

Formative Evaluation of the Sectoral Partnerships Initiative (SPI)

Final Report

*Program Evaluation
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Executive Summary

Introduction

In July 2003, Human Resources Development Canada (HRDC) – now Human Resources and Skills Development Canada (HRSDC) – initiated a formative evaluation of the department’s Sectoral Partnerships Initiative (SPI), which is managed by the Human Resources Partnerships Directorate (HRP). The goal of the formative evaluation is to undertake the groundwork for designing a summative evaluation of the program in 2006-2007 by:

- assessing the clarity and measurability of the program’s stated objectives and outcomes;
- assessing the adequacy of the safeguards put in place to guide against overlap/duplication, to ensure the incremental impact of funding, and to ensure that the program’s activities are targeted appropriately; and,
- assessing the availability of existing data, and the feasibility of collecting new data, needed for the evaluation of the program.

Finally, the Formative Evaluation of the SPI presents a strategy for the summative evaluation of the SPI.

Program Description

The Sectoral Partnerships Initiative (SPI), launched in 1993, has two main program areas:

- *The Sector Council Program:* sector councils use project funding from HRSDC and other sources to establish their organizations while pursuing specific initiatives to address the HR challenges facing an industry such as the development of occupational standards, youth internship programs, core competencies for use in curriculum development, and programs aimed at specific target populations. In the December 2001 Budget, additional funding was announced to enable sector councils to develop their own capacities as organizations and to undertake certain core activities that were previously dependent on insecure project funding. In order to continue receiving this infrastructure funding, sector councils are required to meet “exemplary status” criteria.
- *Project funding for sectoral activities:* SPI also provides project funding to other industry-related organizations that engage in sectoral activities.

Evaluation Methodology

The following methods were used to gather information to address the three issues identified for this formative evaluation and develop a strategy for the summative evaluation:

- **Document Review:** to gather information on the program's objectives, design and operations
- **Working Group of Sector Councils:** to obtain input from a selected group of sector councils mainly on:
 - the clarity of objectives and the working definitions of key terminology;
 - the adequacy of program targeting;
 - the most appropriate performance indicators to use for the summative evaluation;
 - the criteria to use for the grouping of sector councils;
 - the development of an appropriate survey to send out to all sector councils.
- **Data Availability Assessment** through:
 - a *review of the findings from the 2002 RMAF validation exercise* which provided detailed information on the data systems maintained by three councils (Environment, Tourism and Construction);
 - *site visits* to four other councils (Biotechnology, Textiles, Aviation Maintenance, and Automotive Repair and Service) to assess the extent and quality of the data they are collecting or could collect that would be useful for the summative evaluation;
 - an *e-mail survey* distributed to 21 sector councils (of which 17 responded), inquiring about the work they do, their working relationships with partners in their sector, and the kinds of information/data they maintain in their own databases;
 - a review and assessment of available data from *external sources* other than the sector councils, e.g. Statistics Canada surveys.

Key Findings from the Review of SPI Outcomes and Indicators

The formative evaluation found that most SPI outcomes are clearly linked to the generic sector council outcomes and indicators, and are clear in nature and sufficiently defined by their performance indicators to allow for evaluation.

Some outcomes, while clear in their definition, present complications because variations in relevant activities among the sector councils are significant. There remains work to be done in deciding how best to collect and aggregate common sets of information across sectors for evaluation purposes.

Thirdly, the issue of the representativeness of partnerships requires some further clarification to enable the evaluation to make an overall assessment of how representative sector councils are collectively.

Finally, in relation to the SPI outcome which refers to the dissemination and uptake of occupational standards and core curriculum, a decision will have to be made, in planning the analysis of summative evaluation data, about how detailed and comprehensive occupational standards need to be to be deemed sufficient under the related outcome, and what other products or practices may be included in this outcome. Also, there may be an interest in establishing some norms across sectors as to when the adoption of occupational standards can be considered to be on a path to being national in scope.

Key Findings from the Review of SPI Operational Design

Does the program have an appropriate targeting framework?

The evaluation found that the SPI has clear criteria for targeting and review mechanisms sufficient to assess progress in meeting its aggregate target of 50% of the Canadian labour market, and to identify areas for expansion and contraction of sectors. The evaluators note, however, that there is an inherent risk in the “reactive” approach to new opportunities for sector councils. There is a risk that significant industry sectors or other potential spheres of intervention that would benefit from a sector council approach may not be identified, or may not receive the required support to bring them to a point where they would be interested and able to drive the development of a sector council. There are also several issues related to the relevance and appropriateness of the 50% target itself, and the equity implications of the targeting approach for firms and employees in sectors not represented by sector councils. These issues will need to be considered as part of the analysis of the summative evaluation findings regarding the success of the Initiative.

Does the program have safeguards to limit the risk of overlap and duplication?

The evaluation has found that the risk of overlap and duplication at a national level is minimal, and that safeguards built into the program design are sufficient to quickly identify potential instances and address them through the program itself. At a provincial level, however, there is a risk of overlap and duplication. A case in Nova Scotia, where HRDC/HRSDC Regional Office funded local sector councils, is of concern because the duplication was supported internally within the Department.¹ At the least, this case

¹ Funding for those bodies is expected to cease at the end of March 2004.

suggests that more systematic and better communication within the Department about the sector council program is warranted.

Does the program have safeguards to ensure that the program's impact is incremental?

One method that is being explored by the Program Evaluation Directorate to assess whether or not the impact of a program is incremental is to look at whether the funding from the federal program has built upon pre-existing levels of funding by other sources, or if it has displaced or substituted for those pre-existing investments. Measurement of the incrementality of funding assumes that information is available on pre-program investments in the target activities, and that the information continues to be available through the funding period so that comparisons and trends can be tracked and sources of increases or decreases in investment can be identified.

The formative evaluation found that HRP has not explicitly addressed incrementality in its program planning, and sees the evaluation process as the mechanism through which the incremental impact of the SPI would be measured. It has been determined through preliminary discussions on this issue that Program Evaluation and HRP managers need to discuss further the issue and agree on an approach to address it through the evaluation.

Is there a clear and logical link between program design and objectives?

The main design features of the SPI as renewed in 2002 are the availability of ongoing infrastructure funding for sector councils, and the continued availability of project funding. Whether or not the sector councils successfully apply the two funding streams to achieve the SPI outcomes will be a subject for the summative evaluation, but there is no apparent discrepancy between the funding of sector councils and the objectives the SPI has set out to achieve.

The strong emphasis on an industry-driven approach for the sector councils means that SPI objectives related to the coverage of sector council funding are limited to an aggregate labour market target of 50% by 2006-2007. It was found that, within this constraint, the program design has sufficient mechanisms in place to ensure that the overall target is being addressed through the program's application review processes and periodic reviews of existing sector councils. The summative evaluation should use these sources of information to assess progress toward the 50% target, as a way to assess the appropriateness of the broad program design.

Key Findings from the Review of Data Availability for the Summative Evaluation

The formative evaluation assessed the availability of existing data, and the feasibility of collecting new data, needed for the summative evaluation of the program. The evaluation found that while some sector councils do maintain databases with results-oriented information, client firms/organizations remain the primary source of information in relation to the changes in HR practices the sector councils are trying to bring about, and Statistics Canada surveys are the primary source to address measures of longer-term results of the SPI. The evaluation further concluded that, rather than require the sector councils to implement more on-going data collection mechanisms and to maintain more extensive databases, the evaluation issues can be addressed largely through some qualitative approaches and standardized surveys that can be designed and managed by the evaluators, and which would ideally be integrated into existing or planned sector council-based surveys of clients.

The analysis of each evaluation performance indicator for the SPI has identified a number of gaps in the data currently available through the sector councils and Statistics Canada surveys, which would be required to address the performance indicators satisfactorily. The evaluation concluded that the gaps can be filled through the collection of qualitative information, data/observations from sector firms/organizations, or data/observations from the education/training sector.

Summative Evaluation Strategy – Four Options

Based on the review of available and required data for the summative evaluation, the formative evaluation proposed four different strategies that could be used to guide the summative evaluation. The four options contain different potential methodologies and depths of examination of the evaluation issues.

Conclusion and ‘Next Steps’ in Preparing for the Summative Evaluation of the SPI

There are several issues identified in the report that invite further examination in preparation for the summative evaluation. These may result in some modification or additions to the current summative evaluation options, and should be considered at the earliest possible date so that any required preparation work can be undertaken well in advance of the summative evaluation, and any required data collection mechanisms can be put in place in a timely manner.

- Consideration needs to be given to confirming how the “representativeness” of sector councils will be assessed in aggregate—are there norms across all sectors or is it left to the sector councils to determine how they think the sector should be represented?

- Consideration should be given to expectations on the development of occupational standards, and what other products or practices may be considered comparable to standards. It would also be necessary to establish some norms across sectors that would clearly identify the critical point in uptake at which occupational standards can be considered on a path to being adopted nationally.
- In considering its target of 50% coverage of the Canadian labour market, HRP should consider integrating the concept of sector council penetration, and decide on what basis penetration should be measured.
- Consideration should be given to examining the cross-sectoral elements of the SPI as a complement to the formative evaluation's focus on the sector-specific approach.
- As soon as possible after an evaluation strategy for the SPI summative evaluation is approved, it will be necessary to explore the relevant Statistics Canada data to confirm sample sizes available and to investigate approaches for identifying suitable matching sectors without sector councils for comparative analysis.
- If the chosen evaluation strategy option requires surveys of employers, the groundwork for those surveys will need to be developed soon, and a first iteration of the surveys will need to be planned in the interim period between now and 2006-2007.
- In addition to the basic summative evaluation issues identified by evaluators and which the four strategy options are designed to address, a number of additional summative evaluation issues have been identified by both the Program Evaluation Directorate and the experts who conducted the Peer Review of the SPI Formative Evaluation. Consideration should be given to whether or not the summative evaluation of the SPI would measure the success of the program along those lines, and if so, which strategy would be used to conduct those assessments.
- Finally, a thorough literature review that would include a review of the recent experiences of other governments with the sectoral approach should be conducted in the next few months. The findings from this review would help validate or enhance the current proposed evaluation strategy.

Management Response

Alderson-Gill & Associates Consulting Inc. have conducted a formative evaluation of the Sectoral Partnerships Initiative (SPI), a program of the Human Resources Partnerships Directorate (HRP) within Human Resources and Skills Development Canada (HRSDC). As an integral aspect of the evaluation, SPI Management have been asked to respond to the key findings outlined in the evaluation report.

Overall, the formative evaluation of the SPI is a very useful exercise, providing management with the assurance that program design and delivery promotes the intended results to be reached. We are pleased with the quality and depth of the formative evaluation report, and intend to take into consideration the key findings and suggestions outlined therein.

Introduction

To maximize the utility of the management response exercise, we feel it is important at the outset to provide some contextual information about the SPI as well as a brief description of, and rationale for, the characteristic industry-driven approach taken with respect to the SPI program design. Furthermore, we feel that a brief discussion of the sector council Exemplary Scorecard and “Generic” results-based management and accountability framework (RMAF) processes—and their respective roles as quality and accountability promoting mechanisms—would yield a deeper appreciation of the ability of management to influence the ultimate success of the SPI.

The SPI is a responsive and flexible program; continuously evolving to meet often unanticipated challenges. As such, attempts to evaluate the program must reflect its evolving nature.

In keeping with the evolving reality of the SPI, we consider the industry-driven nature of the program to be a source of strength in addressing sector-specific HR issues. While we are well-aware of the potential risks associated with this approach (outlined in the key findings below) we feel that the risks are mitigated by the advantages of a “tailored” approach to specific industry contexts. Moreover, with mechanisms such as the sector council Exemplary Scorecard process (for reasons discussed more fully in the report) we feel there are sufficient safeguards against problems arising from the delegated program delivery approach we have adopted. In short, while it is true that the SPI is industry-driven, management still plays an integral role in determining the overall program direction.

As a final consideration, it is important to note that program management has established and is in the process of implementing a shared accountability regime. In addition to the Treasury Board Secretariat requirement of having a program RMAF for the SPI, HRP has successfully encouraged all sector councils to develop an RMAF for their respective organizations. In order to link the different sector council RMAFs (including outputs, outcomes and associated performance indicators) with the program’s framework, a “Generic”

RMAF was also developed. This Generic RMAF helps identify several streams of activities that are common to most sector councils, and their corresponding outputs, outcomes and performance measures in order to aggregate the performance information of the network of sector councils. In fact, a performance data collection tool composed of an annual electronic survey and corresponding database will be utilized to gather generic performance data from all sector councils. These three pillars of the shared accountability regime (SPI's RMAF, sector council RMAFs, and the Generic RMAF) are designed to work synergistically to provide management with baseline data on the overall performance and impact of the sector council network. Moreover, the information garnered annually through the Generic RMAF data collection tool should feed into the ongoing efforts of the program evaluation.

Key Finding of the Formative Evaluation of the SPI

Review of SPI Outcomes and Indicators

1) Evaluation Finding

The formative evaluation found that most SPI outcomes are clearly linked to the generic sector council outcomes and indicators, and are clear in nature and sufficiently defined by their performance indicators to allow for evaluation.

Management Response

We agree.

2) Evaluation Finding

Some outcomes, while clear in their definition, present complications because variations in relevant activities among the sector councils are significant. There remains work to be done in deciding how best to collect and aggregate common sets of information across sectors for evaluation purposes.

Management Response

We agree. Two sources of data, the evolving Generic RMAF (outlined in the introduction) and the Exemplary Scorecard assessment will help in identifying and defining common performance denominators among councils and will facilitate the collection of some common sets of information across sectors.

3) Evaluation Finding

The issue of the representativeness of partnerships requires some further clarification to enable the evaluation to make an overall assessment of how representative sector councils are collectively.

Management Response

We will continue to work closely with the Program Evaluation Branch to both identify and use a variety of measures to assess representativeness. At the individual council level, however, we think that the annual assessment of the exemplary criteria “representative” is adequate to assess council representativeness. While the definitions of the exemplary attributes (including representative) are clear and fixed, assessment needs to take into account the specific context of each sector. For this reason, each exemplary assessment is undertaken with the sector council to ensure that attributes are reasonably met in light of sector specificity. In short, in an effort to extend our knowledge on representativeness of partnerships from the council level to include a more collective perspective, we look forward to discussions with the Program Evaluation Branch.

4) Evaluation Finding

In relation to the SPI outcome which refers to the dissemination and uptake of occupational standards and core curriculum, a decision will have to be made, in planning the analysis of summative evaluation data, about how detailed and comprehensive occupational standards need to be, to be deemed sufficient under the related outcome, and what other products or practices may be included in this outcome. Also, there may be an interest in establishing some norms across sectors as to when the adoption of occupational standards can be considered to be on a path to being national in scope.

Management Response

While core curricula and occupational standards are certainly key activities for most sector councils, there arises instances where a council may have more pressing concerns to prioritize. As such, we are not convinced of the utility of setting a standard by which these activities can be evaluated to be national in scope. It is possible, for instance, that a given council will not have national occupational standards, but this cannot be construed as a shortcoming on the part of the council; rather, it is a reflection of the particular needs of the sector.

Our funding agreements and Exemplary Scorecard process, moreover, ensure that council activities are, where practicably possible, national in scope and responsive to real and relevant industry needs. In this light, then, if a council determines that the real needs of the industry do not include comprehensive (or varying degrees on the comprehensiveness continuum) core curriculum, then they can and do defer the exercise in favour of other pressing industry needs. Again, this is negotiated annually with SPI analysts and management through the sector Strategy Sessions and Exemplary Scorecard processes.

Targeting framework

5) Evaluation Finding

The evaluation found that the SPI has clear criteria for targeting and review mechanisms sufficient to assess progress in meeting its aggregate target of 50% of the Canadian labour market, and to identify areas for expansion and contraction of sectors. The evaluators note,

however, that there is an inherent risk in the responsive approach to new opportunities for sector councils. There is a risk that significant industry sectors or other potential spheres of intervention that would benefit from a sector council approach may not be identified, or may not receive the required support to bring them to a point where they would be interested and able to drive the development of a sector council.

Management Response

We agree that this risk exists; it is at the heart of our program design. It is crucial to note at the outset, however, that our approach is not exclusively “responsive”. We do undertake outreach in strategic sectors of the economy to mobilize sectoral interests to form a sector council. However, typically the results associated with this outreach are mixed, reflecting difficulties associated with labour-management relations, partnership-building in sectors that do not have buy-in, or similar issues associated with competing firms. Coupled with this reality, is the fact that there is no shortage of demand on the part of prospective sector council candidates.

In light of competing pressures for limited funding, selecting sector council candidates presents an important challenge. Sector prioritization and selection is based on an analysis of three main considerations: significance of workforce size and the percentage of the labour market that they cover; the size of the GDP of the sector in relation to the overall economy; and the importance of the overall issues faced by the sector, particularly in relation to the Government of Canada agenda. We feel that these three considerations for funding, in addition to basic eligibility criteria, are sufficient methods to safeguard against less-than-strategic choices.

6) Evaluation Finding

The evaluation has found that the risk of overlap and duplication at a national level is minimal, and that safeguards built into the program design are sufficient to quickly identify potential instances and address them through the program itself. At a provincial level, however, there is a risk of overlap and duplication. A case in Nova Scotia, where an HRDC Regional Office funded local sector councils, is of concern because the duplication was supported internally within the Department.² At the least, this case suggests that more systematic and better communication within the Department about the sector council program is warranted.

Management Response

We agree. HRP is currently in the process of establishing a network with regional/provincial contacts involved with comparable human resources and skills development issues and/or work on similar programs. One dimension of the networking project is to gather information from these contacts on: provincial labour market information; regional/provincial sectoral activities; provincial union-business partnerships; and other relevant, related information. Knowledge of regional/provincial sectoral activities is of strategic importance to HRSD chiefly for two reasons: first, this knowledge can assist HRSD in ensuring that duplication and overlap are minimized; and, second, this knowledge

² Infrastructure funding for those bodies is expected to cease at the end of March 2004.

can help ensure that synergies and partnerships (where favourable) with these organizations are optimized.

Incremental program impact

7) Evaluation Finding

One method that is being explored by the Program Evaluation Directorate to assess whether or not the impact of a program is incremental is to look at whether the funding from the federal program has built upon pre-existing levels of funding by other sources, or if it has displaced or substituted for those pre-existing investments. Measurement of the incrementality of funding assumes that information is available on pre-program investments in the target activities, and that the information continues to be available through the funding period so that comparisons and trends can be tracked and sources of increases or decreases in investment can be identified.

The formative evaluation found that HRP has not explicitly addressed incrementality in its program planning, and sees the evaluation process as the mechanism through which the incremental impact of the SPI would be measured. It has been determined through preliminary discussions on this issue that Program Evaluation and HRP managers need to discuss further the issue and agree on an approach to address it through the evaluation.

Management Response

We agree. We expect that the Summative evaluation will address the issue of measuring the incremental impact of the SPI.

We also feel that whatever approach, or approaches, that are ultimately chosen to assess incrementality should include more than simply program funding. Efforts should also address, for example, partnership-building activities—and the consequences of such activities—as well as other potentially unintended effects of government intervention.

Link between program design and objectives

8) Evaluation Finding

The main design features of the SPI as renewed in 2002 are the availability of infrastructure funding for sector councils, and the continued availability of project funding. Whether or not the sector councils successfully apply the two funding streams to achieve those outcomes will be a subject for the summative evaluation, but there is no apparent discrepancy between the funding of sector councils and the objectives the SPI has set out to achieve.

Management Response

We agree.

9) Evaluation Finding

The strong emphasis on an industry-driven approach for the sector councils means that SPI objectives related to the coverage of sector council funding are limited to an aggregate labour market target of 50% by 2006-2007. It was found that, within this constraint, the program design has sufficient mechanisms in place to ensure that the overall target is being addressed through the program's application review processes and periodic reviews of existing sector councils. The summative evaluation should use these sources of information to assess progress toward the 50% target, as a way to assess the appropriateness of the broad program design.

Management Response

We agree.

Review of Data Availability

10) Evaluation Finding

The formative evaluation assessed the availability of existing data, and the feasibility of collecting new data, needed for the summative evaluation of the program. The evaluation found that while some sector councils do maintain databases with result-oriented information, client firms/organizations remain the primary source of information in relation to the changes in HR practices the sector councils are trying to bring about, and Statistics Canada surveys are the primary source to address measures of longer-term results of the SPI. The evaluation further concluded that, rather than require the sector councils to implement more on-going data collection mechanisms and to maintain more extensive databases, the evaluation issues can be addressed largely through some qualitative approaches and standardized surveys that can be designed and managed by the evaluators, and which would ideally be integrated into existing or planned sector council-based surveys of clients.

Management Response

We agree. Moreover, the program is currently in the process of establishing an annual data collection tool to facilitate sector council reporting on a generic set of performance indicators as identified in the program's Generic RMAF. More specifically, each of the indicators identified in the Generic RMAF have been formatted into survey questions which will be administered to all councils on an annual basis. This survey tool will attempt to aggregate performance information from the primary sources (sector firms/organizations' data) in relation to the common activities undertaken by sector councils.

11) Evaluation Finding

The analysis of each evaluation performance indicator for the SPI has identified a number of gaps in the data currently available through the sector councils and Statistics Canada surveys, which would be required to address the performance indicators satisfactorily. The evaluation concluded that the gaps can be filled through the collection of qualitative information, data/observations from sector firms/organizations, or data/observations from the education/training sector.

Management Response

We agree, and the evaluation option chosen should sufficiently address these qualitative information needs. Three chief ways through which it will do so are: a survey of (a sample of) employers and labour organizations; case studies at selected educational/training institutes to assess working relationships with sector councils; and, the annual generic performance information collection tool which will facilitate the aggregation of quantitative and qualitative information that will fill some of these existing information gaps.

1. Introduction

In July 2003, Human Resources Development Canada (HRDC) – now Human Resources and Skills Development Canada (HRSDC) – initiated a formative evaluation of the department’s Sectoral Partnerships Initiative (SPI), which is managed by the Human Resources Partnerships Directorate (HRP). The goal of the formative evaluation is to undertake the groundwork for designing a summative evaluation of the program in 2006-2007 by:

- assessing whether the program’s objectives are clear, measurable, and logically linked to the activities and objectives of the sector councils funded under the program;
- assessing the adequacy of the program’s design features in providing safeguards against overlap/duplication, ensuring the program’s incremental impact over time, and targeting its efforts appropriately; and
- assessing the availability of existing data, and the feasibility of collecting new data, needed for the evaluation of the program.

This report presents a proposed strategy for a summative evaluation of the SPI based on the review of those elements. It includes:

- the methodology used to conduct the review and develop the strategy;
- a short profile of the SPI as background;
- findings from the review;
- a table laying out evaluation issues, questions, indicators, methods and data/information sources; and
- options for the summative evaluation taking relative costs into account.

1.1 Methodology

The purpose of this formative evaluation was to identify the appropriate methods to use in a summative evaluation of the SPI in 2006-2007. This required several types of information:

- Information about the internal operations of the SPI by HRP including the criteria for the establishment of sector councils, the broad goals and operational objectives of the SPI, the design features of the Initiative, and any information/data collection mechanisms already in place or planned that could contribute to the summative evaluation;
- The detailed outcomes and performance indicators for the SPI and for the sector councils themselves;

- An understanding of the operations of the sector councils including the kinds of activities they undertake; their working relationships with employers, educators and trainers, students and workers in transition, industry associations, labour organizations, and other bodies with an interest in the labour market in their sector; how their operations and their objectives fit with the overall SPI outcomes and performance indicators; and the kinds of information/data the sector councils record and maintain, or may be able to record and maintain, for evaluation purposes, and the quality of that information/data;
- Data available externally to the sector councils and HRP on labour market activity that could contribute to the evaluation.

The following methods were used to collect this information:

Document Review

A document review was conducted to obtain background information on the SPI. This included:

- the Treasury Board submission for the Sector Council Program;
- the 1997 evaluation of the SPI;
- the Auditor General 2000 Report on Grants and Contributions (which included a review of the SPI);
- the Results-Based Management and Accountability Framework for the SPI;
- the Generic Performance Measurement Strategy for the Sector Councils;
- documents describing the terms and conditions for infrastructure and project funding under the SPI and sample agreements.

The document review process enabled evaluators to draw up a program profile, and served as a basis for the review of program outcomes and performance indicators and operational design features. It was also a starting point for the examination of possible strategies for ensuring adequate sources of data and information.

Working Group of Sector Councils

It was determined early on in the formative evaluation that consultation with sector councils would be an important part of developing the evaluation strategy. In order to accomplish this as efficiently as possible and in a way that minimized the burden placed on HRP and the councils, a working group was established that was made up of representatives of 5 councils, selected to cover a range of new and older councils, larger

and smaller ones, councils whose industry is clearly defined and councils that serve a more amorphous clientele.³

A representative of The Alliance of Sector Councils (TASC) was also asked to participate because of that group's breadth of knowledge about the sector councils. Finally, one HRP representative and one Program Evaluation Directorate representative participated as observers.

The working group met once at the outset of the project in person, and the remaining work was conducted by e-mail and telephone.

The objective of the working group was to obtain the perspective of councils for the consideration of issues such as:

- the clarity of objectives and the working definitions of key terminology;
- the adequacy of program targeting (i.e. mechanisms put in place to ensure that the program is reaching the individuals and groups that it aims to help; the program has clearly defined the results that funded projects are expected to achieve);
- the highest priority and most appropriate performance indicators to use for the summative evaluation;
- the criteria to use for the grouping of sector councils;
- the development of an appropriate survey to send out to all sector councils.

Data Systems Review

The assessment of data systems to measure program results was the single most important aspect of the formative evaluation. The main objective of conducting such an assessment was:

- to determine which performance indicators are most appropriate to assess if the SPI is achieving its outcomes;
- to determine which data is already being collected to help report on these performance indicators; and

³ The councils were identified and approached to confirm their interest in participating in the working group. All councils approached agreed to participate. For information on the distribution of the councils according to those three criteria, see Appendix A. The choice of 5 councils for the Working Group was deemed to be adequate given the limited evaluation resources and the nature of the issues that were to be addressed through this method – i.e. the formative evaluation was not assessing outcomes or results, but instead addressed operational issues and challenges and suggested procedures for a subsequent summative evaluation. It should be noted that the evaluation provides a balance of general and specific information. While the survey of 17 councils provides a general portrait of the activities of the councils and their capacity in data collection, the evaluation also included “case studies” (i.e. on-site data system reviews) that provided more in-depth, concrete detail and analysis of the challenges faced by some of the councils in establishing appropriate data systems for performance reporting and outcomes measurement, including the costs involved.

- in cases where data systems are already in place to report on the performance indicators, to assess whether these systems are sufficiently reliable and comprehensive to produce useful, defensible results.

The methodology for conducting this data systems assessment involved two main activities.

Sector Council Data

The first activity involved the assessment of existing and potential data and data systems at the sector councils themselves through site visits. Because of time and budgetary constraints, it was not possible to visit all 28 existing sector councils for the formative evaluation. Instead, the review of sector council data was conducted through visits to a sample of councils, and through work with the sector council working group described above.

The councils chosen for the data system reviews included the three councils that participated in an initial review (conducted in 2002) for the validation of their respective Results-Based Management and Accountability Frameworks (RMAFs).⁴ These councils are:

- Canadian Council for Human Resources in the Environment Industry;
- Canadian Tourism Human Resource Council;
- Construction Sector Council.

The four additional councils selected for the data systems review were chosen from those that were selected for participation in the working group.⁵ They are:

- Biotechnology Human Resource Council;
- Textiles Human Resources Council;
- Canadian Aviation Maintenance Council;
- Canadian Automotive Repair and Service Council.

The review focused on identifying common sets of information available at the councils that would provide a basis for conducting an aggregate analysis (either for all councils or for groups of councils). The sector-specific reviews also examined the potential for implementing new results-focused data collection mechanisms. For example, some sector councils already conduct surveys of firms in their industries, and there appeared to be a potential to use these surveys, in a moderately expanded form, to collect some additional information suitable for the evaluation. Some councils also have project-specific information about students and employees (e.g., participants in subsidized job placement programs) that could be used as a basis for follow-up data collection.

⁴ For information on the distribution of the councils according to the criteria of age, size and clientele, see Appendix A.

⁵ The same three criteria that guided the selection of councils for the participation in the Working Group guided the selection for the councils for the site visits. Again, councils were identified and approached to confirm their interest in participating in the data review process. All councils approached agreed to participate. Footnote 3 which deals with the issue of the size of the sample of councils used also applies in this case.

The on-site reviews required an average of three days, including time at the SC offices, and time reviewing documents provided and communicating by e-mail or telephone to review findings.

External Data

The second element of the data reviews was an assessment of available data from sources other than the sector councils. It was known at the outset that the Adult Education and Training Survey – a supplement to the Labour Force Survey at Statistics Canada – has been carried out on a regular basis since 1984. This survey can be used to analyze issues relating to training and education and covers the period before the introduction of sector councils as well as the period in which their use became extensive in many industries. Also, the Survey of Labour and Income Dynamics can be used to examine labour market adjustment across industries and occupations during the 1990s, and the Workplace and Employee Survey can also be used to examine workplace training at the industry level. The formative evaluation:

- reviewed these and other potential sources of data relevant to the summative evaluation;
- identified surveys with potential to contribute data;
- assessed any limitations to their suitability; and
- considered how accessible and costly their use would be.

Survey of Sector Councils

The final method to be used to conduct the formative evaluation was a survey of sector councils. The survey was preferred because it provided a cost-effective way of acquiring common information from the existing councils while imposing a minimum of burden on them. The short e-mail survey was distributed to all sector councils, inquiring about the work they do, their working relationships with partners in their sector, and the kinds of information/data they maintain in their own databases. The survey was designed with the assistance of the Sector Council Working Group. Responses were received back from 17 of 21 sector councils that were sent the survey (81% response rate).⁶

⁶ There were 26 sector councils at the time of the formative evaluation, but one had just been announced when the survey was conducted, one would cease its operations shortly, and three of them were not representing a specific industry sector, but rather a particular population group or occupation. It was decided for this evaluation to limit the focus to the sector-specific model. Consideration will be given at a later date to examining cross-sectoral issues.

1.2 Issues Related to the Methodology

1.2.1 Focus Groups and Literature Review

In addition to the methods outlined above, consideration was given early in this formative evaluation to conducting focus groups with a selection of stakeholders (employers, educators/trainers, students, workers in transition) but it was recommended by HRP and the Working Group that this not be included because the stakeholders would only be able to comment on a very limited range of the issues being examined, and the focus groups would represent an intervention that would better be used during the summative evaluation, given the sensitivity of stakeholders to being “over-consulted”.

Furthermore, while a literature review would have most likely yielded relevant information for the development of the summative evaluation strategy, limits in the resources and time available for the Formative Evaluation meant that choices had to be made as to which methods would produce the most useful information. Conducting a thorough literature review was not deemed feasible given the budget and time constraints. It is strongly recommended that, as a complementary activity to this Formative Evaluation, a thorough literature review be conducted before work is undertaken on developing a more precise methodology for the summative evaluation.

The literature review should include a review of Canadian and international experience with the sectoral approach. When the SPI Formative Evaluation was initiated, Great Britain’s experience with its sector council program (which has similarities to the Canadian approach) had not yet been evaluated. The formative evaluation of the SPI was therefore unable to benefit from any lessons learned from the British evaluation. For the summative evaluation of the SPI, consideration should be given to inquiring about evaluation approaches in Great Britain as well as any other countries with similar initiatives.

The Evaluation of the Quebec *comités sectoriels* could also provide some interesting approaches. The 2002 Evaluation of the Quebec program was reviewed as part of the preliminary work for the SPI formative evaluation. Based mainly on a qualitative approach which included interviews with key informants and 22 case studies, the findings of the Quebec evaluation confirmed some of the observations that guided the work on the SPI formative evaluation, namely:

- the wide variation across sectors and the need to take this into account in analyzing findings;
- the cross-sectoral nature of some labour market issues, which were recognized as potentially important;
- the importance of recognizing that there are many external factors influencing the outcomes being sought by the sector councils and that targets and expectations, as well as attribution, have to be established in that context.

A more thorough review of the Quebec evaluation⁷ would be required as part of a literature review for the summative evaluation. A review of the book *Forging Business-Labour Partnerships: The Emergence of Sector Councils in Canada*⁸ should also be conducted, including the article by Joel Cutcher-Gershenfeld pertaining to labour-management initiatives in North America.

1.2.2 Use of Statistics Canada Surveys and the Aggregate Analysis of Data

While the methods used for the development of the evaluation strategy provided the information required to determine which issues, questions and methods would guide the conduct of the summative evaluation and which data would be available to support the evaluation, there were limits to what the formative evaluation was able to accomplish at this stage, specifically with regard to the use of Statistics Canada surveys and with regard to being conclusive about how the data should be reported for the summative evaluation.

First, in the review of Statistics Canada surveys, it was found in several cases that there may be limitations associated with the sample sizes available once the data is broken down by industry sector. It was not feasible at this stage to go through the procedures required to obtain survey data and do the necessary runs to assess sample sizes, so the findings from the review are contingent in some cases on this assessment being done as the summative evaluation is undertaken.

Second, it was notable through the review of a sample of sector councils and the survey that aggregate analysis of data will present challenges because of the variances in the operations of the councils. This is noted later in the report but it is an important observation here, in relation to methodology, since evaluators planning the summative evaluation will need to recognize that the analytic framework will need to be adaptable as information/data becomes available for analysis. On some issues full aggregate analysis will likely be possible, but on other issues it will likely be more appropriate to present the data grouped by types of sector council, rather than in an aggregate form. The evaluation strategy was not able to advance beyond this point in designing a framework to accommodate this reality because it would have required a level of analysis of information/data that was not feasible under the current budget and time frame.

⁷ Charest, Jean. *Évaluation de la politique d'intervention sectorielle d'Emploi-Québec, 1995-2001*, Ministère de l'Emploi et de la Solidarité sociale and Université de Montréal, September 2002.

⁸ Edited by Morley Gunderson and Andrew Sharpe, Toronto: Centre for the Study of Living Standards and University of Toronto Press, c1998.

2. Program Background and Profile

2.1 Background⁹

In the early 1990s, the Government of Canada acknowledged that recent changes within the economies of industrialized countries put new pressures on the labour market. The knowledge-based economy and increasing competition from the global marketplace were posing new challenges. In order for the Canadian labour market to meet these challenges, it had to function with increasing effectiveness.

The Government sought to create an environment where:

- firms could hire the people they need when they need them;
- people could improve their employability and move from one job/career to another without impediments;
- government intervention in the labour market, if necessary, would be cost effective;
- equal access to training and employment opportunities would be provided; and
- learning institutions would be assisted in adopting recognized core competencies to support Canadian suppliers in the global market.

Human resources issues affect various stakeholders — employers, workers, educators and governments — who need to work together to find solutions that are right for them. The Human Resources Partnerships Directorate of HRSDC brings these groups together by facilitating the creation of partnerships within sectors under the Sectoral Partnerships Initiative.

2.2 Sectoral Partnerships Initiative

The Sectoral Partnerships Initiative (SPI) was launched in 1993 to foster the development of a training culture in Canada and to increase private sector investment in training, with the following strategic objective: “To strengthen human resources development systems by working in partnership with industry, provinces and education to ensure that Canadians have the skills and knowledge required for the labour market.”

The current program has two core activity streams:

- Understanding human resources and skills issues; and

⁹ This background information is drawn from “Results-Based Management and Accountability Framework – Sectoral Partnerships Initiative (SPI)” (Human Resources Partnerships, Workplace Skills Branch, Human Resources Development Canada, July 22, 2003) and from other internal documents used to support the submission to Treasury Board for SPI funding.

- Enabling partnerships to address skills and HR issues by:
 - Increasing sectoral capacity;
 - Encouraging learning system to be more responsive to labour market needs; and
 - Promoting the workplace as a learning place.

Under these two broad areas of activity, SPI undertakes to:

- research and analyse labour market trends and HR issues by sector and by occupation;
- research, classify and describe skills and occupations; and
- develop and support national partnerships and capacity to address HR issues.

SPI has identified two ultimate outcomes that it is hoping to contribute to achieving:

- Effective and efficient labour market within targeted sectors; and
- Canadians with skills and knowledge required for the labour market.

The two main program areas are the Sector Council Program and other sectoral activities (e.g., sector studies).

2.2.1 Sector Council Program

SPI's key stakeholder group is the network of sector councils, which developed as a means of bringing together representatives from business, labour, education and other professional groups in a neutral forum to address sector-wide human resource and skills issues. Since SPI was launched in 1993, sector councils have used project funding from HRDC/HRDSC and a number of other federal departments and agencies, as well as provincial governments and non-government sources, to establish their organizations while pursuing specific initiatives to address the HR challenges facing an industry, such as the development of occupational standards, youth internship programs, core competencies for use in curriculum development, and programs aimed at specific target populations.

In the December 2001 Budget, additional funding was announced to support "exemplary" councils and to expand the network of sector councils to other strategic sectors of the economy. This increased investment signalled the Government's belief that sector councils represent an important vehicle for delivering on priorities identified as part of Canada's Skills and Learning Agenda. This is re-iterated in *Knowledge Matters*, an element of the Government's Innovation Strategy released in February 2002.

New funds were provided to implement the Sector Council Program (SCP), which contributes infrastructure funding to enable sector councils to develop their own capacities as organizations and to undertake certain core activities that were previously dependent on insecure project funding. In order to continue receiving this infrastructure funding, sector

councils are required to meet “exemplary status” criteria. The program continued to offer funding support for *project-based activities* for exemplary sector councils.

The SCP represents a more partnership-oriented policy designed to provide infrastructure support for those sector councils that continue to achieve results in addressing skills and learning issues.¹⁰

SCP has four broad objectives,¹¹ intended to lead to a more efficient labour market within targeted sectors, and to Canadians having the skills and knowledge required by the labour market:

- Increased industry learning and skills development;
- More informed and responsive learning system to industry needs;
- Enhanced ability of industry to recruit, retain and address HR issues; and
- Reduced barriers to labour mobility.

2.2.2 The Role of Sector Councils

Sector councils are permanent structures designed to address human resource issues on a continuing basis. A sector council is a partnership comprising key players from within an industrial sector or working on cross-sectoral skills-related issues. A sector council is always national in focus. The councils represent:

- traditional industries such as textiles;
- emerging industries like environment and biotechnology; and
- non-industry specific groups such as the Forum for International Trade Training (FITT).

HRP works with key organizations representing a specific sector of the labour market to look at the feasibility and need for establishing a sector council. The criteria for assessing the suitability of the sector for the program are discussed later in this report. Should it be determined that a council is indeed a viable option, SPI provides funding support to establish the council and begin operations.

Currently, 28 sector councils are funded through SCP. (A complete list and brief description of each council is provided in Appendix A of the Technical Report of the

¹⁰ Experts who reviewed this formative evaluation have strongly recommended that the summative evaluation of the SPI include a history section that would a) provide a review of the evolution of the federal government’s policies involving sector councils and the objectives the government sought to attain, b) explain the factors that led to the policy changes, and c) determine if there was an evolution in the effectiveness of the policy. It is also recommended that, as part of the summative evaluation, a ‘lessons learned’ study be conducted that would review the experience of past councils that have failed (either under the old or new model of the SPI), to determine which factors contributed to their demise. The strategy to conduct such a ‘lessons learned’ study would have to be developed. Evaluators may consider case studies as a possible approach.

¹¹ Terms and Conditions of the Sector Council Program.

Formative Evaluation.) Sector councils now cover about 40%¹² of the Canadian labour force, and the goal of the program is to reach 50% by 2007.¹³

A survey of selected sector councils conducted for this evaluation framework study obtained annual budget estimates for 15 sector councils. Core annual operating budgets for those councils ranged from \$330,000 to \$1.2 million, with most of them in the neighbourhood of \$500,000 based primarily on SPI infrastructure funding. The sector councils vary considerably in the amount of additional project funding at their disposal—some indicated very little such additional funding, while others indicated total budgets in excess of \$5 million. Ten of the 15 reported total budgets in excess of \$1 million.

Staff complements vary greatly as well. For 17 sector councils reporting this information, the average total number of managers and staff was 8.5. Five of those had more than 10 employees, including one with 26 and one with 20. On the other hand, 10 of the sector councils reported five or fewer employees.

The broad objectives of sector councils as a group,¹⁴ insofar as their activities under SPI, are to:

- define and anticipate skills requirements;
- promote lifelong learning in the workplace;
- facilitate mobility and labour market transitions;
- help workers get the skills and knowledge needed to drive innovation and to sustain a competitive advantage in the changing economy; and
- encourage the private sector to take ownership and invest in solutions that address skills challenges.

Sector councils undertake a wide range of activities and deliver products and services through a range of media including on-line. The focus of an individual council in any given year will be determined by its Board of Directors, according to the identified needs of the industry or sector, as indicated by sector studies, surveys or other research. The areas below represent an overview of sector council activities:

- **Career Awareness:** To assist individuals and to assist career counsellors, a number of sector councils have developed career awareness programs or products on the occupations in their sectors;

¹² The 40% figure refers to the potential coverage of sector councils based on the number of employees in the sector, rather than actual coverage. Part of the work of the evaluation will be to determine the extent of “penetration” by the sector councils within their sectors. It is recognized that not all firms are members or active participants with sector councils, and so may not benefit as fully from SC activity, and in some cases may not benefit at all.

¹³ The 50% goal governs the decisions relating to the allocation of funding to councils. There are numerous issues related to this “goal”, including issues pertaining to measurement, relevance and adequacy of the targeting framework. Further discussions with HRP will be required prior to conducting the summative evaluation to determine the implications of this 50% goal. (See the Conclusion to this report for a reference to the need to integrate the concept of sector penetration into calculations of program reach.)

¹⁴ See HRP website. Sector Council Program.
http://www.hrdc-drhc.gc.ca/hrib/hrp-prh/english/sector/sectorcouncil_e.shtml#whatare

- **Job Banks:** A number of sector councils have established job banks (Labour Market Information) to permit the matching of those seeking work with those seeking workers;
- **Occupational Certification:** Certification enables an employer to judge the potential of a new employee, and consequently the pay at point of hire is more likely to reflect the individual's knowledge and skills. Sector councils have developed quite a variety of certification strategies;
- **Occupational/Skills Standards:** An occupational standard is a definition usually developed and accepted by industry of the knowledge and competencies required to successfully perform work-related functions within an occupation. Such standards permit greater movement of individuals internationally and greater standardization of training programs internationally. This helps Canada improve its training programs to meet industry requirements, and in many cases to meet international industry requirements;
- **Youth Initiatives:** Many of the sector councils have been active partners with HRDC/HRSDC in the development and delivery of projects across Canada to assist young people to gain experience in the workplace, to obtain on-the-job training, or simply to obtain greater awareness of career options;
- **Sector and occupational studies:** SPI funds a range of studies on sectoral human resource issues. The extent of a study depends on the needs of the sector and may be as simple as a survey or as complex as a study of an entire sector. Most studies are national in scope and are developed in partnership with key stakeholders;
- **Core curriculum:** build strong business-education linkages and relationships that result in core curriculum tailored to industry requirements;
- **Skills enabling:** assist sector councils and other sector groups to ensure that workers can get the skills required for the workplace;
- **Transition projects:** provide human resource planning dimension of transition assistance in school-to-work situations as well as mid-career transitions for workers wishing to engage in continual learning and further their careers (youth internships are one example);
- **National sector adjustment service project:** develop needs assessments, scope out large projects before starting them, and bridge between activities (e.g., between a sector study and the development of council infrastructure);
- **Career development projects:** support non-sector specific organizations in providing career, occupation, learning, labour market and skills information to youth and adults in transition;
- **FCR projects:** HRP is currently in the process of seeking Treasury Board funding approval for a Foreign Credentials Recognition Program that would focus on regulated occupations. In non-regulated occupations, collaboration takes place between HRP and sector councils to raise the profile of FCR with employers, industry and public. Sector councils are encouraged to integrate issues related to foreign trained workers into their

sector strategies and consequently determine how well each of their respective industries absorbs foreign trained workers.

- **Essential Skills projects:** Essential Skills projects act on different streams of activity:
 - sensitize key stakeholders on the importance and utility of essential skills;
 - integrate essential skills knowledge and applications in programs;
 - profile the occurrence and complexity of essential skills in all occupations; and
 - support the development of tools aiding the acquisition of essential skills.

These activities are primarily funded by the SPI to be undertaken by sector councils, but project funding is also used at times to fund some of these types of activities in other industry-related organizations.

2.2.3 Achieving Exemplary Status

In keeping with the 2001 Budget commitment to fund exemplary councils, HRDC/HRSDC developed four key indicators that a council must meet in order to be deemed exemplary. A prerequisite is demonstrating administrative soundness and effective and efficient use of public funds. In addition, a council must be able to demonstrate that it is:

- **Responsive** to industry needs: The activities undertaken must respond to real and relevant industry needs. Councils would be expected to have identified pressing human resource and skills issues, and demonstrate that they are working to address them;
- **Representative** of the sector: Councils must be seen to be industry-driven and representing the collective interests of a majority of stakeholders in a sector, on a national basis;
- **Connected** to stakeholders: Councils will have to demonstrate that they have established productive relationships/partnerships with learning institutions and other relevant stakeholders beyond the immediate orbit of the sector, like other government departments for example;
- **Focused on the achievement of results** that are tangible and measurable: Councils would be expected to demonstrate results achieved in relation to goals established in their business plan and Results-Based Management and Accountability Framework (RMAF).

HRP developed a Sector Council Exemplary Scorecard in order to implement a clearer and more rigorous process to facilitate the assessment of exemplary status both for HRSDC officials and for sector councils. The Scorecard is a framework rather than a checklist.¹⁵

In recognition of capacity issues, existing councils were given a two-year transition period (starting April 1, 2002) to meet exemplary status and be eligible for long-term support. Newly established councils are provided with a realistic timetable (developed through negotiations between HRP and the individual councils) based on milestones to be achieved in order to reach and maintain exemplary status.

Councils that do not meet or maintain exemplary status will not be eligible for long-term infrastructure support. They will continue to be eligible for project funding through existing SPI program activities, but will be given a lower priority.

2.3 Characteristics Influencing the SPI Evaluation

The nature and activities of the sector councils, and their effectiveness in contributing to SPI objectives, are central to designing a suitable evaluation plan. There are a number of characteristics of the sector councils that will influence that design.

2.3.1 Longevity and size of sector councils

The concept of sector councils originated in Canada more than 15 years ago in response to urgent and evolving human resource needs. Through separate initiatives with HRDC/HRSDC, three sector councils were formed in the 1980s: Canadian Automotive Repair and Service, Canadian Steel Trades and Employment Council, and Electrical and Electronic Manufacturers Association of Canada. These have received funding under SPI since it was launched in 1993.¹⁶

By early January 1997, 23 sectors or cross-sectoral groups of the Canadian economy had sector councils in operation. There are now 28. A number of sector councils have been in existence a relatively short time, which has likely limited their ability to progress in fostering effective penetration and collaboration from all key players of their particular industry. The more established sector councils will necessarily have had much more time to effect change in their sector. In addition, some councils have grown to have staff numbers in excess of ten, whereas others remain with few staff. This is partly a factor of the age of the council, but also the kind of support it has garnered from industry to date. Any aggregate analysis of impacts will need to recognize this significant variation.

¹⁵ The scorecard will provide evaluators with some basic data on SC activities and outputs, which can be used to support the analysis of potential linkages between SPI outcomes and SPI and SC activities.

¹⁶ A fourth council, the *Centre d'adaptation de la main-d'oeuvre aérospatiale au Québec*, was also established in the 1980s with both federal and Quebec provincial government support. The CAMAQ has since evolved into a *comité sectoriel*.

2.3.2 Nature of individual councils

The class of recipients eligible for funding under SCP includes sector councils, cross-sectoral councils and not-for-profit organizations. The majority of the sector councils funded are industry specific (e.g., Biotechnology Human Resources Council, CARS, Construction Sector Council). Others such as the Canadian Council for Human Resources in the Environment Industry or professional groups such as the FITT Institute are cross-sectoral. Moreover, the councils do not function in isolation from each other, and many have clientele in common. These variations will also affect how aggregate measurements will be used to indicate the impact of the program.

2.3.3 Other variations among sector councils

In addition to differences in size, maturity and reach, the existing sector councils vary considerably in the kinds of activities they undertake and the objectives they emphasize. This has important implications for the way the evaluation needs to be planned. Some SPI performance indicators will be directly related to the activities of all or most councils, while others will be relevant to a smaller number of councils.

As well, the extent to which various outcomes will have been achieved will vary greatly, in part because of disparities in the age of councils, but also due to varying areas of emphasis in keeping with industry-specific conditions and the resources councils have available to them.

3. Findings from the Review of Program Objectives and Design

3.1 Findings from the Review of SPI Outcomes and Indicators

The Results-Based Management and Accountability Framework for the SPI identifies a set of program outcomes and performance indicators that provided a basis for the review of program objectives. In addition, HRP and sector council representatives have developed a Generic Sector Council Performance Measurement Strategy that identifies outcomes and indicators for the sector councils themselves. (See Appendix B – Sectoral Partnerships Initiative (SPI) Logic Model and Appendix C – Generic Sector Council Logic Model).

As we have seen, the core of the SPI is the funding of industry sector councils and the partnership with them to bring about the desired results. Because the preponderance of the work with stakeholders is carried out by the sector councils that the SPI funds, program results are highly dependent on the effectiveness of the sector councils. One consequence of this is that to evaluate the achievement of SPI objectives, it is necessary to develop measures of sector council effectiveness, and to analyze data on sector council results in aggregate. The sector council outcomes can therefore be seen as a means through which SPI objectives are further defined. An important step in assessing the clarity of SPI objectives, therefore, is to examine the extent to which they are reflected in the generic sector council outcomes, and the extent to which those outcomes are defined in unambiguous terms.

Ultimately the objectives are clearest when we can understand how we would recognize their achievement. Thus, in assessing the clarity of the SPI objectives, we need to examine the sector council performance indicators to ensure that the concepts and terms used are unambiguous. By doing this, we will also be in a position to assess, at least in theoretical terms, the measurability of the objectives.

The review of SPI objectives examined each of the SPI outcomes in turn, linking each one with the related sector council outcomes and performance indicators, and identifying any apparent ambiguities that required clarification. The assessment is based on three methods:

- Review of the SPI RMAF and the Generic Sector Council Performance Measurement Strategy by the evaluators for clarity of wording and the identification of any ambiguities;
- Discussion of any ambiguous terms or unclear outcomes/performance indicators with the evaluation working group¹⁷ and HRP staff;

¹⁷ The working group is composed of selected sector councils. HRP and Program Evaluation representatives sit as observers.

- Further discussion of any areas of ambiguity during site visits to selected sector councils, and a review of background documents provided by HRP deemed pertinent to the clarification of terms.

The findings of the review of SPI objectives are summarized as follows:¹⁸

- Most SPI outcomes are clearly linked to the generic sector council outcomes and indicators, and are clear in nature and sufficiently defined by their performance indicators to allow for evaluation;
- Some outcomes, while clear in their definition, present complications in terms of anticipating their analysis because variations in relevant activities among the sector councils are significant. For example, national occupational standards are produced by some sector councils but not others, and most councils are not currently engaged in an accreditation process with education/training institutes. Also, counts of the number of firms or organizations adopting a given product or service will be difficult to aggregate for the program as a whole because of wide variations in the numbers of partners/clients involved. One sector council may have clients in the thousands for a given product, while another council may have thirty or forty clients for a product of theirs. The latter may see their relatively small number of clients as a considerable success because they believe they are influencing the HR practices of key sector firms in a substantial way. The evaluators concluded that there remains work to be done in deciding how best to collect and aggregate common sets of information across sectors for evaluation purposes. This is accomplished in part through the other components of this evaluation strategy, but will also be an important part of the work of analysts as they review preliminary findings from the data and decide how best to compile and interpret the findings in aggregate;
- The issue of the representativeness of partnerships requires some further clarification to enable the evaluation to make an overall assessment of how representative sector councils are collectively;
- One of the SPI outcomes refers to the dissemination and uptake of occupational standards and core curriculum. A decision will have to be made, in planning the analysis of summative evaluation data, about how detailed and comprehensive occupational standards need to be to be deemed sufficient under this outcome, and what other products or practices may be included in this outcome, such as the use of sector council-produced job descriptions or skills profiles that are not as formalized as national occupational standards. Also, there may be an interest in establishing some norms across sectors as to when the adoption of occupational standards can be considered to be on a path to being national in scope.

¹⁸ For more details on the findings of the review of the SPI outcomes, see the Technical Report of the Formative Evaluation of the SPI.

3.2 Findings from the Review of SPI Operational Design

The formative evaluation included a review of operational design issues related to the extent to which the program has built-in mechanisms and safeguards to ensure that the funds allocated to the program are targeted effectively to meet clear objectives, and to minimize the risk that the funds will be spent ineffectively. Specifically, this aspect of the formative evaluation addresses four questions:

- Does the program have an appropriate targeting framework?
- Does the program have safeguards to limit the risk of overlap and duplication?
- Does the program have safeguards to ensure that the program’s impact is incremental?
- Is there a clear and logical link between program design and objectives?

These evaluation issues were examined using three sources of information: planning and other relevant program documents; consultation with program staff; and, discussions with sector council managers in the context of on-site visits for the formative evaluation.

3.2.1 Targeting Framework¹⁹

HRP has choices to make about the sector councils it supports with infrastructure funding and the specific projects it funds under the SPI. Those choices will demonstrate how SPI funds are targeted. The Formative Evaluation examined the basis upon which funding decisions are made in the SPI, and mechanisms that are in place to ensure that targets are being served.

Targeting for the SPI occurs in relation to “spheres of intervention” as opposed to just industry sectors. Most sector councils are clearly linked to an easily identifiable industry sector. However, some councils represent specific occupational groups (the Environment sector council, for example, which spans a wide range of industry sectors). Others, such as the Aboriginal Human Resources Development Council,²⁰ represent specific populations with distinct human resource issues. Still others focus on a particular issue area, the Forum for International Trade Training (FITT) being one example.

Rather than map out the range of potential “spheres” for sector council status and promote the establishment of high priority councils, the SPI responds to expressions of interest from industry and human resource groups, and assesses the suitability of those groups according to a set of criteria. This approach is driven in part by the fact that the program has no shortage of interested groups, and in part by the fact that sector councils are intended to be industry-driven. If a sector, through industry associations or other such

¹⁹ The targeting of SPI funds is distinct from the kind of targeting that may occur with regard to the setting of standards and expectations for results in specific funded areas. This latter kind of targeting will be addressed in future components of the formative evaluation.

²⁰ The role of this council will be evaluated under the Aboriginal Human Resources Development Strategy.

bodies, has identified a set of HR issues that need to be addressed and determined that a sector council approach would be suitable, that is seen as the appropriate impetus for the SPI to consider supporting it. This presents a risk that some important sectors may not be receiving support, but it maintains the industry-driven nature of the councils, and the idea that the SPI supports industry HR initiatives rather than developing initiatives itself.

Serving as a primary motivation for the SPI in selecting appropriate sector councils is the target to have sector councils represent 50% of the Canadian labour market by 2006-2007. At present they reportedly represent about 40%.²¹ This goal suggests another view of the targeting: that at least for the present, given that there are already more expressions of interest than the program can manage, the 50% target can be pursued without outreach and still generate interest in other sectors.

In considering expressions of interest, the program used three criteria:

- The % of the labour market the sector would represent; the GDP of the sector;
- The significance of the sector to the Government of Canada (meaning that other economic and social/political considerations are considered);
- Also, priority is given to sectors that are easily recognized as large—automotive manufacturers and Canadian manufacturers and exporters are two such examples.

While the program has actively worked to mobilize sector council activity in several cases, outreach is not undertaken routinely. However, this does not mean that the roster of sector councils is allowed to develop randomly. Program staff reportedly reviews the roster periodically to ensure that existing sector councils still make sense under the three criteria identified above, and examine potential opportunities in the existing sectors for expansion or contraction of the scope of the councils based on the size criteria and other industry-based criteria. As an example, consideration is being given in at least two areas to expanding the reach of existing sectors to encompass new industry components. In one of these cases, this expansion may result in the collapsing of two councils into one.

The exemplary status scorecards, newly developed under the 2002 infrastructure funding regime, are intended to be completed annually for each sector council through collaboration between the councils and their designated program officers. The scorecards include a brief sector profile that reviews the make-up of the sector and updates information on the labour market it serves, the GDP of the sector and other descriptive information about the sector. This will allow program managers to review, at the sector level and in aggregate, the extent to which labour market representation targets are being met.

²¹ This figure was provided by HRP, based on a calculation of the total number of employees in sectors with sector councils (6.1 million in 2004) as a proportion of all Canadian employees (14.6 million).

Project funding is an area with potential for the SPI to target priority HR issues or approaches. Here again, however, the ethos of the program that activities be industry-driven applies. Project funding is responsive to sector council applications on an annual basis, and individual applications are reviewed on their merits first by program officers assigned to the sector councils, and then by a committee of managers and staff. Projects are then prioritized and decisions are made based on the available funding in a given year. During the review process opportunities for collaboration across sectors are identified.

In summary, because the program is driven primarily by industry-identified requirements and opportunities for action, the program does not establish specific targets in terms of numbers of industry sectors, population groups or specific occupations. Instead, targeting occurs according to an objective to have sector councils represent 50% of the labour market, and this objective drives the selection process provided that the groups expressing interest in the program have the potential to meet the criteria for sector councils that they be representative, responsive, connected and focused on results achievement. Reviews of the roster of sector councils in relation to targeting refer back to the 50% goal, and also seek to identify opportunities for more efficient service delivery through the expansion or contraction of councils. In some cases, specific sectors are targeted for outreach to encourage sector council activity, but this is not a routine element of the program.

It should be noted that experts have indicated a number of potential difficulties with establishing a 50% labour market coverage target and using this as a guide for creating or selecting new councils. Firstly, it has been noted that 50% of the labour market seems to be an arbitrary target point given that the goal of the program is to contribute to meeting the needs of the sectors. Secondly, the 50% target may have perverse incentive effects. For example, in its effort to meet the 50% target, HRP may end up funding councils that may not merit such support given available private sector alternatives. Finally, the targeting approach may also have equity implications for firms and employees in sectors not represented by sector councils. While equity across industry sectors is not identified as a program objective, this issue, as well as the others identified here, should all be considered as part of the analysis of summative evaluation findings regarding the success of the Initiative.

Notwithstanding these issues, the formative evaluation found that the SPI has clear criteria for targeting and review mechanisms sufficient to assess progress in meeting its aggregate target of 50% of the Canadian labour market, and to identify areas for expansion and contraction of sectors. The evaluators note, however, that there is an inherent risk where a program responds to approaches from interested parties, rather than seek out opportunities in a more proactive way. The risk in this case is that industry sectors or other potential spheres of intervention that would benefit from a sector council approach may not be identified, or may not receive the required support to bring them to a point where they would be interested and able to drive the development of a sector council. To the extent that the SPI relies on being approached by industry sectors, the rationale for this targeting approach may be of interest in the summative evaluation.

3.2.2 Overlap and Duplication

All evaluations of federal programs are required to examine the issue of overlap and duplication. The purpose is to help ensure that federal funds are being directed to activities that would not otherwise be undertaken, and that have not already been undertaken. In addition, this issue can address the potential for economies through collaboration with other levels of government and other sources of funding in areas of common interest.

For this formative evaluation the focus is on the mechanisms the SPI has put in place to limit the risk of overlap and duplication in the activities it funds. Evaluators consulted with program staff and reviewed relevant documents including funding application guidelines and contribution agreement model contracts and terms of reference.

Based on the two main elements of the SPI, the infrastructure funding and the project funding, it is possible to envision two levels of potential risk in this area. The first is the risk that another organization may be undertaking the same or a similar function to that of a sector council. The second is that specific initiatives by a sector council or group of sector councils may duplicate work being done by other participants in the labour market.

HRP reports that there are no systematic program management mechanisms in place for the identification of potential overlap and duplication. However, the program considers the risk of duplication at a national level to be minimal because sector councils are required to be representative of key players in their sectors, and any organization performing similar functions in a given sector would be quickly identified. In fact, in most cases sector councils take on the HR functions of existing industry, trade or professional organizations or groups thereof. Existing organizations that could be seen as duplicating sector council functions would have been a participant on those pre-sector council activities, and in HRP's view, would be extremely unlikely to carry on duplicative functions after the sector council was created.

When a new sector council is considered by HRP, it is required to demonstrate that it is broadly representative of the key players in the sector, including industry associations and other organizations that would have the potential to be undertaking sector-wide HR functions. This would appear to be a sufficient safeguard against duplication at a national level.

The risk does exist that provincial or local bodies may duplicate some sector council functions. In fact, HRP is aware of two significant examples. The first is in Quebec, where a parallel network of comités sectoriels (sectoral committees) has been developed following a similar model to that implemented through the SPI. The point of view of HRP in this regard is that there is nothing the federal government can do to prevent a province from initiating such a network, and that a sector council in one province does not present a sufficient level of duplication to warrant reconsideration of the value of the sector councils that are duplicated. Rather, HRP takes the view that the best course in this situation is to collaborate as closely as possible with Quebec sectoral committees to ensure that specific initiatives can benefit from economies in Quebec. TASC, the alliance

of national sector councils, maintains regular contact with the Quebec sectoral committees, in order to implement this collaborative approach.

A second example of duplication arose in Nova Scotia, where a regional office of HRDC/HRSDC was providing funding to provincial organizations that performed some of the functions of a sector council. Information for the formative evaluation has been limited to date, but the current understanding is that there are nine such Nova Scotia councils in operation, and that HRP is working with regional HRDC/HRSDC officials and those councils to see if there is an opportunity to fold their activities into those of the relevant national councils. Evaluators do not have sufficient information at this point to assess the extent of overlap, but in any case the relevant point for the formative evaluation is that instances of duplication can arise at the provincial or local level. When the duplication is at a broad level such that organizations mirror to a significant extent the functions of a national sector council, there is little risk of such organizations going unnoticed, and also a relatively minor risk of overlap in specific activities because of efforts by HRP and TASC to collaborate.

Risk of overlap and duplication also exists in relation to specific projects or initiatives, at the provincial or local levels and also among the national sector councils themselves. The program attempts to limit the risk in this area in several ways. First, project funding applications are required to demonstrate a need for the project, and to disclose all contributions from other sources, government or otherwise. This disclosure requirement extends to the completion of the project. Disclosure allows the program to identify other bodies, such as provincial government departments or programs, with an interest in the activities being considered. Where appropriate, this kind of shared interest can be pursued. With regard to duplication among the national sector councils, the project approval process is specifically designed to identify similarities in project activities and, when appropriate, to bring together proponents to encourage collaboration and draw on any economies that might be available. Through this process, and through the work of TASC, sector councils are meant to inform themselves about the activities of the other sector councils, so that opportunities for sharing information and collaboration are identified.²²

Another broad safeguard identified by HRP is that the SPI only funds national functions and activities. All project funding has to be used for initiatives that are national in scope. In addition, project applications need to demonstrate the need within the sector, typically based on findings from a sector study and subsequent deliberation by key industry players. This all but eliminates the risk that a similar national initiative would be in place in that sector.

The evaluation has found that the risk of overlap and duplication at a national level is minimal, and that safeguards built into the program design are sufficient to quickly identify potential instances and address them through the program itself. At a provincial level, however, there is a risk of overlap and duplication. A case in Nova Scotia, where HRDC/HRSDC Regional Office funded local sector councils, is of concern because the

²² The evaluation did not assess the extent to which this actually takes place. The summative evaluation may address this question.

duplication was supported internally within the Department.²³ At the least, this case suggests that more systematic and better communication within the Department about the sector council program is warranted. HRP has indicated that it is currently working with the existing provincial councils to avoid duplication and take advantage of opportunities for collaboration. However, the summative evaluation may want to examine the extent to which overlap and duplication at the provincial level exists, and whether there are implications for the incremental impacts of the SPI and the cost-effective use of program funds. Such an examination should consider any potential benefits of collaboration between the sector councils and their provincial counterparts, and any inter-provincial collaboration.

3.2.3 Incremental Impact

While the review of the incremental impact of programs have been an element of HRDC/HRSDC evaluations for years, methods to assess this type of incrementality are still being studied. One method that is being explored to assess whether or not the impact of a program is incremental is to look at whether the funding (or input) from the federal program has built upon pre-existing levels of funding by other sources, or if it has displaced or substituted for those pre-existing investments.

If the level of funding by other parties is shown to diminish as the federal program came into effect, the federal funding could not be said to be fully incremental to what would have occurred without the program. If the overall funding level from all other sources was maintained (or maintained its pre-federal program trend) over the time period in question, the federal program's funding could be said to be fully incremental. Alternatively, the incremental impact could be found to be greater than 100%. In such a case, it would mean that additional investments occurred on the part of other sources while the federal initiative was being implemented. By other sources, we mean: other federal departments, other governments, foundations, private sector partners, or any other partners.

An assessment of the incremental nature of federal funding does not measure the overall impact of the activities or projects that benefit from the funding. Evaluations need to measure the outcomes and results of those activities/projects. However, findings on the impact of the program's activities or funded projects have to be read in conjunction with the observed trends in funding investments from all parties. For example, while a federal program can be shown to have had positive outcomes, if the federal funding that made those outcomes possible actually displaced funding investments from other parties, it could be argued that those outcomes would have occurred in the absence of the federal program.

²³ Funding for those bodies is expected to cease at the end of March 2004.

Measurement of the incrementality of funding assumes that information is available on pre-program investments in the target activities, and that the information continues to be available through the funding period so that comparisons and trends can be tracked and sources of increases or decreases in investment can be identified.

HRP has not explicitly addressed incrementality in its program planning, and sees the evaluation process as the mechanism through which the incremental impact of the program would be measured. It has been determined through preliminary discussions on this issue that Program Evaluation and HRP managers will need to discuss further the issue and agree on an approach to address it through the evaluation. Here, we outline the parameters of the incrementality issue in the context of the SPI, and suggest a few possible approaches for discussion.

In the case of the SPI, one important focus is the infrastructure funding. Prior to 2002 some sector councils had reached a point of self-sufficiency in covering their operational costs. Others continued to require funding from the program over and above project funding. Sources of funding other than the SPI included council member annual dues and other contributions (financial and in-kind), fee for service and sales revenue, and project funding from other federal and provincial government programs.

One approach to examine the incrementality of SPI funding would be to document the pre-2002 investments in the sector councils from all sources (minus any operational funding provided by the SPI) for an agreed upon period (3 years might be an adequate period), and then to document from 2002 on all investments and revenue to the sector councils. The information would be analyzed in aggregate—the interest is in incremental impact of the program as a whole, and not the impact on individual sectors. Assuming that in-kind contributions should be included, there would need to be an agreed-upon framework as to what kinds of contributions to include and how to value those contributions.

A limit to this approach is that it does not take advantage of detailed information that may be available with regard to project funding. Based on a review of the funding disclosure requirements for project funding, it would appear possible to separate project funding from other funding and revenue, and do separate analyses of the two investment streams using the same approach as described above. This would require additional effort, but it would isolate the two investment streams and thereby enable the program to understand better the nature of any increases or decreases in investment beyond the SPI investments, including investments from other federal departments and provincial/territorial governments.

A final issue requiring consideration with regard to incrementality is that of sector council revenue, and how the impacts of SPI funding on that revenue should be interpreted. SPI infrastructure funding is intended in part to allow sector councils to focus attention on key HR issues where revenue generation requirements may have caused some unwanted diversion of effort in the past. If an examination of the incrementality of SPI funding demonstrates a coincident reduction in revenue, this displacing of existing investments needs to be recognized as deliberate. It will be of interest in any case to look at private sector contributions through the period as a measure of support for the sector councils.

3.2.4 Linkages Between Design and Objectives

The main design features of the SPI as renewed in 2002 are the availability of ongoing infrastructure funding for sector councils, and the continued availability of project funding. Whether or not the sector councils successfully apply the two funding streams to achieve the SPI outcomes will be a subject for the summative evaluation, but there is no apparent discrepancy between the funding of sector councils and the objectives the SPI has set out to achieve.

The strong emphasis on an industry-driven approach for the sector councils means that SPI objectives related to the coverage of sector council funding are limited to an aggregate labour market target of 50% by 2006-2007. It was found that, within this constraint, the program design has sufficient mechanisms in place to ensure that the overall target is being addressed through the program's application review processes and periodic reviews of existing sector councils. The summative evaluation should use these sources of information to assess progress toward the 50% target, as a way to assess the appropriateness of the broad program design.

4. Findings from the Review of Data Availability for the Summative Evaluation

Following the review of SPI outcomes and indicators and operational design issues, the evaluators determined which outcomes and indicators would be used in the summative evaluation to measure the success of the SPI, determined the availability of information/data to address program outcomes, and identified potential methods for the summative evaluation.

4.1 Identification of Outcomes and Performance Indicators for the Summative Evaluation

Based on the assessment of the clarity and measurability of the outcomes as stated in the SPI RMAF and Generic Sector Council RMAF, the evaluators developed a set of outcomes and performance indicators that could be used for the summative evaluation. Those outcomes and indicators, which are set out in the table below, are aligned on those stated in the SPI RMAF – and against which the program is expected to be evaluated. They essentially represent an operationalization of those RMAF outcomes. To see how these “operationalized” outcomes and indicators relate to those identified in the SPI RMAF see Appendix B of the Technical Report of the Formative Evaluation.

Table 1 Outcomes and Related Indicators (to be measured by the evaluation)		
	Outcomes	Indicators
Foundation	1. Increased access to labour market information	<ul style="list-style-type: none"> • Sector studies available to stakeholders
	2. More responsive approach in addressing HR issues	<ul style="list-style-type: none"> • Sector strategies developed with consensus and collaboration, based on sector studies
	3. Partnerships with the sustained capacity to address HR issues	<ul style="list-style-type: none"> • Sector councils are representative and have the support of key industry stakeholders • Sector councils have strategies developed with consensus and collaboration, based on sector studies • Sector councils are recognized by, and have working relationships with, key education/training institutions nationally
Changes in Practices	4. Increased professionalism through the adoption of national standards	<ul style="list-style-type: none"> • Sectors have occupational skills profiles, competency standards that are adopted nationally • Sectors have certification processes in place based on national occupational standards

Table 1 (continued)
Outcomes and Related Indicators (to be measured by the evaluation)

	Outcomes	Indicators
Changes in Practices	5. Education/training organizations base curricula on skills profiles and competency standards	<ul style="list-style-type: none"> • Curricula based on skills profiles and competency standards • Sectors have accreditation programs in place
	6. Companies adopt strategic approach to HR in keeping with “learning environment” approach	<ul style="list-style-type: none"> • Companies have explicit HR strategies • Companies have training programs, other career development programs based on competency standards • Companies base recruitment on competency standards/certification/accreditation
	7. Employees/Students/workers in transition prepare for employment based on professional requirements and opportunities	<ul style="list-style-type: none"> • Employees/Students/workers in transition attend accredited programs • Employees/Students/workers in transition seek certification • Employees/Students/workers in transition seek apprenticeships linked to competency standards
Results	8. More efficient recruitment	<ul style="list-style-type: none"> • In recruiting employees, companies spend less time and money on average per recruit
	9. More effective recruitment/retention	<ul style="list-style-type: none"> • Companies are satisfied with quality of recruits • Employees are satisfied with their employment • Reduced turn-over rates • Reduced job vacancies
	10. Increased productivity of sector workforce	<ul style="list-style-type: none"> • Change in real output per hour
	11. Increased competitiveness of sector firms	<ul style="list-style-type: none"> • Increased market share

4.2 Availability and Quality of Data for the Summative Evaluation

The next step in designing the summative evaluation was to examine the availability and quality of data for evaluation purposes, to identify gaps in the available data, and to consider potential approaches to obtaining the required data. To do this, several methods were used. First, a short e-mail survey was distributed to all sector councils, inquiring about the work they do, their working relationships with partners in their sector, and the kinds of information/data they maintain in their own databases. The survey was designed with

the assistance of the sector council Evaluation Working Group.²⁴ Responses were received back from 17 of 21 sector councils that were sent the survey (81% response rate).

Those responses were complemented by similar but more detailed information already gleaned from the site visits at four sector councils, and from reports on previous research at three additional sector councils that was completed last year. In the course of those seven more detailed reviews, the SPI and generic outcomes were examined against the specific activities of the sector councils to ensure their relevance and to further refine how to operationalize them for evaluation purposes. As well, existing databases were examined to consider how the information they contained might be used for evaluation purposes.

In addition to the assessment of data available through the sector councils, evaluators also identified potential sources of relevant data at Statistics Canada, and reviewed surveys there to find variables that would pertain to the SPI outcomes. The result was an assessment of:

- which data is currently available that is of sufficient quality to be used for the evaluation;
- which data gaps exist;
- which limitations there might be in the use of available data; and
- which approaches might be used to develop additional sources of data for the evaluation.

Evaluators found that while some sector councils do maintain databases with result-oriented information, client firms/organizations remain the primary source of information in relation to the changes in HR practices the sector councils are trying to bring about, and Statistics Canada surveys are the primary source to address measures of longer-term results of the SPI.²⁵

There are some challenges in using external data for evaluating the SPI program. When carrying out program evaluations, the researcher usually observes which individuals or firms participated in the program, and which did not receive the intervention. Estimates of the impact of the program are typically based on a comparison of the outcomes of participants and those of non-participants with otherwise similar characteristics. In the various sources of external data reviewed for this report, we do not observe which individual workers, establishments or firms participated in sector council activities. The best that can be done is to match individual employees and employers at the industry level; that is, to classify as "participants" those workers and firms that are in industries in which a sector council exists. Similarly, we would classify as "non-participants" workers and firms in industries in which a sector council does not exist. To do so we will need data at a fine level of disaggregation such as the 4-digit industry level.

²⁴ The contribution of the Working Group began with early consultations on practical considerations in using the SPI outcomes and indicators for evaluation purposes. This included confirming operational definitions for some of the terms and concepts in the SPI and generic sector council outcomes, and assistance to evaluators in understanding the range of SC activities that would pertain to the outcomes. A draft SC survey was then developed, and Working Group members were asked to review it to help ensure that the questions were clear and made sense to them, and that they would be able to answer them in a reasonable time frame.

²⁵ For more details on the findings of the data assessment, see the *Technical Report of the Formative Evaluation of the SPI*. For more information on the findings of the review of external data sources, see Appendix C of the Technical Report.

The outcomes of interest – such as learning and skills development, skills and knowledge of workers, labour force turnover and job vacancies, and labour market efficiency – are influenced by numerous factors. In order to estimate the impact of sector councils, it is necessary to control for these other influences. To do so the analyst would principally use a cross-sectional comparison group methodology; that is, comparing outcomes at a point in time in industries with sector councils to those in industries without sector councils, after controlling for other influences. The ability to isolate the impact of sector councils depends to a great extent on the degree to which the researcher can control for other influences, and this will be determined based on the quality of available data relating to some of these other factors at the sectoral level, sample sizes, and the extent to which good matches can be established between sectors with a sector council (henceforth, SC sectors) and non-sector council sectors (henceforth, non-SC sectors).

Success is more likely for outcomes such as learning and skills development for which we expect that sector councils may have a "first order" effect. With other outcomes such as workers' skills, productivity and competitiveness, the connection between sector councils and the outcome is likely to be of second order importance relative to other factors. In these circumstances, it may not be possible to obtain convincing estimates of the impact of sector councils with the available external data. A useful example is in the area of labour productivity, which is influenced by many factors including the size of the firm or organization, the quality of management, organizational and business practices, age and nature of capital equipment, and the quality of employer-employee relationships.

Some of these unobserved influences are industry-specific. If so, comparing industries with sector councils to those without sector councils is unlikely to identify the impact of sector councils because the differences in outcomes between the "participant" and "non-participant" groups reflect both the impact of sector councils (if any) and the impacts of the unobserved industry-specific influences. In these circumstances, the appropriate research strategy is to try to find data on industries before and after the adoption of sector councils as well as data over the same time period in industries that did not adopt sector councils. Such longitudinal data will allow the researcher to construct "difference-in-differences" estimates of program impact that may net out the influence of unobserved industry-specific factors. Such estimates are likely to be preferable to simple "differences" estimates that compare industries with and without sector councils at a point in time.²⁶

Where we have noted the availability of data from Statistics Canada surveys, this approach to isolating the impact of the sector councils will need to be used in constructing analytic frameworks and analyzing the data.

One suggested outcome that presents special problems is increased competitiveness or market share among firms in sectors supported by sector councils. Market share is typically regarded as a firm-specific measure that is the share of the total market accounted for by an individual firm. However, it is not possible to construct measures of

²⁶ Although the "difference-in-difference" approach is the one being proposed here, the evaluators developing the methodology that will guide the summative evaluation may want to explore other methodologies for controlling for unobserved industry-specific factors. Dr. Morley Gunderson of the University of Toronto proposes, for example, that evaluators look into the feasibility and desirability of using the Heckman Correction for Sample Selection, matching procedures, perhaps even experiments to help control for unobserved industry-specific factors.

firm market share because none of the external data sources allow individual firms to be identified. Because sectoral councils can be associated with an individual industry, one way to approach the market share outcome might be to attempt to measure the share of the total world market accounted for by the Canadian producers in that industry. However, there are several major difficulties with this approach. First, this would require data on the total world production by 4-digit industry level. It appears that such data are not available. (Indeed, even within Canada, obtaining data at the 4-digit industry level generally requires special tabulations from Statistics Canada.) Second, even if data were available, such measures would only be feasible for products in which there is a world market that Canadian firms compete in. Thus, much of the service sector would be excluded from such measures. Third, in many cases the relevant measure one would want to use on conceptual grounds is not the fraction of total world production accounted for by Canadian firms in that industry. Rather, the appropriate measure would be the fraction of production accounted for by Canadian firms in the portion of the world market that Canadian firms compete in. In some cases the domestic firms compete in the total world market but in many cases they focus on a subset of the world market. The relevant market would differ from one industry to another, and probably has also changed over time. Finally, there are many industry-specific factors that influence the share of international production accounted for by Canadian firms. It would be extremely difficult to control for such factors in an empirical analysis.

The relevant Statistics Canada data will necessitate expenditure because public use data is not available at a sufficient level of detail (4-digit NAIC/SIC level data is required in order to isolate reasonably well most sectors represented by councils). Once agreement is reached on the utility of the survey data identified in this report, inquiries will need to be made about HRSDC access to the data and the costs associated with purchasing special runs or gaining access to the master file data.

One expected outcome of this formative evaluation was the identification of data systems or procedures that would be required to implement with the sector councils in order to ensure that the required data was available for the summative evaluation in 2006-2007. The evaluation found that rather than require the sector councils to implement more on-going data collection mechanisms and to maintain more extensive databases, the evaluation issues can be addressed largely through some qualitative approaches and standardized surveys²⁷ that can be designed and managed by the evaluators. Those surveys can be used beyond the evaluation context in an ongoing way and indeed would ideally be integrated into existing or planned sector council-based surveys of clients, but would need to maintain their standardized, cross-sectoral design in order to continue to be useful for future evaluations and for SPI program reviews.

²⁷ Although standardized, the surveys should be designed in such a way as to capture the variety in the situations and experiences of individual councils.

4.3 Gaps in Available Data and Possible Approaches for the Summative Evaluation

The analysis of each evaluation performance indicator for the SPI has identified a number of gaps in the data currently available through the sector councils and Statistics Canada surveys, which would be required to address the performance indicators satisfactorily. It is useful to group the data gaps according to the kinds of data that are required, with a view to identifying evaluation research methods that can address as many of the gaps as possible in a cost-effective way. They fall into three groups: those requiring qualitative information; those requiring data/observations from sector firms/organizations; and, those requiring data/observations from the education/training sector.

For each of these groups of data gaps potential methods are identified, along with the appropriate timing, and an indicator of the relative effort and/or cost associated with it.

4.3.1 Gaps Requiring Qualitative Information

- Information on the methodological quality of sector studies;
- Degree of consensus and collaboration in the development of broad HR strategies;
- Information on the existence of certification programs in matching non-SC sectors, and on people seeking/obtaining certification in those sectors;
- Information on the linkage between apprenticeship programs and NOS/competency standards.

Potential Methods

- Peer review of sector studies by experts in labour market analysis²⁸
 - *Timing*: one-time review as part of evaluation
 - *Cost*: 3 days of experts time per sector study
- Questions regarding quality/usefulness of sector studies as part of survey of sector firms
 - *Timing*: one-time, as part of evaluation
 - *Cost*: minor additional cost to a survey of sector firms
- Review of sector council files on strategic planning
 - *Timing*: one-time review as part of evaluation

²⁸ It is recommended that the peer review exercise be used not only to assess the quality and data and methodological reliability, but also with the goal of making recommendations in order to achieve these qualities in the sector studies. Emphasis in the reviews should also be placed on common criteria.

- *Cost*: Approx. 1 day of consulting time per sector council
- Questions regarding extent of collaboration, consensus through sector council strategic planning process, as part of survey of sector firms
 - *Timing*: one-time, as part of evaluation
 - *Cost*: minor additional cost to a survey of sector firms
- Consultations with industry associations in matching non-SC sectors, and obtaining data on enrolments in certification programs over time, where possible
 - *Timing*: one-time, as part of evaluation
 - *Cost*: Potentially substantial cost, depending on the numbers of associations to contact, and accessibility to certification data. We might expect 3-4 days of consulting time per non-SC sector approached
- Consultations with apprenticeship programs
 - *Timing*: one-time, as part of evaluation
 - *Cost*: Potentially substantial cost, depending on the numbers of programs, and the extent to which they are standardized within provinces or nationally. We might expect anywhere from 5-10 consulting days per SC sector to investigate this issue.

4.3.2 Gaps Requiring Data/Observations from Sector Firms/Organizations

- Baseline and ongoing information on adoption of standards in majority of sectors;
- Information on whether companies have HR strategies;
- Pre-sector council data (for the older sector councils) on the extent to which firms were using training, for pre-post comparisons;
- Data on the extent to which firms are using other career development tools and practices, over time;
- Data on whether training and other career development programs and practices are based on sector-wide competency standards;
- Data on the extent to which companies base recruitment on competency standards/certification/accreditation;
- Data on recruitment costs over time in SC sectors;

- Job vacancy rate data directly from SC sector firms. [If Statistics Canada’s Workplace and Employee Survey (WES) sample size proves sufficient for the SC sectors, there may be no need to collect this data.];
- Measures of change in real output over time, and comparisons of change in productivity in SC sectors and matched non-SC sectors may be limited by the difficulty in attributing change to SC activity;
- Extent of support sector councils have from key stakeholders cannot be assessed with available information except through interpretation of indirect indicators such as participation in activities, use of services and purchase of products;
- Information on the effectiveness of assistance provided to companies by sector councils;
- Data on employer satisfaction with recruits, with the exception of the Business Conditions Survey (BCS) proxy measure as to whether a shortage of skilled workers had impeded production;
- Data on competitiveness of firms in SC sectors relative to those in non-SC sectors, and changes in competitiveness over time related to the existence of sector councils.

Potential Methods

- Survey of sector firms (or a sample, where the population of firms is large and disparate). This would include all firms, including those closely linked to sector councils and those not linked in any direct way. “Participation” in sector council activities will normally fall along a continuum, with some firms working with the SC to develop and implement sector HR strategies, some firms participating in specific projects or activities, some firms purchasing HR planning, training or other services through the SC, and some benefiting more indirectly through the application of accreditation or certification programs, occupational standards or other SC products. The survey would address a range of evaluation issues, and would allow for comparisons of outcomes along this continuum of “sector penetration”.

Most sector councils already conduct surveys of the firms/organizations in their sector, either as part of sector studies or as more frequent periodic surveys to inquire on a range of HR-related issues. The survey suggested here could become part of those periodic sector council surveys, and might replace some existing similar areas of inquiry so that data can be standardized across sectors. Questions for the survey should be standard for all sectors (with some possible accommodations for appropriate wording provided that the integrity of the questions was maintained). The surveys would therefore provide the basis for longitudinal analysis in future years.

- *Timing*: Ideally, this kind of survey should be adopted as an ongoing tool to be used every two or three years. For purposes of the 2006-2007 evaluation, it is recommended that two iterations be implemented: one as soon as agreement can be reached and the survey questions prepared and either integrated into existing

planned sector council surveys or administered independently; and, one at the time of the evaluation.

- *Cost:* Subject to minor adjustments the design of the questions for the survey and the protocols for administering it and compiling responses, with all the required consultations, would be a one-time cost in the range of \$50,000. Since it would be done centrally for use by all sector councils, the cost of the design would either be borne by HRSDC or would be spread among all sector councils on some agreed upon basis. There would be a small in-kind cost to the sector councils (2-3 days of a senior person’s time) for participation in reviewing the survey and the administration process.

The cost of administering the survey would depend on whether the individual sector council integrated the questions into a survey already planned for roughly the same time period, integrated it into an existing planned survey but had to change the timing significantly and therefore incurred unbudgeted costs, developed a previously unplanned survey in order to integrate the evaluation questions and use the opportunity to collect additional information, or simply distributed the evaluation questions with only minor additions. Development of a substantial survey would represent a considerable cost (as much as a full-time, skilled person for several months, as well as the supervisory time of sector council managers). Additional costs to the sector councils would include time required for developing a sampling frame and drawing a sample (the cost of which could vary from minimal to a solid week’s work depending on the size and complexity of the population of sector firms), the time and costs associated with distribution of the survey, and the costs of data entry and transmission of the evaluation responses to HRSDC in a way that respected the privacy of the respondents. There would be a substantial cost associated with the analysis of the survey data by the evaluators—again, in the neighbourhood of \$50,000.

The cost of this survey approach needs to be weighed against its potential value to the evaluation. As is evident from the list of data gaps the survey could address, and the potential to address those issues in a standard way across all sectors with the attendant economies in the design and analysis of the survey, this method probably represents good value.

4.3.3 Gaps Requiring Data/Observations from the Education/Training Sector

- Comparative data on enrolment in non-accredited programs within SC sectors;
- Information from the education/training institute perspective on the extent to which the sector councils are recognized as a contributor;
- Validation of the adoption of national standards by education/training institutes, from the perspective of those institutes.

Potential Methods

- Survey of education/training institutes offering programs relevant to the SC sectors (addressed to heads of relevant programs).
 - *Timing*: one-time, as part of evaluation.
 - *Cost*: Development of the survey would be done by evaluators, standardized for all sectors but adaptable to the types of institutes being targeted. Cost of development, including investigation of and development of guidelines for, sampling and distribution would be moderate (in the \$40,000 range). Unless the sector councils chose to administer the survey, or add to it for their own purposes, cost to the sector councils would be little or none. All distribution, receipt of responses, compilation and analysis could be done centrally by evaluators. Cost would be in the range of \$50,000 over and above the development costs.

5. Evaluation Issues, Questions, Indicators, Methods and Sources for the Summative Evaluation

The summative evaluation of the SPI in 2006-2007 will address a range of issues and use a variety of research and analytic methods. Choices about how best to allocate evaluation resources will be based on management decisions regarding the highest priority program outcomes, the methods most likely to provide reliable and meaningful results, budget constraints, and time constraints.

5.1 Issues Underlying the Strategy Presented in this Report

Treasury Board's Evaluation Policy requires that federal program evaluations address three main issue areas: *program relevance, success in achieving objectives, and cost-effectiveness*. In each of these issue areas a number of specific evaluation questions need to be answered. For the SPI, these questions are drawn from the program outcomes and indicators identified above as being suitable for the evaluation. Table 2 presents these issues, questions and indicators, and also indicates the methods to be used to obtain the required information, and the sources of that information.

Table 2
Evaluation Issues, Questions, Indicators, Methods and Sources for the Summative Evaluation of the SPI

Issues	Questions	Indicators	Methods	Sources
Program Rationale and Relevance	Does the SPI continue to be consistent with HRSDC and government-wide priorities, and does it realistically address an actual need? Is there a demonstrable need for government support for sector councils?	Support of industry HR management can be linked logically with stated federal government and HRSDC priorities. Industry associations and organized labour in SC sectors and non-SC sectors indicate continued need. Employer financial support for sector councils prior to and during infrastructure funding period.	Review of HRSDC policy planning documents, PCO policy priority statements. Key informant interviews. Document review at sector councils.	HRSDC Industry associations and labour organizations.
	To what extent has the SPI led to increased access to labour market information?	Sector studies available to stakeholders.	Sector council file review regarding existence of studies and dissemination strategies. Peer or evaluator review of sector studies.	Sector councils
Program Success	To what extent has the SPI led to a more responsive approach in addressing HR issues?	Sector strategies developed with consensus and collaboration, based on sector studies.	Sector council file review regarding collaboration. Survey of employers.	Sector councils Employers Labour organizations Scorecards.
	To what extent has the SPI led to partnerships with the sustained capacity to address HR issues?	Sector councils are representative and have the support of key industry stakeholders. Sector councils are recognized by, and have working relationships with, key education/training institutions nationally.	Review of representation on Sector council boards and committees, and membership (where applicable). Survey of employers. Survey of relevant education/training institutes in each sector.	Sector councils Employers Labour organizations Education/ Training institutes.

Table 2 (continued)
Evaluation Issues, Questions, Indicators, Methods and Sources for the Summative Evaluation of the SPI

Issues	Questions	Indicators	Methods	Sources
	To what extent has the SPI led to increased professionalism through the adoption of national standards?	<p>Sectors have occupational skills profiles, competency standards that are adopted nationally.</p> <p>Sectors have certification processes in place based on national occupational standards.</p>	Sector council file review re. existence of NOC/ competency profiles, certification processes. Survey of employers.	Sector councils Employers Labour organizations.
	To what extent has the SPI led to education/training organizations basing their curricula on skills profiles and competency standards?	<p>Curricula based on skills profiles and competency standards.</p> <p>Sectors have accreditation programs in place.</p>	<p>Survey of relevant education/ training institutes in each sector.</p> <p>Case studies at selected education/training institutes.</p>	Sector councils (lists of relevant programs). Education/ Training institutes.
	To what extent has the SPI led to companies/organizations adopting a strategic approach to HR in keeping with "learning environment" approach?	<p>Companies have explicit HR strategies.</p> <p>Companies have training programs, other career development programs based on competency standards.</p> <p>Companies base recruitment on competency standards/ certification/accreditation.</p>	<p>Analysis of Statistics Canada Adult Education and Training Survey (AETS) data, WES data.</p> <p>Survey of employers.</p> <p>Case studies at Sector councils to look at services provided and establish links to the development of HR strategies.</p>	Sector councils Employers Labour organizations.
	To what extent has the SPI led to employees/ students/workers in transition preparing for employment based on professional requirements and opportunities?	<p>Employees/students/workers in transition attend accredited programs.</p> <p>Employees/students/workers in transition seek certification.</p> <p>Employees/students/workers in transition seek apprenticeships linked to competency standards.</p>	<p>Analysis of data from Statistics Canada Centre for Education Statistics.</p> <p>Analysis of data on certifications and certification programs.</p> <p>Review of apprenticeship programs in SC sectors and non-SC sectors.</p>	Statistics Canada Centre for Education Statistics. Sector councils Non-sector council industry associations.

Table 2 (continued) Evaluation Issues, Questions, Indicators, Methods and Sources for the Summative Evaluation of the SPI				
Issues	Questions	Indicators	Methods	Sources
	To what extent has the SPI led to more efficient recruitment?	In recruiting employees, companies spend less time and money on average per recruit.	Survey of employers.	Employers Labour organizations
	To what extent has the SPI led to more effective recruitment/retention?	Companies are satisfied with quality of recruits.	Analysis of Statistics Canada BCS data, WES data. Survey of employers. Survey of employees.	Statistics Canada BCS data, WES data. Employers Employees Labour organizations.
		Employees are satisfied with their employment. Reduced turn-over rates. Reduced job vacancies.		
	To what extent has the SPI led to increased productivity of sector workforces?	Change in real output per hour.	Analysis of Statistics Canada Productivity Program and Centre for the Study of Living Standards data.	Statistics Canada Productivity Program and Centre for the Study of Living Standards data.
Cost Effectiveness	To what extent has the SPI led to increased competitiveness of sector firms/organizations?	Increased market share.	No methods recommended.	HRSDC Statistics Canada labour market data. Sector councils Regional HRSDC officials. Industry Associations. Labour organizations.
	Is the current "reactive" approach to the support of new sector councils the most effective way to target SPI investments? Is there any overlap or duplication of SPI functions at the provincial level? If so, is this having a negative impact on the incremental impacts of the SPI?	% of labour market covered by sector councils. Coverage of industry sectors employing large numbers of people. Existence of parallel sector councils at the provincial level. Functions of parallel provincial sector councils as compared to the matching SPI sector council functions.	Review of SPI data. Analysis of Statistics Canada labour market data. Key informant interviews. Analysis of sector council revenues and revenue sources. Analysis of pre-SPI investments data from industry associations.	

Table 2 (continued)
Evaluation Issues, Questions, Indicators, Methods and Sources for the Summative Evaluation of the SPI

Issues	Questions	Indicators	Methods	Sources
	<p>To what extent are SPI investments resulting in impacts incremental to any existing investments?</p> <p>Has the SPI succeeded in meeting its target of having 50% of Canada's labour market covered by sector councils?</p> <p>Are cross-sectoral, issue-based councils like the CAF more effective in achieving the program's goals than sector-based councils?</p> <p>Is infrastructure funding justified? What are its effects?</p> <p>What is the impact of the funding mechanism on the attainment of outcomes? Is the flexibility of the mechanism an issue?</p>	<p>Pre-SPI investments in sector-specific HR management, and SPI investments as a % of overall sector council investments.</p>		

5.2 Additional Evaluation Issues for Consideration

Beyond these evaluation issues, there are numerous other issues that may need to be considered. Some issues had been considered prior to starting work on the data assessment and strategy, but the decision was made to limit the scope of the formative evaluation to facilitate the data collection for the formative evaluation and avoid complicating the analysis and findings. Regarding the issue of cross-sectoral impacts, for example, the decision was made at the outset of the formative evaluation to focus strictly on the sectoral-based approach and industry-based councils for now, knowing that the cross-sectoral nature of some councils and the cross-sectoral impact of councils' activities would need to be further explored and a strategy developed to capture those impacts before the summative evaluation could proceed.

Peer Review of this Formative Evaluation also yielded some additional issues that may need to be considered for the summative evaluation. The Program Evaluation Directorate itself recently identified new core issues that its summative evaluations, in general, would address in the future. However, since those issues were only identified *after* work on the SPI Formative Evaluation had begun, the data availability assessment and the ensuing evaluation strategy were not tailored to address them.

In some cases, the new issues raised by the Peer Reviewers simply involved adding an evaluation question and proposing some possible indicators (e.g. the rationale for government support of sector councils to the Program Rationale issue did not require additional research into the data collected by sector councils). They did not require any additional data availability assessment or any major adjustment of the current strategy.

However, most of the other issues identified would require the current strategy to be adjusted and would also require the Program Evaluation Directorate to conduct a data availability assessment to complement the one that has already been conducted. For example, to measure whether or not sector councils are engaging in their activities in a manner consistent with the “generic program evaluation criteria” espoused by Gunderson and Sharpe in their book on the evolution of sector councils in Canada, we would need to know which indicators would help us measure the extent to which the practices of the councils are in line with those principles, and determine which data sources would provide us with the information we need to make a conclusive finding on those issues.

More fundamentally, Program Evaluation, in consultation with stakeholders like Treasury Board Secretariat, will need to determine the desirability and feasibility of addressing the additional issues within the summative evaluation of the SPI, keeping in mind that extending the scope of the summative evaluation may require additional evaluation resources. Should any of the additional issues be retained, complementary work will need to be done in the next few months to determine if additional data will be required to report on those issues (and, if so, from which sources) and to determine which adjustments need to be made to the current evaluation strategy.

Some of the evaluation issues that have been noted by the Peer Reviewers include:

- The extent to which the sector council approach is able to help address cross-sectoral issues that may influence the efficient and effective operation of the labour market, and whether there is a risk of establishing “silos” that may impinge on effective cross sectoral adjustment;²⁹
- The equity implications of sector council activities for workers in sectors where councils are not established;
- The appropriateness, relevance and consequence of the 50% coverage goal that guides HRP in its decisions pertaining to the allocation of SPI funding to councils;
- The extent to which sector councils remain industry-driven while receiving infrastructure funding, and the impacts on sector council performance of federal government priorities and requirements;
- Analysis of the changing labour market environment and how sector councils fit in as a mechanism for dealing with that changing environment and its associated adjustment pressures;
- The extent to which the media profile of the sector councils can contribute to the success of the councils in fostering debate on HR issues;
- The feasibility and desirability of complementing the analysis of the success of the sector councils with an assessment of their success in meeting the ‘basic program evaluation criteria’ developed by Gunderson and Sharpe in their 1998 book on sector councils in Canada. Those basic criteria include:
 - *Target efficiency* – assisting as many in the target group as much as possible without having benefits spill over into the non-target groups and/or displacing or crowding out private activity;
 - *Horizontal equity* – the similar treatment of similar persons;
 - *Vertical equity* – different treatment of different persons, especially to achieve distributive equity;
 - *Allocative efficiency* – facilitate the efficient allocation of resources, to preserve incentives and to correct market failures, especially those that imply a role for governments;
 - *Administrative efficiency* – minimize the real resource costs of administering the program;

²⁹ As mentioned earlier, some sector councils are cross-sectoral in nature, and it is recognized that these sector councils can be viewed as a second, complementary model to assist in addressing cross-sectoral issues. However, it was decided at the outset of this evaluation design process to limit the scope to an examination of the sector-based approach. It is recommended in the conclusion of this report (“next steps”) that serious consideration be given to broadening the scope of the evaluation to include consideration of cross-sectoral issues.

- *Transparency and accountability* – to be transparent and accountable for public funds;
- *Non-demeaning benefits* – provide assistance in a fashion that does not stigmatise recipients;
- *Reduce program dependence* – encourage self-sufficiency;
- *Flexible, adaptable and sustainable* – foster flexibility, adaptability and sustainability;
- *Integrated* – integrated with programs and avoid duplication, overlap and conflict of interest;
- *Stakeholder involvement* – involve the various stakeholders in the process;
- *Political acceptability*;
- *Attention to design and implementation details.*

It has been suggested by one peer reviewer that the application of these ‘basic program evaluation criteria’ may constitute possible measures of program “success” and help delineate the trade-offs involved when achieving success in one area may compromise success in other areas.

In addition to the issues identified by the Peer Reviewers, the following additional issues have been identified by the Program Evaluation Directorate as core issues which evaluations should address:

- the program’s overlaps with and duplication of other programs and activities (including those of other federal governments, provincial & municipal government or non-governmental organizations);
- inter-program effects (based on an analysis of the context within which the program operates, and the other programs and activities that may interact with the program and have an impact on its outcomes);
- sustainable development measures (i.e. measures consistent with the Government of Canada’s commitment to ensuring a development that meets the needs of the present without compromising the ability of future generations to meet their own needs);
- differential impacts of the initiative on women (re. gender impacts analysis).

Further research will be required to determine the strategy (or strategies) that could be used to conduct an evaluation of the SPI with regard to those new core issues.

6. Options for the Summative Evaluation

It is important to note that the findings of this formative evaluation strongly point to a great deal of variation among existing sector councils in the kinds of activities they undertake, their approaches and areas of emphasis, and the nature of their relationships with stakeholders. A number of sector councils are in the early stages of development, and so have not begun to undertake some of the functions associated with mature councils. Others fall outside the norm because they represent a specific population group or occupation rather than an industry sector. The summative evaluation will need to be designed with this in mind. In particular, the analysis of information/data should assume that progress toward the achievement of objectives, rather than achievement in any absolute sense, should be expected. Also, while the SPI as a whole is the primary unit of analysis and findings at an aggregate level will be of primary interest, much of the analysis will be conducted first on a sector-by-sector basis, and here we can expect to see considerable variance. For some variables, analysts will need to consider grouping sector councils according to criteria such as their maturity, their size, and sector characteristics relating to the particular variable being analyzed. In such cases, aggregate findings for all sectors may not provide an accurate picture of the extent to which objectives are being achieved relative to what can be expected in the time frame. As well, some indicators may prove not to be relevant to some sector councils because of the types of activities they undertake.

Another area that requires consideration in contemplating analytic approaches is the extent to which sector councils are penetrating their sectors. The indicators identified above and the methodological approaches offer a number of angles from which to assess this penetration. They will be used to evaluate the achievement of specific outcomes, but they can also be examined together to develop an overall measure of penetration, and therefore of the extent to which they may be influencing the labour market in their sectors.

Consideration has been given to the weighting of SPI outcomes according to their relative importance, but program management has indicated that no such relative weighting of outcomes is considered desirable, and that the outcomes set out in the SPI RMAF are intended to be interdependent and to build on each other toward the longer-term objectives of the Initiative. The summative evaluation may find that stakeholders place a higher priority on some sector council activities than others, and such findings would be highlighted as a guide for future program targeting.

Depending on the priorities decided upon by HRP and the Program Evaluation Directorate, and the budget and time available, there is a range of options that can be adopted for the conduct of the summative evaluation. Any option chosen will necessarily have to include consideration of all three basic evaluation issue areas required by Treasury Board (rationale and relevance; success; and cost-effectiveness).

In this section we provide a list of the evaluation methods that could be used to address the full range of issues identified in this report. As well, we provide four specific options that group these methods in distinct ways to emphasize different elements and offer different cost options.

The options set out below all include the same basic methods to address rationale and relevance and cost-effectiveness, because those methods are seen as being required in order to address those issues adequately. In addition, the options all include the survey of employers, because this method offers to provide information across a wide range of issues of importance to the evaluation, and is the only reasonably cost-effective way to assess the role of the sector councils in the HR practices of client firms/organizations and other changes in the participating sectors. If costs are a critical issue, some consideration can be given to limiting the range of issues addressed in such a survey, or to surveying employers in only a sample of sectors. However, this is not recommended as a desirable option. The options do, however, reflect some different priorities in terms of evaluating the “success” of the Initiative, and the methodologies that best suit those priorities. The options also reflect a consideration of the relative costs of the different potential methodologies.

For each method proposed, an estimate of the cost is provided within a range. The estimated overall cost range of each option reflects the total costs at the high and low ends of the individual estimates. It is important to note that if sample sizes of relevant Statistics Canada survey data prove to be too small for evaluation purposes, options including this secondary analysis will need to be adapted, likely with a greater emphasis on first hand methods, and costs would need to be adjusted accordingly.

List of Evaluation Methods (Research methods in bold are included in all four options)

Program Rationale and Relevance

- **Review of available HRSDC documents on federal government and HRSDC policy priorities (\$5,000-\$7000)**
- **Key informant interviews regarding relevance of SPI (\$3,000-\$5,000)**

Success

- **Review of HRP data collected from sector councils through scorecards, to document sector council activities and identify areas of relevance to each SCD, as a basis for analyzing employer survey results (\$5,000-\$10,000)**
- Peer review of sector studies to assess quality as primary source of LMI for sectors (\$70,000-\$90,000)
- Review of representation on sector council boards and committees, and membership (where applicable) (\$20,000-\$30,000)
- File reviews and interviews at all sector councils to look at services provided and establish links to the development of HR strategies (\$75,000-\$90,000)

- **Survey of employers and labour organizations (where appropriate) to address qualitative issues including: (\$100,000-\$150,000)**
 - **consensus and collaboration within sectors;**
 - **representativeness of sector councils;**
 - **sector council support within sectors;**
 - **existence of HR strategies and specific HR programs, and role of sector councils;**
 - **recruitment practices;**
 - **recruitment costs;**
 - **job vacancy rates and durations, turn-over rates;**
 - **employer satisfaction.**
- Analysis of Statistics Canada WES, BCS, Productivity Program, CSLS, AETS data to address: (\$75,000-\$100,000)
 - turn-over rates and job vacancy rates;
 - employer use of training and other HR programs;
 - employer satisfaction;
 - productivity.
- Survey of relevant education/training institutes in selected sectors to address: (\$100,000-\$125,000);
 - working relationships with sector councils;
 - uptake of NOS/occupational profiles/core competencies.
- Case studies at selected education/training institutes to assess working relationships with sector councils, and uptake of NOS/occupational profiles/core competencies (\$25,000-\$50,000);
- Analysis of data on certifications and certification programs (\$25,000-\$40,000);
- Review of apprenticeship programs in SC sectors and non-SC sectors (\$75,000-\$90,000).

Cost-effectiveness

- Analysis of Statistics Canada labour market data to assess SPI coverage (\$20,000-\$30,000);
- **Review of SPI program data on labour market coverage (\$3,000-\$5,000);**
- **Key informant interviews regarding overlap and duplication (\$5,000-\$10,000);**

- **Analysis of sector council revenues and revenue sources regarding incremental impacts (\$10,000-\$15,000);**
- Analysis of pre-SPI investment data from industry associations (\$30,000-\$50,000).

Option 1 Main Focus on Employer/Labour Survey

This option relies heavily on the survey of employers and labour organizations. It also includes case studies at selected sector councils to complement the survey by helping to establish the sector council activities that can be plausibly linked to changes in client HR practices. This linkage will strengthen findings from the survey regarding the role of the sector councils, and help identify sector council activities and approaches that may be seen as effective or not as effective (in other words, to help explain the survey findings). The main element missing from this option is the analysis of data from Statistics Canada surveys. This would mean that the longer-term outcomes would not receive examination based on objective industry sector and comparative data, but would be dependent on the subjective views of employers and labour. Option 1 also maintains a focus on the employer and labour, and does not seek to examine the relationship of sector councils with education and training institutes and the take-up of sector council-developed competency standards or occupational standards in curricula, beyond the review of related activities by a selection of sector councils.

The benefit of this option is in limiting the scope, and therefore the cost and time frame, while still addressing to some degree most evaluation issues. The main disadvantage is that it will not provide independent validation of the longer-term impacts of the SPI. As well, this option limits the work at individual sector councils to a sample, which carries risks in the generalizability of findings because of the variations we know exist among sector councils and among the sectors themselves.

Program Rationale and Relevance

- **Review of available HRSDC documents on federal government and HRSDC policy priorities (\$5,000-\$7000);**
- **Key informant interviews regarding relevance of SPI (\$3,000-\$5,000).**

Success

- **Review of HRP data collected from sector councils through scorecards, to document sector council activities and identify areas of relevance to each SCD, as a basis for analyzing employer survey results (\$5,000-\$10,000).**
- **Survey of employers and labour organizations (where appropriate) to address qualitative issues including: (\$100,000-\$150,000)**
 - **consensus and collaboration within sectors;**

- **representativeness of sector councils;**
 - **sector council support within sectors;**
 - **existence of HR strategies and specific HR programs, and role of sector councils;**
 - **recruitment practices;**
 - **recruitment costs;**
 - **job vacancy rates and durations, turn-over rates;**
 - **employer satisfaction.**
- Case studies at selected sector councils to look at services provided and establish links to the development of HR strategies and curriculum development. (\$25,000-\$35,000).

Cost-effectiveness

- **Review of SPI program data on labour market coverage (\$3,000-\$5,000);**
- **Key informant interviews regarding overlap and duplication (\$5,000-\$10,000);**
- **Analysis of sector council revenues and revenue sources regarding incremental impacts (\$10,000-\$15,000).**

Total estimated cost for Option 1 - \$156,000-\$237,000.

Timeline

At the time of the summative evaluation this option could be completed in a 6-7 month period, provided that the recommended employer/labour survey design work is completed ahead of time. That design work will require an estimated 4-6 months to complete. In addition, it is recommended in this report that the survey of employers and labour organizations be applied a year or more prior to the summative evaluation, to provide evaluators with data from two time periods to work with. An estimated 4-6 months should be allowed to complete such a first application of the survey.

Option 2 Inclusion of External Data Sources and Expansion of Sector Council Review Work

This option maintains the survey of employers and labour organizations for all SC sectors, and expands the review of sector council services and linkages to client HR practices to include all sector councils. It also introduces the analysis of independent Statistics Canada survey data, to allow evaluators to assess from objective sources the extent to which longer-term outcomes are being achieved in sector council-supported sectors, as compared to sectors without sector councils, and to estimate the extent to which the sector councils may have contributed to those outcomes.

Aside from the clear advantage of including an objective source of information that allows evaluators to address longer-term outcomes, this option will offer a greater ability to link survey data from all sources (Statistics Canada and employer surveys) to the practices of the sector councils. This latter advantage derives from the expansion of sector council-based work to all sectors. Because of the wide variations that are apparent among sector councils and SC sectors, there is a risk that drawing on only a sample of sectors will lead to findings that are inappropriate to some sectors.

Program Rationale and Relevance

- **Review of available HRSDC documents on federal government and HRSDC policy priorities (\$5,000-\$7000);**
- **Key informant interviews regarding relevance of SPI (\$3,000-\$5,000).**

Success

- **Review of HRP data collected from sector councils through scorecards, to document sector council activities and identify areas of relevance to each SCD, as a basis for analyzing employer survey results (\$5,000-\$10,000).**
- **Survey of employers and labour organizations (where appropriate) to address qualitative issues including: (\$100,000-\$150,000)**
 - **consensus and collaboration within sectors;**
 - **representativeness of sector councils;**
 - **sector council support within sectors;**
 - **existence of HR strategies and specific HR programs, and role of sector councils;**
 - **recruitment practices;**
 - **recruitment costs;**
 - **job vacancy rates and durations, turn-over rates;**
 - **employer satisfaction.**
- **File reviews and interviews at all sector councils to look at services provided and establish links to the development of HR strategies (\$75,000-\$90,000).**
- **Analysis of Statistics Canada WES, BCS, Productivity Program, CSLS, AETS data to address: (\$75,000-\$100,000)**
 - **turn-over rates and job vacancy rates;**
 - **employer use of training and other HR programs;**
 - **employer satisfaction;**
 - **productivity;**

Cost-effectiveness

- **Review of SPI program data on labour market coverage (\$3,000-\$5,000);**
- **Key informant interviews regarding overlap and duplication (\$5,000-\$10,000);**
- **Analysis of sector council revenues and revenue sources regarding incremental impacts (\$10,000-\$15,000).**

Total estimated cost for Option 2 - \$281,000-\$392,000.

Timeline

An estimated 8-10 months should be allowed at the time of the summative evaluation for this option. The timelines relating to the employer/labour survey, described for Option 1, apply for this option as well.

Option 3

Reduced Emphasis on Employer/Labour Survey and Work at Sector Councils, Greater Emphasis on Independent Data, Longer-Term Outcomes

This option maintains the survey of employers and labour organizations but reduces the scope to a sample of sectors, and includes case study work at only a sample of sectors as well. It would allow for aggregate analysis of impacts provided that the sampling was done carefully to include a cross-section of newer and more mature sector councils and different types of industry sectors. It would not, however, allow for a more in-depth analysis by groups of sectors, and may reduce the reliability of aggregate findings. This option would emphasize the analysis of Statistics Canada data and the focus on longer-term outcomes. It also introduces some case studies at selected education/training institutes to gain insights into the role of sector councils in curriculum development.

The advantage of this option is that evaluation resources would be directed more intensely to examining longer-term outcomes and the role of the sector councils in those outcomes, and would address, albeit in a limited fashion, the role of the sector councils in curriculum development. The disadvantage is that it would not allow for strong linkages to be established between sector council activities and the medium term outcomes intended to lead to the longer-term outcomes, and it would not provide evaluators with as complete information to understand the work of the sector councils and to assess from the employers' and labour perspective the value that the sector councils bring to the labour market.

Program Rationale and Relevance

- **Review of available HRSDC documents on federal government and HRSDC policy priorities (\$5,000-\$7000);**
- **Key informant interviews regarding relevance of SPI (\$3,000-\$5,000).**

Success

- **Review of HRP data collected from sector councils through scorecards, to document sector council activities and identify areas of relevance to each SCD, as a basis for analyzing employer survey results (\$5,000-\$10,000);**
- Case studies at selected sector councils to look at services provided and establish links to the development of HR strategies (\$25,000-\$35,000).
- **Survey of employers and labour organizations (where appropriate) in a sample of sectors to address qualitative issues including: (\$75,000-\$100,000)**
 - **consensus and collaboration within sectors;**
 - **representativeness of sector councils;**
 - **sector council support within sectors;**
 - **existence of HR strategies and specific HR programs, and role of sector councils;**
 - **recruitment practices;**
 - **recruitment costs;**
 - **job vacancy rates and durations, turn-over rates;**
 - **employer satisfaction.**
- Analysis of Statistics Canada WES, BCS, Productivity Program, CSLS, AETS data to address: (\$75,000-\$100,000)
 - turn-over rates and job vacancy rates;
 - employer use of training and other HR programs;
 - employer satisfaction;
 - productivity.
- Case studies at selected education/training institutes to assess working relationships with sector councils, and uptake of NOS/occupational profiles/core competencies (\$25,000-\$50,000).

Cost-effectiveness

- **Review of SPI program data on labour market coverage (\$3,000-\$5,000);**
- **Key informant interviews regarding overlap and duplication (\$5,000-\$10,000);**
- **Analysis of sector council revenues and revenue sources regarding incremental impacts (\$10,000-\$15,000).**

Total estimated cost for Option 3 - \$231,000-\$337,000.

Timeline

At the time of the summative evaluation this option could be completed in a 8-10 month period, provided that the recommended employer/labour survey design work is completed ahead of time. That design work, when applied to this option involving only a sample of sectors, will require an estimated 2-3 months to complete. In addition, it is recommended in this report that the survey of employers and labour organizations be applied a year or more prior to the summative evaluation, to provide evaluators with data from two time periods to work with. An estimated 3 months should be allowed to complete such a first application of the survey.

Option 4 Full Range of Methods

This option includes all the methods discussed earlier in the report. It is the ideal option, if there is a sufficient budget. The peer review of sector studies will allow evaluators to assess not only that such studies exist as a basis for HR planning and that sector councils and employers are using the studies, but also that the studies are based on sound research, and therefore represent a solid basis for planning. By reviewing more thoroughly the issue of the representativeness of the sector councils within their sectors (beyond employer/labour survey responses on representativeness), the issue of penetration of the sector councils within their sectors will be strengthened, and this will help to strengthen any analysis of the extent to which longer-term outcomes can be attributed to the work of the sector councils. The inclusion of surveys of education/training institutes in applicable sectors would strengthen significantly the examination of the role of the sector councils in curriculum development. Finally, the inclusion of reviews of apprenticeship programs and certification would provide another valuable line of evidence to assess the extent to which sector councils are contributing to curricula based on competency standards, which is an important building block of what the sector councils are trying to accomplish.

The advantage of this option is that it maximizes the available lines of evidence and will offer program managers and decision makers more convincing evidence of the extent to which outcomes are being achieved and why (or why not). The disadvantage is that it will be considerably more costly than the other options, and will require an effort over a longer time period.

Program Rationale and Relevance

- **Review of available HRSDC documents on federal government and HRSDC policy priorities (\$5,000-\$7000);**
- **Key informant interviews regarding relevance of SPI (\$3,000-\$5,000).**

Success

- **Review of HRP data collected from sector councils through scorecards, to document sector council activities and identify areas of relevance to each SCD, as a basis for analyzing employer survey results (\$5,000-\$10,000);**
- Peer review of sector studies to assess quality as primary source of LMI for sectors (\$70,000-\$90,000);
- Review of representation on sector council boards and committees, and membership (where applicable) (\$20,000-\$30,000);
- File reviews and interviews at all sector councils to look at services provided and establish links to the development of HR strategies (\$75,000-\$90,000).
- **Survey of employers and labour organizations (where appropriate) to address qualitative issues including: (\$100,000-\$150,000)**
 - **consensus and collaboration within sectors;**
 - **representativeness of sector councils;**
 - **sector council support within sectors;**
 - **existence of HR strategies and specific HR programs, and role of sector councils;**
 - **recruitment practices;**
 - **recruitment costs;**
 - **job vacancy rates and durations, turn-over rates;**
 - **employer satisfaction.**
- Analysis of Statistics Canada WES, BCS, Productivity Program, CSLS, AETS data to address: (\$75,000-\$100,000)
 - turn-over rates and job vacancy rates;
 - employer use of training and other HR programs;
 - employer satisfaction;
 - productivity;
- Survey of relevant education/training institutes in selected sectors to address: (\$100,000-\$125,000);
 - working relationships with sector councils;
 - uptake of NOS/occupational profiles/core competencies;

- Case studies at selected education/training institutes to assess working relationships with sector councils, and uptake of NOS/occupational profiles/core competencies (\$25,000-\$50,000);
- Analysis of data on certifications and certification programs (\$25,000-\$40,000);
- Review of apprenticeship programs in SC sectors and non-SC sectors (\$75,000-\$90,000).

Cost-effectiveness

- Analysis of Statistics Canada labour market data to assess SPI coverage (\$20,000-\$30,000);
- **Review of SPI program data on labour market coverage (\$3,000-\$5,000);**
- **Key informant interviews regarding overlap and duplication (\$5,000-\$10,000);**
- **Analysis of sector council revenues and revenue sources regarding incremental impacts (\$10,000-\$15,000);**
- Analysis of pre-SPI investment data from industry associations (\$30,000-\$50,000).

Total estimated cost for Option 4 - \$646,000-\$897,000.

Timeline

An estimated 14-16 months should be allowed at the time of the summative evaluation for this option. The timelines relating to the employer/labour survey, described for Option 1, apply for this option as well.

7. Conclusion

The goal of this formative evaluation was to develop a strategy for a summative evaluation of the SPI in 2006-2007. Before developing the strategy, the clarity and measurability of the program's objectives were assessed. The results of this assessment was the development of a set of outcomes and indicators that represented an operationalization of the outcomes stipulated in the program's RMAF, and that would be used in the summative evaluation to measure the success of the program in achieving its objectives.

The formative evaluation next assessed the availability of existing data, and the feasibility of collecting new data, needed for the summative evaluation of the program. The evaluation found that while some sector councils do maintain databases with results-oriented information, client firms/organizations remain the primary source of information in relation to the changes in HR practices the sector councils are trying to bring about, and Statistics Canada surveys are the primary source to address measures of longer-term results of the SPI. The evaluation further concluded that, rather than require the sector councils to implement more on-going data collection mechanisms and to maintain more extensive databases, the evaluation issues can be addressed largely through some qualitative approaches and standardized surveys that can be designed and managed by the evaluators. Those surveys can be used beyond the evaluation context in an ongoing way and indeed would ideally be integrated into existing or planned sector council-based surveys of clients, but would need to maintain their standardized, cross-sectoral design in order to continue to be useful for future evaluations and for SPI program reviews.

The review of available data and the potential for data development for the summative evaluation led to a set of four options, containing different potential methodologies and depths of examination of the evaluation issues that may be addressed.

Next Steps in Preparing for the Summative Evaluation of the SPI

There are several issues identified in the report that invite further examination in preparation for the summative evaluation. These may result in some modification or additions to the current summative evaluation options, and should be considered at the earliest possible date so that any required preparation work can be undertaken well in advance of the summative evaluation, and so that any required data collection mechanisms can be put in place in a timely manner.

- Consideration needs to be given to confirming how the “representativeness” of sector councils will be assessed in aggregate—are there norms across all sectors or is it left to the sector councils to determine how they think the sector should be represented?
- Consideration should be given to expectations on the development of occupational standards, and what other products or practices may be considered comparable to or “a step toward” standards, such as the use of sector council-produced job descriptions or skills profiles that are not as formalized as national occupational standards. Also, there may be

an interest in establishing some norms across sectors as to the critical point in uptake at which occupational standards can be considered on a path to being adopted nationally.

- In considering its target of 50% coverage of the Canadian labour market, HRP should consider integrating the concept of sector council penetration, and decide on what basis penetration should be measured. One proxy that could be applied is the size of the sector council in terms of budget and staff complement relative to the size of the sector it services, but stronger measures can undoubtedly be developed.
- Consideration should be given to examining the cross-sectoral elements of the SPI as a complement to the formative evaluation's focus on the sector-specific approach.
- As soon as possible after the evaluation strategy for the SPI summative evaluation is approved, it will be necessary for Program Evaluation to explore the relevant Statistics Canada data referred to in this report in more detail, to confirm sample sizes available when survey data is broken out at the sector level and sector penetration by the sector councils is taken into account, and to investigate approaches for identifying suitable matching non-SC sectors for comparative analysis. This will contribute to a clearer picture of data quality in some areas and assist in making choices for the summative evaluation.
- If the chosen option requires surveys of employer, the groundwork for the surveys will need to be developed soon, and a first iteration of the surveys (in association with SC surveys of their client employers) will need to be planned in the interim period between now and 2006-2007, so that two sets of data are available for analysis for the summative evaluation. This early development of the survey will prove particularly important if it is found that there are limitations to the Statistics Canada survey data that place a greater emphasis on the use of first-hand research methods such as the survey of employers.
- In addition to the basic summative evaluation issues identified by evaluators and which the four evaluation strategy options are designed to address, a number of additional summative evaluation issues have been identified by both the Program Evaluation Directorate and the experts who conducted the Peer Review of the SPI Formative Evaluation. Consideration should be given to whether or not the summative evaluation of the SPI would measure the success of the program along those lines, and if so, which strategy would be used to conduct those assessments.
- Finally, a thorough literature review that would include a review of the recent experiences of other governments with the sectoral approach should be conducted by Program Evaluation in the next few months. The findings from this review would help validate or enhance the current proposed evaluation strategy.

APPENDIX A

Distribution of Councils That Participated in the Working Group and the Site Visits

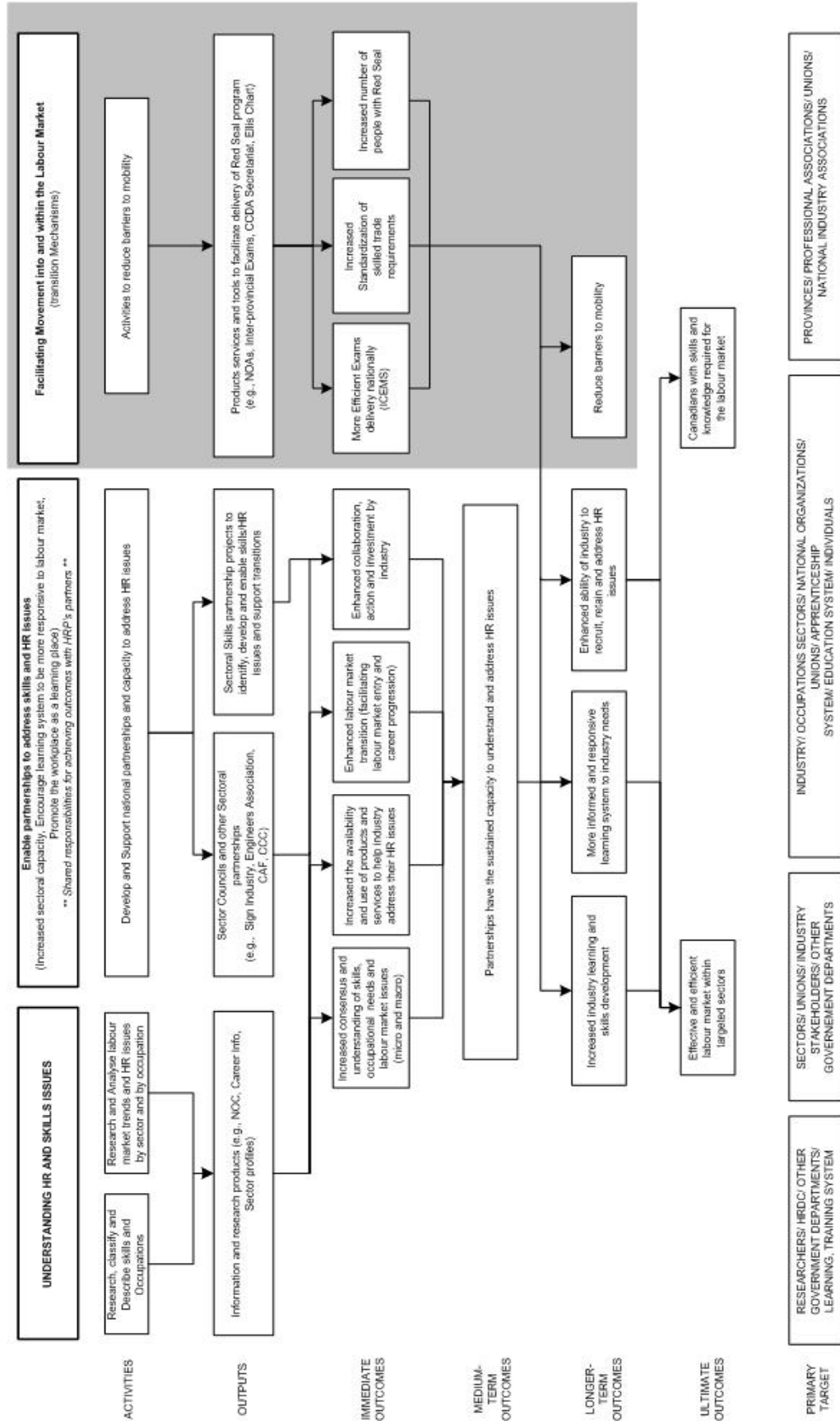
While it was not feasible to select a representative sample of councils to participate in the development of the summative evaluation strategy, some effort was made to seek the participation of a variety of councils, especially with respect to their age, size and clientele.

- *Age:* HRP estimates that it takes roughly five years for a sector council to stabilize. We used this five year period as an indicator to determine whether a council was “old” or relatively “new”. councils created around 1998 or after were deemed to be relatively new. It should be noted, however, that the age of a council is not an indicator of its maturity.
- *Clientele:* Councils with defined clienteles were sought, as well as councils with more amorphous clienteles.
- *Size:* To determine the size of the councils, we used the number of employees as an indicator. The budgets of the individual councils were not available at the time of the selection. Councils having 10 employees or less were considered to be relatively small.

The distribution of the councils according to those three criteria was as follows:

Working Group Council	COUNCILS	New/ Old	Large/ Small	Defined/ Amorphous
√	Biotechnology Human Resource Council	New (1997)	Small (9)	Amorphous
√	Canadian Automotive Repair and Service Council	Old (1968)	Small (10)	Defined
√	Canadian Aviation Maintenance Council	Old (1991)	Large (15)	Defined
	Canadian Council for Human Resources in the Environment Industry	Old (1992)	Large (26)	Amorphous
	Canadian Tourism Human Resource Council	Old (1993)	Large (20)	Defined
√	Canadian Trucking Human Resources Council	Old (1993)	Small (4.5)	Defined
	Construction Sector Council	New (2001)	Small (10)	Defined
√	Textiles Human Resources Council	Old (1994)	Large (11)	Defined

APPENDIX B – SPI Logic Model



APPENDIX C – Generic Sector Council Logic Model

