federal-Provincial

As was the case for B.C. and N.L., a formal federal-provincial agreement was signed by representatives at each level of government. This outlined the requirements to be fulfilled by all parties involved. While each agreement was specific to each province, they generally followed a similar format (Interview 1). Negotiations between the federal and provincial government were straightforward, as both levels were convinced that the objective of helping older workers was an important one (Interview 7). This meant that the contract was satisfactory to both parties. Progress reports were submitted by the provincial government every 3 months (Interview 1 and 7). The federal administrators organized conference calls, in which all provincial and territorial representatives were asked to take part (Interview 1). QC's representatives took part in the workshop hosted by HRSDC. Both the conference calls and the workshop allowed administrators from each province and territory working on the OWPPI to share their experiences with one another (Interview 1). Contrary to BC, no federal representative conducted site visits in the province.

Informal Federal-Provincial

Though the federal and provincial administrators had no previous experience working together, informal coordination between the two organizations was strong, based on a number of indicators. For one, the provincial representatives working on the OWPPI were part of the group of employees that had been transferred from HRSDC with the signing of the Full Transfer LMDA. As such, while they had not worked specifically with

the federal representatives, their experience as former employees of HRSDC proved to be a tremendous asset. Having been exposed to how program implementation operates at the federal level, provincial representatives were familiar with the type of information-sharing that was necessary to ensure well-coordinated activities. Federal coordinators communicated by telephone and electronic mail with QC as frequently as they did with BC and NFLD, approximately once per week (Interview 1).

As O'Toole (1983), Jennings (1994) and Goerdel (2001) have pointed out, effective leadership from a public manager is key to ensuring efforts at all levels are well-coordinated. Quebec's provincial representatives responsible for communicating with the federal government were identified as strong leaders. One, in particular, was pointed to as being well-informed and able to use previous experience in the federal government to benefit the program (Interview 1). This specific coordinator was also pointed to by other representatives at the provincial and local level (Interviews 8 and 9). This multitude of positive feedback reinforces the notion that effective leadership is, indeed, an important element of informal coordination, and one that was entirely evident in QC's case.

Provincial-Local Coordination

Formal Provincial-Local

As was the case for BC and NL, once an agreement had been signed between the federal and provincial government, a formal contract was drawn up with the community organization. However, while this was completed directly by the provincial level in BC and NL, contracts with community organizations in QC were drawn up between the local level branch of the provincial government and the community organization. This ensured

that the details of the contract were specific to the needs of the community organization and were satisfactory to both the province and the local organization. Depending on the amount of funding being issued, the policy in QC is for such contracts to also be overseen by the regional director to ensure compliance with provincial requirements (Interview 8), as was the case with AT55.

Just as the provincial coordinator submitted written progress reports to the federal representative, the community organization's representative was required to submit reports to the local provincial coordinator every three months (Interview 10). These included details of the financial statements, as well as a description of the ongoing activities. The local provincial coordinator would then submit these reports to the regional level, where they would be verified and passed on to the provincial government (Interview 8). Such reports are further evidence of effective information-sharing in QC.

Though the provincial level in BC used conference calls to communicate with all local level organizations at once, allowing them to share their experiences with one another, this was not the case in QC. Instead, information-sharing was restricted to the established hierarchy – that is from the provincial level in Quebec City, to the regional level, to the local level to the community organization. During the implementation of the OWPPI, the provincial representative invited all local representatives to Quebec City to discuss the guidelines and procedures. Given that the intention of the gathering was not for representatives to share their problems and experiences in order to develop solutions together (as was the case in BC), this event is not considered a workshop (Interview 9). The QC provincial coordinators did, however, conduct site visits. They met face to face with their regional directors at least once per year to ensure the implementation process

was running smoothly and visited the sites of various projects in the community (Interview 7). Regional directors also visited the community organization at the commencement of the project (Interview 8).

Informal Provincial-Local

As Lundin (2007) and O'Toole (1983) have observed, coordination becomes more effective when public managers have had previous experience working together. For QC's AT55, the level of familiarity between the provincial and community representatives was quite high, given that they had worked together on a number of projects (Interview 8). This was recognized by administrators at all levels as an important advantage to the implementation process adopted in the province, particularly in comparison to having to develop new relations with new organizations every time a new program was developed (Interview 8). Information-sharing between all those involved was very effective, evidence of a strong working partnership. The local representatives helped the community organization with recruitment efforts by referring clients whom they deemed admissible to the project (Interview 10). In addition, the local office also provided the organization with information on participants in order to ensure they fell within the admissible criteria (i.e. employment background, access to social benefits) (Interview 10).

Communication between all coordinators was frequent and followed a hierarchical structure for the most part. The provincial level representative was in contact with the regional level regularly, at a minimum of two times per week (Interview 8). The regional level representatives, who were overseeing the implementation of both AT55

and another project simultaneously, maintained telephone contact with the local level at an average of 3 times per week (Interviews 8 and 9). The local coordinators were also in contact with the community organization approximately 3 times per week, and for several hours at a time (Interviews 9 and 10). They would exchange information about the finances, the project's activities and the participants. As was the case with other projects, communication was most frequent during the initial stages, when coordinators were adjusting their proposals to ensure they conformed to the OWPPI guidelines.

Interestingly, data on how often each coordinator was in communication with one another was recorded as part of the follow-up for the project. Thus when asked the frequency of communication with the regional director, the local coordinator simply referred to an evaluation sheet that had already been filled out (Interview 9). As was the case with the formal coordination mechanisms, the communication pattern also followed a somewhat clear hierarchical structure. Contact with the federal level was restricted to the provincial representatives in Quebec City. The regional level never spoke to the federal level (Interview 8). Beyond the site visit, the regional level was not in direct contact with the community organization. Instead, the local provincial representative was the only contact to the community organization (Interview 9). The provincial coordinator would sometimes communicate directly with the local level if specific questions needed to be answered. The regional director was always informed of any communication (Interview 7).

Just as effective leadership served as an important element in federal-provincial informal coordination, it was equally significant in provincial-local coordination. Indeed, the same individual who had been pointed to as being a valuable coordination facilitator

in federal-provincial relations was also mentioned by the regional, local and community organizations. The signing of Quebec's devolution LMDA had included a clause for a transfer of 1084 federal civil servants from HRSDC to the provincial government. Bringing with them the skills, knowledge and experience of having worked for many years in the federal government, this group enriched the level of expertise with respect to labour market development programs in the province (Interview 7). In the case of the OWPPI, the provincial coordinator had eighteen years of experience at the federal level with HRSDC before being transferred to the provincial government. As such, this representative provided much guidance, was always easy to reach and could answer whatever questions were being asked by the regional coordinator (Interview 8). He was consistently reported as being an effective leader, someone who facilitated communication between all those involved, and someone dedicated to achieving positive outcomes for the projects.

Overall, the three indicators used to measure informal provincial-coordination in QC performed very well. The fact that all administrators had worked together on previous projects ensured a level of familiarity resulting in effective information-sharing. Coordinators were in frequent contact with one another. In addition, their communication patterns followed a clear hierarchy from which they rarely strayed. This helped to minimize contradictory messages between organizations. Finally, that the provincial level representative had been one of the many employees transferred with the signing of the Canada-Quebec LMDA had a noticeable impact on informal provincial-local coordination. This person took the initiative to stay well-informed of the activities of each organization, ensuring an optimal level of performance for the project overall.

Table 4.2:

Inter-Organizational Coordination in QC's AT55, BC's PEO & NL's AACSP

INTER-ORGANIZATIONAL COORDINATION (Dimensions & Levels)	BC's PEO	NL's AACSP	QC's AT55
Formal Federal-Provincial			
Existence of contract (Yes/No)	Yes	Yes	Yes
Satisfaction with contract (Yes/No)	Yes	No	Yes
Progress reports (Yes/No)	Yes	No	Yes
Conference calls (Yes/No)	Yes	No	Yes
Workshops (Yes/No)	Yes	No	Yes
Site visits (Yes/No)	Yes	No	No
Informal Federal-Provincial			
Work on previous projects (Yes/No)	No	No	Somewhat
Freq. of communication (At least 1 contact per week?)	Yes	Yes	Yes
Presence of effective leader (Yes/No)	No	No	Yes
Formal Provincial-Local			
Existence of contract (Yes/No)	Yes	Yes	Yes
Satisfaction with contract (Yes/No)	No	No	Yes
Progress reports (Yes/No)	Yes	No	Yes
Conference calls (Yes/No)	Yes	Yes	No
Workshops (Yes/No)	Yes	No	No
Site visits (Yes/No)	Yes	No	Yes
Informal Provincial-Local			
Work on previous projects (Yes/No)	No	No	Yes
Freq. of communication (At least 1 contact per week?)	No	Yes	Yes
Presence of effective leader (Yes/No)	No	No	Yes

Measures of Inter-Organizational Coordination in Comparative Perspective:

QC's AT55 vs. BC's PEO vs. NL's AACSP

In looking first to mechanisms of formal federal-provincial coordination, BC was most successful, using all the measured indicators. QC's results are comparable, with the exception that no federal administrators conducted site visits in the province. In the case

of NL, the only formal federal-provincial mechanism used was the signed agreement outlining the terms for the OWPPI.

QC's AT55 performed the highest on measures of informal provincial-local coordination. Though the specific coordinators did not have previous experience working together, this measure is given a result of "somewhat" to recognize the experience of the provincial representatives in working in the federal government.

QC's approach to formal provincial-local coordination differs somewhat from BC and NL. While in BC, workshops were used to allow local coordinators to come together and share their experiences, workshops were not used in QC. Instead, the one meeting that was held in the province was meant to inform local representatives of the guidelines and procedures of the OWPPI. In addition, QC coordinators did not use conference calls to allow local coordinators in different regions to exchange ideas. It is commonly held that each region faces its own set of unique challenges and can therefore be of little help to other regions (Interviews 8 and 9). Site visits were used, but these involved the provincial representatives visiting directly with a regional director or a community organization. Overall, the hierarchical relationship that exists between the organizations involved in the implementation of the OWPPI is reinforced by the use of certain formal mechanisms over others. This represents QC's centralized approach to labour market program implementation.

Beyond the formal mechanisms used for provincial-local coordination, QC's AT55 also performed well with respect to informal coordination. While it was the case that project coordinators in all three provinces communicated by telephone or electronic mail at least once per week, QC was the only project to benefit from coordinators having

worked together before, and from an effective leader who took the initiative to ensure the channels of communication were open and that all project activities were taking place as planned.

The Impact of Inter-Organizational Coordination: Findings from QC's AT55

Experience

Results from Hypotheses 1, 2 & 3

1. Formal mechanisms used to induce coordination at the federal-provincial level are *not* reproduced at the provincial-local level.

With the exception of the initial contract that was satisfactory to both parties and the periodic progress reports, most of the mechanisms used for formal federal-provincial coordination were not reproduced at the provincial-local level, as had been the case for BC (and as was lacking in NL). Though federal administrators did exchange information with the provincial level via conference calls and workshops, neither of these were used by the provincial coordinator. Instead, the provincial representatives used site visits to stay abreast of the developments at the local level. Furthermore, while BC's federal representatives did visit PEO to examine its activities, no federal presence was ever experienced at the local level in QC.

2. Formal mechanisms of coordination are used to foster informal ties. These must be sustained over time to truly be effective.

The most prominent distinction between QC and the other two cases is the performance of informal coordination mechanisms, particularly those at the provincial-local level. Given that formal mechanisms at the federal-provincial level did not reproduce at the provincial-local level, it might be seen as an indication that these informal mechanisms are, in fact, created spontaneously, as Dobell and Zussman (1999) had observed. However, another explanation carries greater weight in the context of the QC's full transfer LMDA, which lay the groundwork for informal provincial-local coordination mechanisms to develop over time. The agreement included a clause for the transfer of civil servants from HRSDC to the provincial government to work on active labour market programs. These individuals brought with them their skills, knowledge and experience and contributed to the creation of the current structure that oversees all labour market issues in the province: Emploi-Quebec. Since its establishment, Emploi-Quebec has been responsible for all active labour market programs and has aided in the development of an extensive network of organizations from the provincial, to the regional, to the local level and has created many partnerships with non-profit organizations within the community. According to the province's evaluation report, those operating within the community organizations found that the level and quality of support from Emploi Quebec was extremely helpful (RS, 2004).

Active labour market programs such as the OWPPI are now implemented through this network of organizations. This increases the likelihood that staff from each organization have worked together on previous projects and thus have a heightened level

of familiarity with one another. It also means that the chain of communication has become clearer over time. The system has also led to the creation of a group of civil servants with a high level of experience and knowledge of labour market program implementation, which has made them highly effective leaders of such programs as the OWPPI. Certain organizations, including SAET had already worked on projects for older workers and thus had developed an even greater awareness of the challenges faced by this particular demographic group. Consequently, projects such as AT55 achieve successful implementation results.

3. Implementation outcomes are most affected by provincial-local coordination. In the interest of developing local capacity, this type of coordination must be fostered over time.

Given QC's AT55 had the most successful implementation outcomes despite the influence of formal federal-provincial coordination mechanisms, it is clear that provincial-local coordination is the most significant determinant of success. There is much emphasis on the role of the local level in Quebec (Interview 8). An extensive network of organizations dedicated to the implementation labour market programs have been working in partnerships for several years (Interview 8). Older workers, in particular, have been a focus of employment programs for some time (Interview 8). The OWPPI actually complemented many of the activities already being offered in the community organizations throughout the province. When the opportunity arose to take part in the OWPPI, this was viewed as a chance to acquire additional funding to continue to do what community coordinators were already doing- helping reintegrate older workers into the

labour market (RS, 2004). Moreover, the pilot projects help to illustrate the level of specialization of these community organizations and increased their likelihood of being part of labour market projects in the future (Interview 8).

In QC, employment programs have been implemented through the same network of organizations for some time. This has allowed informal channels of communication to develop between actors within each organization. Projects are more successfully implemented as a result of this well-defined network. A comparative analysis of the experiences of the three community organizations involved in the implementation of OWPPI projects illustrates this interesting distinction between QC and the other two cases. Initiating coordination in QC was a straightforward process, in which the announcement for the program spread from the provincial, to the regional, to the local to the community organization involved, where managers were solicited to develop a proposal. Contrarily, in BC, the call for proposals was announced on a website. Community organizations in this province must therefore take the initiative to stay abreast of information on funding opportunities. A second important distinction relates to the funding decisions of each of the provincial governments. Though each organization had to wait several months to secure funding, this was not problematic for QC. Indeed, SAET, as is the case with most throughout the province, was confident that their proposal would be accepted, as they had the support from the local organization (Interview 8). This contrasts sharply with the experience of the community organizations in BC and NL, who were not confident that their proposal would be accepted and thus had to wait until funding had been secured before beginning to implement their project. Financing decisions inevitably take a long time, especially when approvals have to go through both

levels of government (Interview 9). However, in NL's case, such delays proved disastrous to the implementation of the project.

In sum, QC's approach to provincial-local coordination resulted in the successful implementation of AT55. The organization benefitted from previous experience in working with the local, regional and provincial levels to provide employment programs for older workers. This experience allowed them to further perfect their implementation techniques. That weak provincial-local coordination occurred in both BC and NL further illustrates the importance of this determinant of implementation success.

Intra-Organizational Failure? Not In QC's Case

As was explored in the previous section, QC's approach to provincial-local coordination differs substantially from BC and NL. Another distinction between QC and BC and NL merits closer attention. According to the analyses conducted in Chapters 2 and 3, both BC and NL suffered from weak *intra*-organizational coordination. In BC, the OWPPI program was transferred from the MAE to the MHR in 2003. Since PEO had commenced operations in 2002 and ended in 2004, this change occurred in the middle of its implementation process. As was documented in that chapter, the transfer of the file was extremely problematic for PEO's success. When MHR took over, it was decided that social assistance recipients would be required to take part in OWPPI projects. As a result, many of PEO's clients were not participating in the project out of a desire to reintegrate in the labour market, but rather because this was part of their requirements for collecting social assistance benefits. For NL, the OWPPI was transferred from one division of the department of HRLE to another. In addition, four different provincial coordinators were

assigned to the program. Beyond the effect on formal coordination mechanisms, this meant that communication patterns between federal, provincial and local coordinators could not be fostered over the course of the project's implementation.

Contrary to BC and NL, intra-organizational coordination in QC was never pointed to as a problem. The centralized approach to labour market program implementation has allowed them to avoid failures in communication within the organization. Indeed, in looking to the mechanisms used to foster inter-organizational coordination, it is clear that hierarchy is emphasized. Lines of communication are meant to follow a precise pattern, from the province to the region to the local centre to the community organization. Very seldom is another method employed. Moreover, exchange between organizations at the same level is kept to a minimum, as evidenced in the lack of use of workshops or conference calls, which are used for this purpose. Instead, site visits and progress reports limit communication to the hierarchical structure of the community organization to the local centre to the regional centre to the province.

That intra-organizational coordination was problematic in BC and NL and not in QC is evidence of the distinction between the inter-governmental regimes adopted in each province. In BC and NL, labour market responsibilities are shared between the two orders of government (Klassen, 2000). At the signing of the LMDAs, this had much to do with the fact that neither province was equipped with the bureaucratic capacity to take on the sole responsibility of active labour market measures. Provinces that opted for co-management arrangements did so to allow the federal government to continue using the infrastructure it already had in place and to continue delivering employment programs (Bakvis and Aucoin, 2000). While implementation of the OWPPI was assigned to the

provincial level, it is clear that co-management provinces, having opted to maintain the role of the federal government in delivering most employment programs, were not well equipped to take on this responsibility on their own. This is further evidenced in the fact that both suffered from weak intra-organizational coordination during the implementation of the OWPPI.

QC faced several challenges with its adoption of a full transfer LMDA.

Immediately following the signing of its agreement in 1997, it moved to create a new government body, called Emploi-Quebec, which would be solely responsible for employment policies and would operate as an independent unit within the new Ministry of Employment and Solidarity (Haddow, 1998). Developed from the consolidation of the organization responsible for social assistance recipients, the Societe Quebecoise de la Main d'Oeuvre (SQDM), responsible for industry-related programs and the new responsibility for EI funded active measures, Emploi-Quebec confronted its share of obstacles. For example, according to Bakvis and Aucoin (2000), there was a decline in the number of clients successfully reintegrated in the labour market with the introduction of the agency. Media reports claimed that Emploi-Quebec was initially unable to provide funding for training programs that had already been approved. Information systems, in addition to organizational cultures were incompatible during these initial stages (Klassen and Schneider, 2002). The consensus was that such challenges were inevitable, as QC was attempting to replace HRSDC's decentralized system of labour market programs with a highly centralized system (Bakvis and Aucoin, 2000; Klassen and Schneider, 2002).

Despite facing these challenges when Emploi-Quebec was first introduced, the results from this analysis illustrate the effectiveness of this highly centralized system for implementing labour market programs for older workers. Indeed, QC's AT55 achieved strong results for all measures of implementation success. This was in part due to the clear line of communication that exists between the administrators at every level within this network. Each actor is aware of his or her responsibilities, and can refer to his or her superior in case of lack of clarification. Overall, while this highly centralized system was criticized early on, it has become a successful and effective method of implementing projects for older workers.

Conclusion

Of the three cases explored in this analysis, QC's AT55 achieved the most successful implementation results. Interestingly, this counters the original expectations, which said that because of weak formal federal-provincial coordination in the province, weak formal provincial-local coordination would ensue, leading to weak informal provincial-local coordination and resulting in an overall failed project. Instead, QC centralized system of delivering labour market programs, and the fact that it has been pursuing projects of this nature independently from the federal government for some time, has allowed it to become the most successful case examined in this study. Its highly effective implementation pattern is attributable to two main features. For one, the system is highly centralized, which prevents failure in intra-organizational coordination. Indeed, as the many of the province's evaluation reports note, all the administrators who took part in projects reported having a clearly defined role (RS, 2004). The same cannot be said of

BC and NL, where weaknesses in intra-organizational coordination led to the ultimate demise of their projects. A second feature unique to QC's full transfer arrangement is that the system has allowed community organizations to work with the province on a number of projects. This has increased their capacity, building their knowledge and experience in the area of labour market programs for older workers. Informal provincial-local coordination is quite strong in the province and it has succeeded in fostering a network of organizations with a high capacity to implement employment projects.

As Canada's workforce continues to age, programs seeking to reintegrate older workers in the labour market will become more numerous and more significant. The experiences of QC's AT55 suggest that the key to implementing successful programs is to foster local capacity by working in partnership with community organizations. Whether or not other Canadian provinces and territories are up to this challenge is yet to be determined. If the lessons put forward in these three chapters have sought to illustrate anything, it is that inter-organizational coordination is the key to ensuring effective implementation.

CHAPTER 5

Summary of Findings and

Lessons Learned for Inter-Organizational Policy in the Future

The objective of this study was to explain a simple puzzle: How is it that three labour market projects, each striving for the same objective, providing similar services and operating under comparable economic conditions could produce completely divergent outcomes? Using a theoretical framework of inter-organizational coordination, the analysis has illustrated that the mechanisms used to promote communication, exchange information and avoid duplication between different organizations involved in the implementation of a single project matter to its outcome. Moreover, it has been suggested that the kinds of mechanisms that are used and the organizations between whom they are used also have a bearing on the success of the project. While these findings do contribute to the theoretical literature on inter-organizational coordination, their implications are most significant when examined within their empirical context. Indeed, this study offers a series of important insights in to the state of labour market program implementation in Canada and offers suggestions for its improvement in the future.

While the three cases selected for detailed analysis were chosen on the basis of their many similarities, the results of this study suggest that their most marking distinction is the province in which they were implemented. This is due to the asymmetrically decentralized (Klassen and Schneider, 2002) nature of labour market policy in Canada. The relationship between the federal and provincial governments in

this field has always been ambiguously defined. In 1996, a series of bilateral negotiations with all the provinces (except Ontario) led to the signing of LMDAs, which clarified the roles of each level of government. Some provinces opted to maintain ties with the federal government, working in partnership to implement active labour market measures, while others chose to develop their own, independent structures for employment programs. The cases under examination differ to the extent that both BC and NL opted for the former type of agreement, or co-management, while QC chose the latter, a full-transfer arrangement. As was to be expected, the similar arrangements in BC and NL resulted in similar implementation outcomes, though BC performed noticeably better than NL, while QC stood apart, resulting in higher implementation outcomes for most indicators. These distinctions will be further analyzed, following a summary of the three hypotheses tested in this study.

The Impact of Inter-Organizational Coordination: Findings from all three Cases

Results from Hypotheses 1, 2 & 3

1. Formal mechanisms used to induce coordination at the federal-provincial level are reproduced at the provincial-local level.

BC: In the case of BC's PEO, this relationship held. The formal mechanisms used for federal-provincial coordination (site visits, workshops and conference calls) were replicated when the province was coordinating with the local level organization.

NL: Beyond the formal written agreement, mechanisms for formal federal-provincial coordination were virtually nonexistent in the case of NL's AACSP. This was also the case for provincial-local coordination. As such, the relationship also held, in that the absence for formal federal-provincial mechanisms led to an absence of formal provincial-local coordination. This also had a bearing on the local organization, in that project coordinators signed no formal agreements with the other organizations they opted to partner with. Incidentally, two of these organizations did not fulfill their agreed-upon obligations.

QC: This relationship did not hold in QC. The mechanisms used for formal federal-provincial coordination, such as workshops and conference calls were not used for formal provincial-local coordination. Instead, the provincial coordinator used site visits to monitor the activities at the local level.

Analysis: That this relationship held in the co-management provinces and did not in the full transfer province suggests that the type of LMDA operates as a conditional variable. If the province is co-management, then formal federal-provincial mechanisms affect provincial-local mechanisms. If the province is full-transfer, formal federal-provincial mechanisms do not matter to the provincial-local mechanisms that develop.

As NL's AACSP illustrated, the lack of formal federal-provincial coordination mechanisms have a negative impact on the project implementation. Indeed, because the federal and provincial governments, in working together to plan the OWPPI, failed to

secure funding in time for the beginning of the agricultural season, participants in the project did not benefit from hands-on training in farming.

2. Formal mechanisms of coordination are used to foster informal ties. These must be sustained over time to truly be effective.

BC: While there were few indicators of informal coordination in BC's PEO, it is likely that these would have developed if given more time. For example, workshops were hosted at both the federal and provincial levels to promote more effective communication between project managers. As those responsible for the project became more familiar with one another, this may have encouraged them to take the initiative and become even more effective coordination facilitators. However, the OWPPI file was transferred from the MAE to the MHR in the middle of its implementation process. This meant that the ties that had developed between the provincial level and their federal and local counterparts had to be rebuilt, before they could effectively contribute to successful project implementation.

NL: In the absence of formal mechanisms for coordination, few attempts were made to foster informal ties in NL. As an exception, conference calls were useful in developing communication patterns between the provincial administrators and their federal and local counterparts. However, NL suffered the same fate as BC, in that the OWPPI file was transferred from one division to another within the HRLE. This meant that whatever familiarity had been created had to be recreated from the ground up. This was made even more difficult by the high level of staff turnover. Over the course of the OWPPI, four

different people were assigned responsibility over the program. This made it even less plausible that informal ties could develop.

QC: In QC, the formal federal provincial mechanisms for coordination had no bearing on the type of informal coordination that developed between public managers at every level. Instead, informal coordination mechanisms had been fostered over time since the signing of the full transfer LMDA and the subsequent creation of Emploi-Quebec. Contrary to its early history (which was wrought with administrative difficulties due to the challenges faced in creating a new government body, particularly from an amalgamation of other groups), QC's highly centralized system for delivering employment programs has become very effective. In the case of AT55, the project coordinators had worked together on previous projects, and thus had developed a strong level of familiarity. Moreover, QC was the only case in which an effective coordination facilitator was evident. This person took the initiative to ensure the successful implementation of the project.

Analysis: When looking at the impact of this relationship in all three cases, the element that appears most evident is the importance of fostering informal ties over time. Indeed, in BC and NL, the transfer of the file from one ministry or division to another prevented the development of informal coordination mechanisms. Conversely, in QC, the fact that this formal structure has been in place for some time has allowed project managers at every level to develop a relationship with one another.

3. Implementation outcomes are most affected by provincial-local coordination. In the interest of developing local capacity, this type of coordination must be fostered over time.

BC: While PEO's implementation was challenged by a number of factors, one of the most difficult was the transfer of the OWPPI file from MAE to MHR. This affected provincial-local coordination in that the informal ties that had developed between project managers at each level had to be rebuilt with a new provincial manager. At the same time, the file transfer also affected goal cohesion between the province and the local organization, in that MHR decided to use OWPPI projects as a requirement for social assistance recipients who wanted to collect their benefits. This left PEO with a less-than-ideal group of participants, in that some were not seeking to reintegrate into the labour market, despite that being the goal of the project.

NL: AACSP's biggest challenge was the poor timing of the project. As a result of inadequate information-sharing between the provincial and local level, participants were unable to take part in many of the agricultural activities planned by the project's managers. Inter-organizational coordination was clearly problematic, in that had the local coordinators been aware of the funding delays, they would have been able to plan for a different set of activities. Furthermore, previous experience working with the provincial government would have allowed them to become more familiar with the fact that funding delays at the provincial level are common. Overall, had the ties between the local and

provincial organization been fostered over time, the outcome of the project would likely have been more successful.

QC: AT55 succeeded on all indicators of implementation success. It also had the strongest measures of inter-organizational coordination between the provincial and local level. The fact that both measures were high does not offer a convincing argument that the strong inter-organizational coordination caused the strong implementation outcomes. Instead, drawing on the theory, it becomes clear that the fact that the ties between the province and the local organization have been fostered for some time, allowing the organizations to become more familiar with one another and to become more experienced in implementing employment programs for older workers is what led to its success.

Analysis: Neither BC nor NL fostered very strong ties between the provincial and local levels, and neither project succeeded on all measures of implementation success.

Conversely, QC succeeded in both these areas. This suggests that co-management provinces do not emphasize the importance of provincial-local coordination and this is to their detriment because they do not achieve successful implementation results. There are two possible reasons for these shortcomings. The first is that in having to coordinate with the federal level, they do not have enough time, staff, or other additional resources to coordinate as effectively with the local level. A second reason is that they lack the capacity at the provincial level to coordinate effectively with the local level, which is why they opted for a co-management agreement in the first place.

Intra-Organizational Coordination & the Labour Market Development Agreements

Throughout the implementation of OWPPI projects, both BC and NL suffered from weak *intra*-organizational coordination, meaning relations within their organization. In contrast, this was never the case in QC. The key distinction between the provinces, namely that BC and NL signed co-management LMDAs, while QC opted for a full transfer LMDA speaks to this shortcoming in the former case. For co-management provinces, labour market responsibilities are shared between the two orders of government (Klassen, 2000). Provinces that chose these arrangements recognized that the federal government could continue using the infrastructure it already had in place for delivering employment programs (Bakvis and Aucoin, 2000). However, the implementation of the OWPPI was assigned to the provincial level only. Therefore, as is illustrated in this study, co-management provinces were not well equipped to take on this responsibility on their own.

When QC signed its full transfer LMDA, it created a hierarchical government organization dedicated to delivering employment programs. Its centralized approach has allowed for the avoidance of intra-organizational failure in the implementation of projects. Lines of communication follow a precise pattern, from the province to the region to the local centre to the community organization. In addition, local capacity is fostered because the same patterns are followed for their myriad of programs. Overall, QC has developed an effective method of implementing projects for older workers.

Lessons Learned: The OWPPI in Perspective

In seeking to generalize the findings from this research project to the larger policy context, the most pertinent lessons learned are highlighted. The goal, in emphasizing them, is to serve as a guide for policy makers in the future⁸.

Promoting Effective Federal-Provincial Communication

NL's ultimate failure was due to the project's poor timing. While the intended commencement date was set for May 2003, the project did not get underway until July. Since farming in NL is mainly a spring to fall operation, participants were not able to take part in training throughout the entire growing season. Moreover a number of the intended activities could not take place as planned. According to the provincial level, delays within the review process of the federal government caused the project's late start date (EAACSP, 2004; p. 14). Conversely, the federal level pointed to NL's Intergovernmental Committee, a body that oversees all funding decisions throughout the province (Interview 1), alluding to its potential for delay. This serves to illustrate the impact of inter-organizational coordination on implementation outcomes. In this case, negative results were obtained by AACSP because of funding delays. Such delays were either caused by a stalled decision process at the federal level or the provincial level, or may be explained by a combined slow-down at both levels. Either way, it is clear that information-sharing between each level, from the federal to the provincial to the local

⁸ By no means does this project seek to advocate that federalism has somehow failed. On the contrary, it is important to maintain a national perspective on problems that affect all provinces, albeit in different ways. Instead, these findings illustrate that regardless of the type of relationship that exists between the federal and provincial government, it is vital to ensure effective coordination with the local level.

was weak, given that the urgency of the start date for the project was neither well-communicated, nor respected.

The lesson to policy makers is to ensure effective communication between organizations. Had the federal and provincial administrators been aware of the impact that their funding delays would have on the ultimate outcome of the projects, they likely would have secured funding sooner to allow the project to get underway, or would have decided not to fund it at all. Either way, effective communication between the administrators at the federal, provincial and community level is essential to achieving successful project outcomes.

Fostering Local Capacity

As was found in this study, where ties with the local organization were weak, the project's implementation outcomes failed. Where ties were strong, the project performed successfully. Fostering local capacity means developing a strong working relationship with community organizations able to help in the implementation of a project. The lesson learned in this study is that the role played by the local organization has a huge bearing on the results of any project.

While capacity at the local level is controlled as much as possible by the fact that organizations had to pass the scrutiny of the provincial and federal levels in order to deliver a project for the OWPPI, the pool of local applicants to choose from differed for each province. That one province's selection was based on a myriad of projects while another only had four in total suggests that the playing field is not entirely level when it comes to local employment organizations across the country. At first glance, this speaks directly to the ability of local service providers to do their jobs well, thus suggesting that

local capacity is an important variable not taken into account in this analysis. At the same time, it is important not to overlook the underlying causes associated with weak local level capacity. Policy learning is an important element in developing and implementing successful programs. No policy, program or project is ever perfectly implemented the first time. Learning from others and from one's own mistaken attempts is important and helps to create more successful program and policy responses in the future. Local level capacity is therefore tied to whether or not the organization had worked in partnership with the provincial level before. QC's Action-Travail 55 was one of many projects that had been developed between the province and the local organization. Though past projects had not necessarily been geared towards older workers, project managers used their experience to create something that would work given their local conditions and their ties with the labour market.

Avoiding Intra-Organizational Failure

Both in BC and NL, weak intra-organizational coordination led to the ultimate failures of their projects. This occurred because the OWPPI file was transferred from one division or ministry to another. The most prominent lesson to administrators is to avoid intra-organizational failure by limiting program transfers between various units within an organization. If this is unavoidable, the key is to ensure goal congruence, effective communication and information sharing.

Fostering Effective Leadership

One of the most notable features in QC's informal coordination indicators was the presence of a highly effective coordination facilitator. This individual was one of the 1084 civil servants who had been transferred from HRSDC to work for the provincial

government with the signing of the full transfer LMDA.⁹ With experience at the federal level, this individual was consistently reported as being an effective leader, someone who facilitated communication between all those involved, and someone dedicated to achieving positive outcomes for the projects. As evidenced in QC's successful outcomes, projects implemented by multiple organizations profit immensely from individuals of this kind. Policy makers and program planners stand to benefit from recognizing these features in their staff and fostering such qualities over time.

Final Remarks

For those who have ever wondered how a government program moves from the high echelons of the federal level, through to the province and down to the local level, where its impact on an individual is finally felt, it has been the intention of this research project to illustrate that process. While the OWPPI is just one of the several thousand programs implemented by the Canadian and provincial governments at any one time, the findings put forward in this study suggest that while the path is complex, it eventually reaches its final destination, the individual in need of it. For its impact to be a positive one, however, the key is clearly defined objectives, roles, deadlines and a clear line of communication between administrators. Without such elements, even the programs with the greatest of expectations can, as Pressman and Wildavsky found in 1973, be dashed.

⁹ It should be noted that while this may have placed Quebec at an advantage with respect to the level and quality of its human resources, the cases selected for detailed analysis are still comparable to the extent that they offered similar activities in similar labour market environments. That this human resources expertise served to benefit Quebec illustrates an important lesson to other provinces, which is to promote strong, effective leaders in the public service and to dedicate more human resources to labour market development.

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Interview Codification:

Interview 1: Interview with 2 HRSDC administrators, conducted August 25th, 2008 over the telephone

Interview 2: Interview with BC's provincial administrator responsible for the Targeted Initiative for Older Workers, conducted June 3rd, 2008 in person

Interview 3: Interview with Primetime Employment Options director, conducted June 16th, 2008 over the telephone

Interview 4: Interview with NL's provincial coordinator within the Ministry of Human Resources Labour and Employment. Telephone interview, September 11, 2008

Interview 5: Interview with secondary NL provincial coordinator within the Ministry of Human Resources Labour and Employment. Telephone interview, September 11, 2008

Interview 6: Interview with NL's local project coordinator at Lower Trinity South Regional Development Association. Telephone interview, September 10, 2008

Interview 7: Interview with QC's provincial coordinator responsible for the OWPPI. Telephone interview, September 16th, 2008

Interview 8: Interview with QC's regional coordinator responsible for the OWPPI within the Direction Regionale du Bas St. Laurent. Telephone interview, September 12th, 2008

Interview 9: Interview with QC's local coordinator responsible for the OWPPI with the Centre Local d'Emploi de Cabano. Telephone interview, September 5th, 2008

Interview 10: Interview with QC's community organization director responsible for the OWPPI at the Service d'aide a l'emploi du Temiscouata. Telephone interview, July 14th, 2008

Appendix I: Labour Market Policy in Canada: A Brief Historical Overview

The Early Years

The close connection between the federal and provincial governments in the field of labour market policy is the product of a murky division of responsibility between the two levels of government. Throughout history, a number of attempts have been made by the federal government and its provincial counterparts to bring greater clarity and efficiency to this policy area. The most recent initiative, the Labour Market Developments Agreements, represents a significant shift in responsibility from the federal to the provincial governments (Klassen, 2000). Tracing the historical developments in training policy, an important component of labour market policy, the factors leading up to the signing of these agreements, as well as a description of how they currently operate will be presented.

As Klassen (2000) observes, policy implementation in the area of training objectives has never been the result of coordinated framework-building on the part of the different levels of government. A fascinating phenomenon has occurred over time, in that while the federal government has always viewed labour market training as a component of its responsibility for macro-economic policy, the tools used to address this policy area generally fall under the provincial jurisdiction of education (Bakvis and Aucoin, 2000). The result is that most labour market training initiatives have developed from a partnership between the federal and provincial governments. One of the earliest of its kind, the 1919 Technical Education Act, for example, saw the federal government supporting vocational and technical training in secondary schools. Today, the duties of

the federal government involve the provision of information, subsidized employment and training for those receiving of federal income support through Employment Insurance, the disabled and recent immigrants. Meanwhile, provincial governments provide training for social assistance recipients and the long term unemployed who are not eligible for EI. Additionally, both levels of government provide training for youth (Klassen, 2000).

Throughout history, the development of Canadian labour market policy may therefore be understood as a series of cost-shared agreements between the federal and provincial governments, with the federal government's level of involvement varying over time. Within the 1960 Technical and Vocational Training Assistance Act, for example, the federal government was funding a broad spectrum of elements, such as training in secondary schools, apprenticeship programs in community colleges and skills upgrading for employed workers. Concerned that it was not being recognized for its contribution, Ottawa opted to scale back its funding in the middle of the 1960s (Bakvis and Aucoin, 2000). The 1970s witnessed a shift in labour market involvement by the federal government. While the provinces continued to deliver the bulk of training, the Unemployment Insurance Act allowed the federal government to increase spending on the "active measures" portion of the account, making some UI benefits recipients eligible for federally-funded training (Bakvis and Aucoin, 2000). Canadian labour market policymakers began to shift their focus to the private sector in the 1980s. Led by the Progressive Conservative government that came to power in 1984, programs such as the 1985 Canadian Jobs Strategy and the 1989 Labour Force Development Strategy sought to develop stronger partnerships with the business community. These allowed for the creation of an important, though ill-fated, institutional innovation, the labour force

development boards. Made up of business and labour representatives, as well as a whole host of relevant members of the community, these provincial boards and their national counterpart were awarded an ‘unprecedented’ amount of influence over labour market policy (Haddow and Sharpe, 1997). Established in seven provinces (Newfoundland, Nova Scotia, New Brunswick, Quebec, Ontario, Saskatchewan and British Columbia), the boards’ mandates were to advise the governments on a series of pertinent labour market issues, such as putting forth recommendations on the allocation of funding for skills training (McFayden, 1997). Though an ultimate failure, this period in Canada’s labour market history demonstrates yet another attempt by the federal government to assert its role in this policy area, in this case by introducing an advisory group of societal actors at both levels of government. Indeed as McFayden suggests, the federal government saw programs such as the LFDS as having the potential to promote greater cooperation in federal-provincial relations in the area of labour market policy (McFayden, 1997). It was clear, however, that others measures were needed to begin addressing the issue of shared jurisdiction in labour market policy, and training more specifically.

The 1993 creation of the Department of Human Resources Development Canada (HRDC) occurred with the massive reorganization of the government machinery by then Prime Minister Campbell. Born from an amalgamation of five separate departments, HRDC represented one of many steps intended to provide “Canadians with a leaner, more accessible and more efficient government to meet the challenge facing Canada over the balance of the decade and into the 21st century”, according to Campbell (Savoie, 1999: 142). As Bakvis and Aucoin contend, the establishment of HRDC represented one of

several factors that allowed for the introduction of the LMDAs. These will be explored further in the next section.

Policy Context: Factors leading to the Creation of the LMDAs

Prior to the introduction of the LMDAs, the federal government was responsible for providing training-related services to EI recipients, as well as purchasing training programs from provincial colleges and other public and private institutions (Klassen, 2000). Funding from the “active measures” or Part II portion of the EI account¹⁰ was also made available to HRDC to contract with various community and local agencies to provide a number of employment services to eligible clients, such as job-search clubs and resume-writing. A similar set of services was also made available to non-EI clients through the use of the Consolidated Revenue Fund (CRF). Expenditures from this fund were targeted towards four designated groups: women, persons with disabilities, Aboriginal people and visible minorities, in addition to youth, a small number of social-assistance recipients, older workers who had exhausted their EI benefits, as well as immigrants and refugees. Local HRDC centres were primarily responsible for service delivery for all these areas before the implementation of the LMDAs. With most operations located outside of Ottawa, these centres were characterized by a high degree of independence from HRDC (Bakvis and Aucoin, 2000). EI funds and CRF funds were managed, for the most part, by local HRDC managers, who had considerable administrative authority over their allocation.

¹⁰ Part I of the EI Act outlines the level of earnings replacement to be provided to those eligible contributors who become unemployed, while part II of the Act provides the Employment Benefits and Support Measures. These are services available to unemployed persons either currently or who have been eligible for employment insurance (Lazar, 2002).

While, as it has been noted above, the federal government has often resisted foregoing its responsibility in labour market policy, a number of factors created a context in which a major shift in this area was made possible. Following the close results of the 1995 Quebec referendum, it became clear to the federal government that the need to accommodate the special demands of this province could not be denied (Klassen, 2000; Bakvis and Aucoin, 2000). Since the 1960s, Quebec had sought to assume full responsibility of labour market policy, claiming that such would allow for much greater coordination in social and economic policy. It had even gone so far as to calculate the cost of federal-provincial duplication, which had reached an unacceptable \$250 million per year (Klassen, 2000). Quebec was not the only province concerned about the jurisdictional issues related to labour market training. Indeed, in a 1995 report to the premiers, from the Ministerial Council on Social Policy Reform and Renewal, it was recommended that responsibilities within the federation be clarified and that joint federal-provincial responsibilities be minimized in the interest of promoting greater efficiency (Bakvis and Aucoin, 2000). The movement away from Keynesian job-creation policies towards greater investments in training was becoming the popularly-accepted labour market policy philosophy. More generally, the 1990s witnessed an overall retrenchment of the federal government, with spending cuts in a number of areas, including both the CRF and EI funds¹¹. Shifting labour market responsibilities to the provinces fit well within this policy framework. Finally, the simultaneous though unrelated reforms to Employment Insurance, through the introduction of the 1996 Employment Insurance Act,

¹¹ The 1995 federal budget revealed a decrease in CRF expenditures, as well as a 10% reduction in the entire UI program (Bakvis and Aucoin, 2000).

made it possible to address the legislative changes required for the transferring of funds for labour market policies to the provinces (Klassen, 2000).

The LMDAs: A New Era in Canadian Labour Market Policy

On May 30, 1996, the federal government announced that it would transfer \$1.5 billion of expenditures on its active employment measures to the provinces and would withdraw from the purchase of training activities. While the negotiation process that followed from this was complex¹², it resulted in the signing of bilateral agreements with every province and territory, with the exception of Ontario. Under the new LMDAs, the federal government's activities are now limited to providing national labour market information, the implementation of pan-Canadian activities as well as active labour market measures for non-EI recipients such as youth, the disabled, Aboriginals and immigrants (Klassen, 2000). Meanwhile, provinces and territories are responsible for most of the funding allocated for active labour market measures from the EI account. This money is to be spent on wage subsidies to employers, earnings supplements to EI recipients, income subsidies for EI recipients seeking to start their own business, funding projects undertaken by community organizations hiring EI recipients as well as loans and grants to individuals for institutional training (Klassen, 2000; Bakvis and Aucoin, 2000). Each agreement outlines the money to be transferred to the province annually. Provinces are required to demonstrate certain levels of performance, under what has been referred to as a "results based accountability framework" (Bakvis and Aucoin, 2000). These contain numerical targets for clients served and savings generated from the EI account,

¹² For more on this, see Negotiating Labour Market Development Agreements by Herman Bakvis and Peter Aucoin, March 2000 Government of Canada, Canadian Centre for Management Development.

calculated as the difference between an individual client's total entitlement to EI benefits (from Part I) and the actual pay out received by the individual.

The fact that the LMDAs are bilateral implies that while they have some common features, each province and territory actually signed a unique agreement with the federal government, representing the degree of asymmetry preferred by the provincial or territorial government at the time of the negotiations (Lazar, 2002). Agreements are characterized according to their intergovernmental regimes, whether full transfer or co-management.

The full transfer model allows the provinces to assume full responsibility for labour market policy and program delivery within the federal funding and client eligibility constraints. While the federal government continues to deliver EI benefits, pan-Canadian initiatives and response during economic emergencies, it transfers its entire funding allocation to be used as the provincial government sees fit (Klassen, 2000). These arrangements have also resulted in the transfer of federal employees to the provincial payrolls (Lazar, 2002).

Conversely, the co-management model does not outline the transfer of any resources to the province (*financial or staff*) but creates a situation for the joint-management of program design and implementation, as well as the establishment of priorities and strategic direction (Lazar, 2002). Existing HRDC centres and local organizations maintain their role in service delivery, while the provincial government focuses its efforts on planning and policy development (Klassen, 2000). Under these agreements, federal employees are still responsible for the delivery of programs falling under the "active measures" portion of the EI fund.

Overall, the LMDAs have allowed for the creation of a positive working relationship between public officials at both levels of government (Klassen, 2000). In the case of the co-management provinces, civil servants work closely with one another, thus greatly improving their rapport with one another. For full transfer provinces, greater collaboration now exists at the local level than was previously, since they are now responsible for funding projects undertaken by community organizations.

Appendix II: Case Descriptions

Project Name	PrimeTime Employment Options	Agricultural Awareness/Community Service Program	Action-Travail 55
Province	British Columbia	Newfoundland and Labrador	Quebec
Date of Operation	March 2002-March 2004	July 2002-February 2003	January 2002-January 2004
LMDA	Co-Management	Co-Management	Full-Transfer
Economic Region	Cariboo	Avalon Peninsula	Bas-Saint-Laurent
Unemployment Rate*	12.7%	12.6%	10.8%
Employment Rate*	60.6%	54%	49.5%
Participation Rate*	69.3%	61.8%	55.5%
Local Implementer	College of New Caledonia	Spruce Hills Farm and Lower Trinity South Regional Development Association	Services d'aide à l'emploi du Temiscouata
Service Delivery Outlet	College	Non-Profit Employment Organization	Non-Profit Employment Organization
Project Description	131 older workers were given access to a number of employment services, including development of action plans, assistance with resumes and interview skills, workshops, individual training, work experience placements.	12 older workers were offered professional development workshops and training in farming skills and secondary processing. Participants also participated in community service activities.	30 older workers from the forestry sector were offered professional development workshops based on their skills and the demands of the labour market as well as a training stage supervised by an employer in the manufacturing sector in the region.

Source: CANSIM, consulted February 7th, 2008

*At commencement of project