



ABORIGINAL HUMAN RESOURCE DEVELOPMENT COUNCIL OF CANADA
CONSEIL POUR LE DEVELOPPEMENT DES RESSOURCES HUMAINES AUTOCHTONES DU CANADA

Mines Minister Conference 2006

“ Building Capacity: Supply and Demand Solutions ”

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Welcome

Good afternoon Ladies and Gentlemen. I was asked to give you some insight on building Aboriginal capacity in the mining sector, but before addressing this agenda, I will provide an overview of our organization and our contribution to address Aboriginal inclusion in the Canadian workforce.

The Council's Structure and Role

On behalf of the Aboriginal Human Resource Development Council of Canada (the Council) and our Council Champion co-chairs, Mr. Charlie Coffey and Chief Sophie Pierre, we want to personally acknowledge and thank the Mines Ministers for providing me with the opportunity to address this Conference.

Our organization is a public-private partnership with a mission to see the full participation of Aboriginal peoples in Canadian labour markets. Our two-tiered governance structure with representation from the leaders of the five national Aboriginal organizations, seven industry representatives, a national education leader and union leader, four provincial ministers and four federal ministers means that we have developed some innovative perspectives about collaboration and partnership.

The Council works with its partners in *real-time* grass root development projects but it plays a strategic and advocacy role at the national level. For instance, the Council participated on the Mining Industry Human Resource Council steering committee in the production of its very successful labour market study, "Prospecting the Future: Meeting Human Resources Challenges in the Canadian Minerals and Metals Industry". The Council distributed this study to the Aboriginal human resource development network in Canada. MIHR and a number of mining companies are members of an innovative Council initiative called Networks of Change; a program designed to increase our knowledge and understanding of workplace engagement issues and how Aboriginal recruitment, retention and advancement practices can be accelerated. The Council works with employers, government agencies and Aboriginal employment agencies to advance innovative industry projects such as the Alberta Aboriginal Apprenticeship Project. To date this project has certified more than 250 apprentices. Syncrude has been a Council Champion and board members since the Council's inception in 1998. They have helped create linkages to the mining sector and provided exceptional leadership in all of the Council's projects. It is this ability to straddle community-based and national perspectives that gives our organization its unique understanding of Aboriginal human resource development.

Minister Lunn is a new Council Champion and we are looking forward to the Minister's leadership and collaboration in advancing Aboriginal employment in Canada, including the mining sector. The Minister will have an opportunity to bring the perspectives of the mining sector forward to the Council's Annual Champions Meeting in Ottawa on December 12-13 2006.

At the Seventh Annual AHRDCC Champions' Meeting held in December 2005, Jim Carter, President and CEO of Syncrude, talked about the ways that Aboriginal issues are taking precedence and getting “on the radar.” He urged those present to become leaders and champions of Aboriginal inclusion because it not only makes business sense but because, “we want to create mutually advantageous social and economic opportunity, it’s the right thing to do.” Mr. Carter encouraged the Council to continue its role in facilitating new partnership models, connecting employers with potential workers and creating a better understanding of the pathways and obstacles to Aboriginal recruitment, retention and advancement in Canadian workplaces.

The Honourable Pearl Calahasen - Minister of Aboriginal Affairs & Northern Development, Government of Alberta shared insights on the First Ministers November 2005 meeting in Kelowna. In Kelowna there was strong acknowledgement of the severity of socio-economic issues facing Aboriginal Peoples and the need for renewed commitment from provincial and federal governments to work with First Nation, Métis and Inuit on collaborative and measurable efforts to address these issues.

The Council’s Aboriginal human resource programs, such as Mastering Aboriginal Inclusion, the Inclusion Network, the Guiding Circles Career Awareness Program as well as the other programs and partnerships in which the Council plays a role all contribute to solving Aboriginal socio-economic issues as well as serving to increase the workforce needs of companies and industries that are facing skills shortages.

These new employer tools include the seven modules of *Mastering Aboriginal Inclusion*, which are currently in development. A variety of supporting services and materials, such as interactive online tutorials, workplace assessments, employee engagement surveys and reporting instruments. The materials in the *Mastering Aboriginal Inclusion* series are designed to address all the needs of corporate inclusion, from the fundamentals of generating a strategy to assessment and measuring tools to a thorough presentation of best leading practices in all domains of Aboriginal relations. The purpose of these materials is to provide managers with the important knowledge and the critical skill-driving tools required for an organization to achieve a core competency in creating a truly inclusive workplace. We are very interested in the application of these tools to specific industry sectors like mining.

Mr. Charlie Coffey O.C., Executive Vice-President for Community and Government Relations, RBC Financial Group, highlighted the need for more coordinated and collaborative approaches to Aboriginal social, economic and community development. Mr. Coffey spoke about the importance of inclusion and the role it plays in creating a healthy and productive workplace. Inclusion is not only an economic necessity, it is a social imperative and the private sector must do more to ensure Aboriginal Canadians achieve prosperity and employment.

The Council’s new National Aboriginal Trades Project is a capacity building mechanism that will serve as a catalyst to a national network of community-based development

projects aimed at increasing Aboriginal opportunities in the trades. The trades' project is focusing attention on two key sub-sectors, mining and construction.

For more detailed information on our programs, I invite you to visit our website at: www.ahrdcc.com.

Building Capacity: An Imperative

We all know that many Aboriginal Canadians are under represented in Canadian labour markets. They face obstacles and challenges including inadequate education levels, enormous social gaps and disparity in employment and incomes levels. Closing the socio-economic gap between Aboriginal and non-Aboriginal peoples is the most pressing issue to be addressed today.

Canada has enjoyed a standard of living and economic growth rates surpassing virtually all nations of the world. While a number of challenges have arisen to threaten the continuation of this bounty, a shortage of skilled labour presents one of the most pressing, and imminent, challenges. Prime Minister Harper has cited the skills crisis and productivity challenge facing employers. As well, the Conference Board of Canada has predicted that there will be a shortfall of nearly one million workers in many of the skilled and highly skilled trades, knowledge-oriented occupations by 2020¹ placing serious constraints on the continued health and vitality of Canada's economy.

Despite some major breakthroughs reported, there are troubling indications that negative attitudes towards Aboriginal people continue to persist. A major poll conducted by the Centre for Research and Information on Canada (CRIC) revealed some disturbing insights into how non-Aboriginal Canadians view their fellow Aboriginal citizens². Over 20% of those polled felt that "relations between Aboriginal and non-Aboriginal Canadians were deteriorating". Over half the respondents believed that Aboriginal people were as well off or better off when compared to other Canadians³. This perception is strongly refuted by UN indices indicating that Canada's Aboriginal peoples would rank 43rd in the world in terms of economic conditions. Disturbingly, the poll also found that there was low public support for treaty and land rights.

Within this context, many employers may not perceive Aboriginal people as a viable potential source of employees or may attribute incorrect attitudes to them. In a study conducted by the Canada West Foundation⁴, respondents identified "not enough education and training" as the main reason Aboriginal peoples experience low employment levels. A significant number indicated that "not willing to work" was the primary reason. It is interesting to note that the study also identified substantial support for public policies that supported increased education and training for Aboriginal people.

¹ Conference Board of Canada. *Performance and Potential*. 2000-2001.

² Facing the Future: Relations Between Aboriginal and Non-Aboriginal Canadians. Centre for Research and Information on Canada. 2004

⁴ Canada West Foundation. *Achieving Potential: Towards Improved Labour Market Outcomes for Aboriginal People*. Sept. 2003.

The disparity in attitudes illustrates the challenges encountered by those attempting to develop policy initiatives to address these issues.

The Council wants to work with the mining sector to further delve into the attitudes and perceptions of both employers and Aboriginal employees. We know the mining sector has a much longer history of working with Aboriginal people and many employers are model companies for Aboriginal inclusion. Many employers in Canada do not regard Aboriginal people as a solution to the skill shortages but the mining sector has demonstrated that Aboriginal people can be partners in socio-economic change. How can we garner even more support for Aboriginal inclusion and transform mining workplaces to achieve greater recruitment, retention and advancement outcomes? How can we transfer this knowledge (and attitude) from the mining sector to other sectors of the economy?

In 1991, Prime Minister Brian Mulroney announced a Royal Commission on Aboriginal Peoples. In 1996, the commission released its findings and made more than 400 recommendations aimed at making significant strides in community, economic, social and the political fabric of Canada's First Nations, Metis and Inuit peoples. The goal was to close the socio-economic gap within twenty years (1996-2016). It is now 2006, mid-way through that twenty-year timeframe. Are we on course to eradicate the social and economic deficits that have faced Aboriginal people for far too long?

The cost of inaction and maintenance of the status quo is high. If Aboriginal people were educated, trained and employed at the same level as their fellow Canadians, GDP would grow by 7.9 billion dollars annually. Clearly the status quo needs to change, if not only for purely fiscal reasons, then surely out of a wish to bring non-Aboriginal Canadians closer to the standard of living enjoyed by their fellow citizens. The mining sector can play a vital role in bringing about social and economic change. Many mining companies have been working with Aboriginal communities for more than two decades and have achieved some of the most significant results in Aboriginal training and employment. We need to document, and *mine* this knowledge to accelerate greater outcomes in the mining sector and to provide a roadmap for other sectors of the economy.

There is no single silver bullet to overcome these challenges.

A variety of strategies involving all levels of stakeholders must be developed to effectively address the problem. One thing is clear: all stakeholders must participate and collaborate in developing and implementing these strategies. Governments must continue to work in partnership with Aboriginal peoples to develop and implement supportive policies and programs that create a positive environment for change. Aboriginal people have the responsibility to become employment-ready particularly in relation to essential skills. Employers must become more aware of the potential of the Aboriginal labour force, recognize their responsibility to make their workplaces more accommodating of Aboriginal people, and assume a strong leadership role in promoting positive attitudes towards them. This is a human capital imperative. The mining sector

presents one of the greatest opportunities to make substantial economic and employment gains and reversing the social deficit.

A more coordinated approach at the federal department level will greatly assist the outcomes and success of Aboriginal labour market strategies. If we are to measure increases in productivity as an outcome of our labour market strategies and link this to increases in the skill levels of workers, we need to incorporate a private sector engagement component within Canada's Aboriginal human resource development strategy. There is a trend for Canada-wide approaches to labour market measures. In many respects we are lacking in a national approach to Aboriginal labour market development. This is an area in which the mining sector and the aboriginal community could work together to create a coordinated national labour market strategy in mining.

Common national issues can complement provincial initiatives and community-based initiatives. A national aboriginal labour market strategy in mining would be a further refinement of the sectoral approach to labour market planning. A number of issues could be addressed in a more cost-effective and collaborative manner such as:

- An effective communications strategy linking Aboriginal employment practitioners and mining human resource leaders;
- Integrating literacy and other essential skills in education and training programs with a focus on mining educational curriculum;
- the development and use of national and sub-sector labour market information systems to align training investments with skill needs;
- the development and delivery of industry certification programs which can account for skill and competency levels and ensure mobility of workers;
- identifying and measuring Aboriginal recruitment, retention and advancement practices and their relative effectiveness with different aboriginal labour markets;
- transforming mining workplaces to become employers of choice for Aboriginal talent;
- increase our understanding of Aboriginal employee engagement and productivity;
- improved cooperation between industry, the education community and the employment community both in the K – 12 system and at the post-secondary level;
- establishing and documenting national labour market practices in mining and how this knowledge can be transferred to other industry sectors;

Meeting the labour market challenges today will require a major coordination effort. Many of the vehicles and investments are in place. Aligning investments, coordinating efforts and increasing the knowledge and capacity of front-line practitioners will increase and accelerate outcomes. Facilitating partnerships and building the partnership networks to tackle the myriad of social and economic challenges can lead to new results based outcomes.

Building Capacity: The Business Case

Canada's Aboriginal population, the fastest growing and youngest segment of the population, offers a huge potential workforce that could address a substantial proportion of the impending labour shortfall. By 2020, over 400,000 Aboriginal youth will enter the workforce to bring the Aboriginal workforce to just over one million people. While immigration is important to maintaining Canada's workforce numbers, Aboriginal people represent the largest untapped [and undiscovered] labour force in Canada. For instance, the benefits of increasing Aboriginal employment levels extend to a broad increase in living standards and social and health indicators in Aboriginal communities across the country. In addition, governments at all levels will benefit from reduced strain on the social and health systems as the number of Aboriginal people accessing these services decline.

An OECD report this year reported a significant correlation between investment in the human capital of low-qualified workers and a country's future growth and labour productivity. To create momentum and support for a broader societal commitment to inclusion, we believe that industry sectors, like mining, can play a pivotal leadership role. Demonstrating real successes in the mining sector provide a 'proof of concept' to encourage other industry sectors to get on board with a mission to increase Aboriginal inclusion in their respective sector. Stronger social capital will be forged as more Aboriginal people begin to participate fully in the economic and social development of the country.

The business case for increasing Aboriginal inclusion is compelling: access to a large source of underutilized labour; availability of a wide range of support mechanisms to ensure training and education; partnering relationships that provide guidance and support to ensure employers create an accommodating work place; and the improved productivity and creativity derived from a diverse, mutually supportive, and inclusive labour force. However, time has proven that a strong business case is not enough. More must be done to reverse the bitter history of exclusion and provide a roadmap for Aboriginal inclusion.

Building Capacity: Architecture and Strategy

To change the dismal circumstances facing Aboriginal Canadians requires a concerted and coordinated effort among many stakeholders. This is a national challenge that requires a synchronized national strategy to address labour market issues across the country.

The thesaurus describes capacity as having ability, capability, aptitude and competence. We need to build the capacity of both employers and Aboriginal practitioners at the community, provincial and national level to achieve greater economies of scale for both demand and supply side organizations. Developing partnership structures at all three levels will support supply and demand side organizations to work more effectively together to accelerate Aboriginal skills, learning and employment. Building the capacity

of the Canada's Aboriginal human resources will create more strategic linkages between and among partners.

Assuming an effective architecture is in place and is supported with the necessary mechanisms and structures, we need to determine the type of capacities that need to be built. While there are many capacity areas that need to be addressed, I would propose that the single most important (and neglected) area is partnership building. What is the capacity of employers and Aboriginal practitioners to build partnership strategies? How effective are current partnership initiatives? What targets and outcomes could be achieved if partners could design and implement a range of partnerships to address the myriad of labour market issues? What is the capacity of community based partners to learn and share practices and solutions across market areas and industry sectors? How can numerous stakeholders benefit from a shared architectural framework with a coordinated plan to build capacity in areas such as partnerships?

To further illustrate the point, let me draw a comparison to exporting. There is a relationship between the desired outcome to increase the level of exporting in Canada and the capacity of Canada's exporting architecture to facilitate this outcome. The Export Development Corporation (EDC) is a national structure with the capacity to provide some programming mechanisms to support a coordinated strategic approach for Canada's exporters. Imagine if every employer, community or province had to develop its partnerships with different countries. Imagine the confusion, duplication and opportunity costs that would arise. Canada's productivity would continue to slide. Our ability to effectively compete in world markets would be severely impeded without a coordinated approach to exporting in a global economy. In much the same way, Canada's Aboriginal labour market is like a global market place with divergent groups, views and needs. We need aboriginal labour market structures in place to animate the partnerships with employers, educators and unions which in turn will generate sustainable training and employment opportunities within a national partnership framework.

Supply Side Capacity

The Aboriginal Human Resource Development Strategy (AHRDS) is a national program of community-based agencies responsible for helping First Nations, Métis and Inuit people find, get and keep work opportunities. To achieve this outcome, the AHRDS network, employers, educators and unions must have meaningful connections to create sustainable labour market opportunities for job seekers. Currently, there is no coordinated capacity building plan or strategy for labour market partnerships in Canada. While a few groups are very sophisticated, far too many communities and practitioners lack the partnership building tools, skills sets, time and resources. Compounding the problem is the fact that there is no clear plan on how partnerships should be developed in a coordinated fashion at the local, provincial and national levels.

The Aboriginal Human Resource Development Strategy was launched in the early 1990's and consists of 80 agreement holders across Canada. Each of these agreements in turn has a network of practitioners who work with the Aboriginal labour market in First

Nations, Métis and Inuit communities across Canada. Building the capacity of the Aboriginal human resource development agreement holders (AHRDAH's) with partnership knowledge, tools and skills could lead to new sustainable targets and outcomes in the mining sector.

We have learned from both employers and Aboriginal practitioners that partnership building can be a complex process. Many do not know where to start, roles and expectations are unclear and the landscape is noisy and confusing. What are the opportunity costs for not creating more effective collaborative approaches to problems that plague stakeholders across the country? Productivity measures are broader than pure economic outcomes. The cost of poor coordination, lack of communication, duplication of efforts, slow knowledge transfer and missed opportunities all contribute to lower productivity.

Innovative Labour Market Strategies: A Sectoral Approach

The Council has been experimenting with innovations in Canada's Aboriginal labour market strategies. One such innovation is the development of a sectoral approach to trades and apprenticeship and this sector is of particular interest to the mining industry. The foundation for a successful sectoral approach is the capacity to design and build partnership models at the community, provincial and national level in the trades sector. The Council is working with other sector councils such as the Mining Industry Human Resource Council and the Construction Sector Council to develop this innovative labour market strategy.

In the MiHR report, *Prospecting the Future, Meeting the Challenges in the Canadian Minerals and Metals Industry*, just over 20% of employers surveyed said their firm had an Aboriginal human resource strategy. In the majority of cases, these strategies are supported by a strong partnership model. In other cases, strategies have been developed but have not been successful. Our findings indicate that ineffective partnerships are the number one cause and consequently they cannot respond to labour market opportunities.

Collaboration and partnership are a vital part of the development process and necessary conditions for achieving employment outcomes. And I want to propose that a focused Aboriginal human resource mining strategy aligned with the sectoral model could generate substantial gains in training and employment. I also want to propose that a policy statement directed toward increasing Aboriginal participation in skilled trades and apprenticeship would be both timely and highly desirable and, the mining sector could play a leadership role towards this goal.

There is a growing demand for trades' personnel across the country and the mining industry is experiencing some of the greatest demand. As the trades' labour force ages and more workers' retire, new skilled personnel must be trained to take their place. This labour market is already experiencing shortages for a variety of complex reasons. Human resource planners, industry, labour organizations and governments agree that new innovative initiatives must be taken to encourage new capacities within this labour

market. Aboriginal peoples are a potential labour pool for these initiatives and talent base for this labour market.

The Council has established a national agenda to promote Aboriginal participation in the trades. The Council's position is that Aboriginal people can offer a solution to the skills gap shortages that trades businesses are currently facing. However, this sectoral approach must have a concerted strategy and all the partners must have the capacity to participate in a meaningful way to ensure that Aboriginal people acquire the necessary skills and learning to fully participate in this labour market. Career awareness efforts, long term investments and skills & learning strategies are required. Provincial and national partnership strategies can be leveraged up from the knowledge gained from grass roots community-based development projects. The mining industry is positioned to play a leadership role in advancing this innovative sectoral approach. Policy makers could take the lessons learned from the mining sector and work with other industry sectors to increase Aboriginal participation in areas such as health care, automotive, service and manufacturing.

Opportunities to enter the Canadian trades have never been better. With an ageing workforce and a healthy economy that requires trades skills, the future holds a great deal of promise for Aboriginal people to provide solutions and new labour market approaches. The Aboriginal population is undergoing a baby boom and in some markets they will account for twenty-five percent of all youth who will be entering the workforce seeking employment and gainful participation in the Canadian economy. The new Aboriginal workforce must be a key part of the solution for Canada's future trade's labour markets.

However, immediate action is required to prepare Aboriginal peoples and communities for the growing opportunities in the trades. If timely initiatives can be jointly supported by government, industry, unions and Aboriginal organizations then positive results will be realized within a five to seven year horizon. The time to act is *now* in order to secure a future for Aboriginal people in trades and apprenticeship labour markets.

The question is this: how do we get there? And further, what do we need in terms of capacity building? Who should take the lead on capacity building for specific partnership stakeholders?

Aboriginal Trades and Apprenticeship

The Council has been involved in several initiatives engaging Aboriginal peoples in trades and apprenticeships. The mining industry is highly dependent on a skilled workforce and we need to find ways to align employers and mining organizations with the Aboriginal trades and apprenticeship agenda. Here is a synopsis of some developments to date:

- In 1999 a watershed report called *Aboriginal Participation in Apprenticeship: Making It Work* was commissioned in 1999 and this watershed document provides a kind of “state of the art” look at Aboriginal participation in the trades.

- It includes some 36 recommendations that focus on the ways to increase and accelerate Aboriginal participation in trades and apprenticeship.
- In 2000, it was members of Syncrude, the Alberta government and Aboriginal groups who decided to “animate” the *Making it Work* report following its release in 1999. A unique partnership was born out of their desire to put into practice the recommendations made in this report.
 - Established in 2001, the *Alberta Aboriginal Apprenticeship Project (AAAP)* is a five-year project designed to increase Aboriginal participation in the apprenticeship trades. The AAAP was established by the Alberta Aboriginal Apprenticeship Committee to promote apprenticeship and industry training to Aboriginal people, communities and organizations in Alberta. The committee is a partnership of industry, Aboriginal groups, educators, government and others who oversee the project. Over the course of the five- year project, 180 qualified Aboriginal people will register for apprenticeship.
 - Fast forward to July 2006, and the project has registered 232 apprentices surpassing its target of 180 apprenticeship registrants. Moreover, in the course of the project many new developments have taken place. An innovative employer/employee support model was developed and over 500 companies were visited by AAAP managers and efforts were made to formally engage these companies in the AAAP initiative. Community-based committees were formed in each of Edmonton, Fort McMurray and High Level consisting of industry leaders, elders and Aboriginal representatives. These committees operationalized the support model for apprentices and employers in their area. Most importantly, Aboriginal Human Resource Development Agreement holders in Alberta are partnered into the AAAP to increase the number of members who could qualify for the project.
 - In 2003, the Council as part of its development role, encouraged a relationship between members of the AAAP and a new Vancouver based trades project with the Aboriginal Human Resource Development Agreement Holders. The Alberta project members have generously shared their information, their experience and the lessons they learned through their development work. Vancouver was the winner in this interprovincial exchange and has developed a province wide strategy called IMPACT: Increasing Meaningful Partnerships for Aboriginal Capacity in the Trades.
 - In 2003/4 another innovative interprovincial trades project between Saskatchewan and Alberta was launched. Job Horizons has now secured employment for almost 200 Saskatchewan trades people in the Alberta oil sands.
 - In 2004/5 the Manitoba Apprenticeship Branch in collaboration with the Manitoba AHRDA’s organized a provincial trades forum and provided Aboriginal employment practitioners with essential skills knowledge and training.
 - In 2004 the Council and a host of partners created the first ever Western Canadian Aboriginal Trades Symposium. This event attracted more than 152 participants all of whom brought their expertise on Aboriginal trades and apprenticeship to the fore. What differentiated this symposium from other conferences and events was the singular sectoral focus on trades and apprenticeships.

- In 2004, Aboriginal Affairs Directorate launched the Aboriginal Skills and Employment Program (ASEP), an 80 million dollar fund to stimulate employment partnerships that would target at least fifty or more new employment opportunities. The Voisey's Bay Project, Mining in the NWT, the James Bay Project and the emerging Debeers' Victor Mine project are examples of projects initiatives that have incorporated strong partnership practices and principles.
- In 2005 the Ontario AHRDA network created the Ontario Working Group in the Trades with a view to generate a sectoral approach in Ontario. The Ontario AHRDA network hosted a successful provincial trades and apprenticeship forum in 2005.
- In 2004/2005, the Construction Sector Council (CSC) and the AHRDCC Council launched the Ironworkers Aboriginal Career Awareness Project. This national coordinated career awareness project is a unique and innovative pilot project produced in a highly coordinated and cost-effective approach. The CSC and AHRDCC the Council also did some work in the area of labour market forecasting and reported that 80,000 construction workers will be needed over the next decade. Of this number 7,464 Aboriginal construction workers would be needed to meet the skills shortage.
- As a result of these trades' initiatives, the Council received funding support of 2.6 million dollars in 2005 to launch the National Aboriginal Trades Project. This project is a capacity building mechanism that will serve as a catalyst to a national network of community-based development projects aimed at increasing Aboriginal opportunities in the trades. The trades' project is focusing attention on two key sub-sectors, mining and construction.
- A key component of this project has been the implementation in 2006 of a series of private sector engagement forums called Workforce Connex. To date just over 500 participants comprised of employers, Aboriginal practitioners, educators and union representatives have gathered in Vancouver, Thunder Bay, London, Happy Valley/Goose Bay LB and Sydney NS. The forums have had a focus on trades and apprenticeship and the mining sector has provided some leadership. Voisey's Bay Nickel and the Iron Ore Company of Canada were members of the Workforce Connex Labrador Steering committee and the Prospectors and Developers Association of Canada (PDAC) participated in the British Columbia Workforce Connex forum. The purpose of these forums is to act as a catalyst for partnership development. Reports and the resulting action commitments resulting from these forums can be found at www.workforceconnex.com. More forums are being planned for Quebec and Manitoba.

The hope and expectation of a coordinated trades and apprenticeship labour market strategy is that a series of community-based projects will form an architecture or 'sectoral network' that reciprocates with its members by sharing information about *their* project with some other emergent partnership networks in Canada. And in this way, development will grow and spread with the seeds of previous projects' knowledge germinating and growing new opportunities gradually leading to a network of community-based trades' projects. The partnership network expands and new relationships are created between and

among other community based projects. The capacity of the partners continually expands to address common issues and challenges such as labour mobility, essential skills, multi-barrier clients, workplace retention, intercultural relations, skill assessments and skilled personnel databases. A sound architecture will provide the foundation for an ever-expanding network to grow its capacity in a more cost effective and timely approach.

Creating a coordinated aboriginal trades strategy is a new innovation in Aboriginal labour market strategy. The key component or structure is the ability of the partners to build and sustain meaningful partnership. Building the capacity of stakeholders will require some modest investment and strategic design. It will require concerted efforts from various parties and a comprehensive communication plan to keep all the parties on track. In all of these project partnerships, there are opportunities to create linkages and synergies with other sectors including the mining sector. The Council can play a role in facilitating these linkages to bring more mining companies into these labour market partnership initiatives.

Capacity Expertise: Partnership Design and Partnership Capital

A strategy to build the capacity of stakeholders to create partnerships at the community, provincial and national level requires a more in-depth understanding of partnerships. I want to talk to you about two aspects of partnership – “partnership design” and “partnership capital”. This type of knowledge could be part of a capacity building program strategy for community practitioners and mining sector employers. Let me describe to you what I mean by these terms.

There are a whole host of design principles that, experience tells us, should guide partnership formation. There should be *clearly established targets, expectations and performance measures*. The *provision of an accountability framework* and a *results-based approach* are also critical to effective partnerships. *Commitment, spending time at the front end of a partnership*, is a proven principle, as are design principles like *organizational fit, understanding of the cultural differences of parties, resource interdependence* and *an understanding of group norms and a value structure in relation to those of the individual*. There should be a *distinctive purpose* that is based on *thorough research* and a *strong understanding and congruency of issues* that the partnership is seeking to address. *An understanding of the environment* in which the partnership has been struck is important as is *an awareness of how this environment may change and the impacts that this may have*.

There should be recognition of *the partnership cycle*. There should be *clarity of decision-making and communications protocols*. In the design of partnerships it is important to take into account the *experience of partners in partnership formation* and management and the *complementarities of partner’s skills and competencies in this area*. There should be a *provision made for conflict resolution* and a *tacit flexibility to deal organizationally with unexpected or unforeseen challenges or barriers*. The *issues of proprietary rights* emerging from the partnership should be discussed in advance. Other aspects that need to be incorporated include principles of *information keeping, communications protocols,*

clear timelines, an effective way of documenting corporate history and the need for some formal documentation, minutes etc. And there must be champions who believe in the partnership and are playing a vital role promoting and encouraging it.

The productivity principle states that Canada's productivity is measured in large part by its human capital. Aboriginal human capital can produce enormous productivity returns by providing employers with a skilled labour force and by reversing the dismal socio-economic circumstance that has faced Aboriginal people for generations. If we could better document the productivity gains in the mining sector, it would provide policy makers, employers and aboriginal leaders with strong evidence for human capital investments.

Next I want to briefly introduce the concept of partnership capital and talk about its role in establishing successful training and employment ventures. When I talk about partnership capital I am referring to four critical ingredients. They are *social capital*, *financial capital*, *human capital* and *knowledge capital*.

- Human capital refers to expertise, systems, governance, teamwork, organizational norms and so on.
- Financial capital refers to public/private funding, horizontality, patient capital, flexibility and it can also mean services in kind, a secondment for example.
- Social capital refers to good-will, trust/cooperation, mutual support,
- Knowledge capital refers to innovation, effective design, experience, results-based.

The Council's capital model recognizes that each party in a partnership brings to the table certain kinds and quantities of capital. Each type of capital is an important ingredient. The recognition that each brings something of value helps to create a level playing field and a healthy beginning to partnership formation. Too often, partnerships are not sustained over the long term because parties do not fully understand or appreciate the value that each has to offer and so there are destabilizing factors introduced into the partnership from the onset.

In partnerships that are working well, capital grows at a gradual rate. As the partnership matures and the level of engagement moves from a transactional based one to more of a reciprocal model then partnership capital grows. And the thinking is that *effective partnerships* and *sustainable partnerships* are ones in which the different types of capital are nurtured, accumulated and effectively deployed toward agreed partnership goals and targets.

And in theory, different capital mixes may be brought to bear on specific partnership structures. Partnership formation could become more predictable and prescriptive once the mixes of capital are better understood. Capital elements can be "mixed" according to

the specific kind of partnership needed for the targets and goals set in response to the issues that partners are seeking to address together.

Constructing partnership mechanisms and structures requires training, coaching and support. Too often we expect that Aboriginal practitioners have the knowledge of partnership principles and the ability to design and implement partnerships. We assume that employers know how to align their partnership capital with Aboriginal communities. We assume everyone has the capacity to generate partnerships with little or strategic design or supports in place. The consequence of these misguided assumptions has enormous human and financial costs and forgone opportunities.

In terms of its adherence to critical design principles and its effective deployment of capital structures, the successful partnership projects have attained several hallmarks which distinguish them as successful development models. Here are seven key success features:

- Project partners spend six months to a year or more getting organized building the all important social capital that has sustained the partnership through “peaks and valleys”;
- They get the governance structure right;
- They have an effective way of dealing with unforeseen challenges and conflict;
- They establish a clarity of purpose early on but they also develop an understanding of how the needs of the partnership changed in response to the mid-term results of the project;
- A clear communications plan and communications protocols are established;
- Goals and targets were clearly identified by all parties;
- There are leaders within and external to the partnership who are championing it.

Let me summarize the importance of building partnership capacity as a stratagem for achieving new labour market outcomes and employment targets. I have described some of the critical ingredients of successful partnership development including a scenario in which the partnership expertise expands among project partners across Canada and a coordinated labour market plan is communicated across labour markets. By way of example, a network of partnership experts in trades and apprenticeship partnerships is forming across the country. Alberta helps Vancouver who helps organizations in Ontario who helps organizations in Nova Scotia and the growing network of partners builds its capacity to address common challenges and opportunities to increase Aboriginal employment. Over a period of time these partnerships would create an effective national network all sharing common values and norms; this highly evolved network is known as a community of practice. Wenger defines communities of practice “as groups who share a concern, a set of problems, or a passion for a topic, and who deepen their knowledge and expertise in this area by interacting on an ongoing basis”. Corporations are discovering the power of these networks and uncovering the leverage gained by working with a community cluster of like-minded people. Benefits cited include helping to drive strategies, starting new lines of business, solving problems more quickly, transferring of

best practices, development of professional skills, and assisting in recruiting and retaining talent (Wenger, McDermott and Synder 2002).

And at some point, there will be enough of these community-based partnerships established to create an audible message for policy makers. Through the partnerships and the various structures and institutions that are part of this network a formidable advocacy force will be created. And policy makers should listen and respond. This policy statement will be exactly what is needed to further encourage and accelerate other measures that increase Aboriginal participation in trades and apprenticeship. If it is well designed, the policy will bring the necessary resources, tools and other means to greatly accelerate this participation.

I began by focusing attention on the need for new and innovative Aboriginal labour market approaches. I referenced the sectoral approach in apprenticeship and skilled trades and I discussed the need for partnership building as a cornerstone for an enhanced Aboriginal labour market capacity. I described a number of grass roots partnership initiatives that are now underway in the trades and launch of a national aboriginal trades project.

I explained the quality of partnership design and partnership capital and went into some depth to explain why projects are successful. I suggested further that a growing network of like minded partnerships would lead to increased and improved labour market capacity and outcomes. If we build the capacity of Aboriginal practitioners as part of a partnership model, the eventual outcome would be the establishment of a national network of community-based development projects stretched across the country supported by a national partnership architecture. And when this network grows, there will be compelling advocacy for a policy statement to advance the goals of Aboriginal labour market development at the community, provincial and national level. And this policy will further encourage and accelerate an Aboriginal sectoral approach that will synchronize efforts between supply and demand side organizations. And we will be successful because the policy will be reflective of community needs, community responses and community-based solutions.

Workplace Engagement: Partnerships for Human Capital Productivity

The Council has recognized the critical need to encourage the widespread adoption of a more inclusive workplace ethic to increase the employment of Aboriginal people. An inclusive workplace embraces the diversity of its workforce and encourages and values the stimulation and creativity this diversity brings to achieving the organization's goals. An inclusive workplace ensures all employees feel comfortable, valued and equal. Encouraging the transformation of the Canadian workplace has become a focus for the efforts of the Council and its Champions.

Gallup Research maintains one of the world's most comprehensive databases linking employee engagement to relevant business outcomes like retention, productivity, profitability, customer engagement, and safety. The database enables clients to

benchmark their organization's employee engagement levels against data collected in 37 languages from 4.86 million employees, almost 500,000 workgroups, and 384 organizations. Gallup's published research clearly establishes that engaged employees are more productive employees. The Gallup research also proves that engaged employees are more profitable, more customer-focused, safer, and more likely to withstand temptations to leave.

At the Institute for Employment Studies in Britain, Robinson Perryman and S Hayday have shown that minority ethnic respondents have higher engagement levels than their white colleagues; that employees who have a personal development plan, and who have received a formal performance appraisal within the past year, have significantly higher engagement than those who have not.

The Organization for Economic and Community Development (OECD) has documented in its studies the relationship between human capital and productivity. The Council has carefully studied the linkages between engagement, awareness, negative attitudes and communications initiatives related to Aboriginal human capital. It has incorporated what it has learned into its human resource explorations and developed a Model of Inclusion that is guided by an understanding of the history, public policy and socio-economic development of Canada's Aboriginal people. The model conceptualizes seven stages which organizations master as they successfully adopt the principles of inclusion. The model is an instrument with which to gauge the inclusionary health of an organization and helps to understand the scale of the disconnect between it and the Aboriginal labour force. The Council believes that this model has substantial potential as an important tool in breaking down the barriers currently limiting employers' interest in hiring, and keeping, Aboriginal employees. Applying this model to the mining sector and discerning the unique features of 'employee engagement' would be a valuable undertaking.

To develop the Mastering Aboriginal Inclusion Program, a cohort of leaders and organizations called the Networks of Change is providing financial support and professional expertise. Companies have joined with the Council to beta-test a series of tools designed to improve workplaces so they become workplaces-of-choice for top Aboriginal talent. A number of companies from the mining sector including Syncrude, Suncor, Cameco, Diavik and Teck Cominco are already members of Networks of Change.

The strength of the network is defined by three features; the affinity between and among members for Aboriginal Inclusion, the exchange of knowledge and the leveraging of investments in real-time practices. Investments include knowledge, human, social and financial capital and the innovations arising from these investments benefit both the individual corporation and members within the network.

The Networks of Change members are undertaking some ground breaking research and creating new products and services to help transform their workplaces. In the same way that the Gallup Research Group has developed their findings, the Council is working with employers to understand Aboriginal employee engagement and the relevant business outcomes such as retention, advancement, productivity, profitability, customer

engagement, community engagement. Eventually we can analyze employee engagement by economic sectors. Are the drivers of engagement in the mining sector the same drivers in the health care sector; what is different and what features are the same? This knowledge would lead to new products and services designed for the unique needs of industry sectors. This Mines Ministers, employers and MiHR would be valued partners in driving this effort forward.

The Mining Advantage: Increasing Aboriginal Participation in the Mining Sector

As I mentioned earlier, mining can make a significant contribution to the prosperity and well-being of Aboriginal communities. In comparison to any other industry sector in Canada, the mining industry is a leader. The minerals and metals industries are among the largest actual and potential employers in Canada's rural and northern regions, offering short and long-term employment opportunities. Approximately 1200 Aboriginal communities are located within 200 kilometers of 190 principal producing mines and 1900 active exploration properties across Canada. Exploration and mining activities can offer the best chance for building sustainable, economically self-reliant Aboriginal communities. And mining not only has opportunities in the north. The mining industry has numerous linkages to other sectors of the economy with numerous opportunities in urban centers and international destinations.

In some parts of the country, such as the Territories and in northern Saskatchewan, mining companies have a well-established history of working with Aboriginal communities and engaging the Aboriginal labour force, through the conclusion of agreements, such as Impact & Benefit Agreements, or "IBAs". These agreements have proven successful in securing benefits for some Aboriginal communities, providing employment and other opportunities. Land claims and court rulings have also served as a catalyst for employers and Aboriginal communities to create mutually beneficial partnerships.

The mining industry is experiencing a shortage of skilled workers within an aging and retiring work force. The close proximity of Aboriginal communities to potential exploration and mining development and the growing Aboriginal youth population can help meet this shortage.

Despite these successes, there are still challenges ahead for Aboriginal peoples and communities to fully participate in, and benefit from, exploration and mining activities. For instance, despite an increased participation in mining, the unemployment rate of Aboriginal people remained twice as high as the non-Aboriginal rate (15.1% compared to 7.8%). The unemployment rate of Aboriginal women is even higher (17.5%). The educational level of Aboriginal people in mining is still below that of non-Aboriginal people (36% of Aboriginal people have post-secondary qualifications compared to 49.7% of non-Aboriginal people). Less than 2% hold a university degree compared to 10% for non-Aboriginal people. The average annual income for Aboriginal people in mining is \$12,000 less than their non-Aboriginal counterparts. Aboriginal women employed in mining earned \$13,000 less than Aboriginal men and \$8,300 less than non-Aboriginal

women. The majority of Aboriginal people working in the mining industry are employed in the trades; only 2.6% are in management (compared to 6.7% for the non-Aboriginal people). Women are mostly employed in clerical and services occupations; only 11% are employed in trades compared to 39% for men.

There is a need to advance initiatives that will increase the contribution of the minerals and metals industries to the well-being of Aboriginal peoples.

Moving Forward with an Action Agenda

I want to conclude by offering some suggestions for your consideration to advance an action agenda. The Council would like to work with federal/provincial/territorial mines ministers, the mining industry and other stakeholders in addressing the inclusion of Aboriginal peoples in the mining workforce.

1. Workforce Connex: Mining New Connections

Building upon the successful private sector forums launched in 2006, the Council could work with federal/provincial/territorial mines ministers and the mining industry to design and implement a Workforce Connex Mining event in 2007. This event could be organized as a national event or a series of provincial or regional forums

2. Mastering Aboriginal Inclusion Program Strategy: Aboriginal Recruitment, Retention and Advancement in the Mining Sector

The Mastering Aboriginal Inclusion Program strategy is a new membership-based program which is designed to help companies create an inclusive work environment. It is an opportunity for organizations to join a select group that are establishing new leadership standards and benchmarks in Aboriginal inclusion.

The Mines Ministers and the mining industry could accelerate the development of this program strategy by helping to recruit more mining companies to Networks of Change and by becoming a member of this unique initiative. The Ministers could also support the Council and MIHR in their efforts to conduct a specialized program of study. The Mastering Aboriginal Inclusion (MAI) will target and examine the mining industry to determine the unique challenges, the similarities and the strategies that will assist employers in their human resource efforts. The MAI tools will be adapted and tested by the mining industry members.

3. Aboriginal Employee Engagement

To date no applied research has been conducted with the Aboriginal talent pool in Canada to understand the drivers of employee engagement. The Mines Ministers and industry could support the implementation of the Council's Aboriginal Employee Engagement Survey within the Mining sector. This would provide policy makers, employers,

educator and Aboriginal practitioners with real-time insights on the drivers of employee engagement and the relationship of these drivers to human capital productivity.

4. Industry Project Partnerships

The mining industry could participate in current and emerging skills, training and employment projects. The Council could facilitate linkages to these projects and we could design strategies to grow project partnerships.

5. Aboriginal Career Development Strategies in the Mining Sector

Aboriginal practitioners need career development tools and strategies. Aboriginal youth do not have adequate career development tools and materials. In 2003, the Council successfully launched Guiding Circles I: Understanding Yourself. A new proposal to launch Guiding Circles II: Finding New Possibilities will be implemented in 2006/07. This new resource will provide Aboriginal students and job seekers with a proven tool for career exploration and a decision making resource.

The Mines Ministers, industry and mining organizations could help expand the reach of Guiding Circles II and meet some or all of the following key objectives:

- To implement Guiding Circles II career development service delivery strategy in the mining sector;
- To strengthen the knowledge and capacity of AHRDAs and their networks to support Aboriginal career development;
- To extend awareness and service reach of Guiding Circles to schools and PSE institutions within the mining industry markets;
- To link Guiding Circles into other Aboriginal-directed mining employment initiatives (e.g. Aboriginal Youth and Trades and Apprenticeship initiatives) and with online career development resources;
- To help identify and engage partnership opportunities resulting in co-branding and cost sharing in order to establish more self sustaining support for Guiding Circles activity.

6. Capacity Expertise: Partnership Design and Partnership Capital

The Mines Ministers and the mining industry could work with HRSD (Aboriginal Affairs Directorate and Workplace Sector Partnerships Division) to design and implement a partnership capacity model for the Aboriginal Human Resource Development Agreement Holders across Canada. This partnership capacity would create new connections between the mining sector and Aboriginal employment practitioners and would foster the development of human resource labour market practices and outcomes. In cases where employers and aboriginal communities are already working together, the partnership capacity model would delve deeper into issues of Aboriginal recruitment, retention and advancement and it would stimulate new pilot projects to overcome these challenges.

7. Increase Aboriginal participation in the mining sector

The mining sector study *Prospecting the Future* highlights the urgency to ‘meet current and projected human resource demand by increasing and making best use of all potential sources of supply’, including Aboriginal peoples. The Council endorses such initiatives as the MiHR sector study and supports the recommendations to develop a national strategy to increase Aboriginal participation in the mining sector that focuses on the recruitment and retention of a skilled Aboriginal work force. The Council will assist MiRH, federal, provincial/territorial government and the mining industry in promoting Aboriginal inclusion in the mining sector.

Closing

I have enjoyed talking with you today. On behalf of the Aboriginal Human Resource Development Council of Canada I want to thank you for listening to our views on the importance of building capacity among Aboriginal peoples and communities, employers and project partners and the contribution that effective community-based human resource planning can make to Canada’s skills gap shortages.

The time to focus our efforts on this is now. The skilled shortage in Canada is going to continue and Aboriginal demographics are such that renewed, collaborative efforts are needed to match the emerging talent with this labour market. Integrating some new capacity building innovations into existing Aboriginal labour market models can lead to meaningful targets and sustainable employment results for Aboriginal peoples across Canada.

Thank you