

# Centre of Excellence in Employment and Workforce Innovation

**Q4 2025**

Shaping Ontario's Employment Future: A  
Stewardship Approach for 2026

This report developed in collaboration with Deloitte, who provided facilitation support for the COE discussions, insights and learnings from the EmployNext program and labour market analysis to inform the Ontario Labour Market and Employment Services Outlook provided outlined in this document

# Welcome Letter

As we look ahead to 2026, Ontario's employment landscape is at a pivotal moment. Labour market conditions are shifting rapidly: regional disparities are widening, entry-level opportunities are shrinking, and systemic barriers continue to challenge equitable access to work. These realities demand more than incremental change; they require a coordinated, forward-thinking approach that transforms how employment services operate.



At EmployNext powered by Serco, we see our role not simply as program administrators, but as system stewards. Stewardship means taking responsibility for the health of the entire employment ecosystem: integrating data, aligning stakeholders, and driving innovation that benefits everyone. Over the past year, we have listened, learned, and acted. We have partnered with industry leaders to deliver demand-led training, collaborated with Indigenous organizations to embed cultural relevance, and piloted solutions that remove barriers such as transportation and credentialing. We have also invested in data-driven planning tools that allow us to anticipate trends and respond with agility.

This report reflects both the challenges we face and the progress we are making. It outlines our priorities for 2026: strengthening network capacity, scaling cohort-based training, fostering innovation through pilots, enhancing youth supports, and diversifying our provider network. These are concrete steps toward building an employment system that is inclusive, adaptive, and aligned with real labour market needs.

We invite all our readers and network partners to join us in this work. Together, we can turn insights into impact and ensure that Ontario's workforce is prepared not just for today, but for the future.

*Jodi O'Gorman*

# The local labour market: What we are seeing and why it matters

This section explores three critical dimensions shaping the employment landscape: shifting regional trends, demographic insights, and the changing priorities of both jobseekers and businesses. Understanding these dynamics is essential for designing responsive strategies that foster inclusive growth, address talent gaps, and ensure communities across Ontario thrive.

## Understanding Ontario's changing job landscape

Recent labour market data from Signal49 Research (previously Conference Board of Canada) reveals that job postings across Ontario declined by 7.7% between August 2023 and August 2025.<sup>(1)</sup> Meanwhile, the Kitchener-Waterloo-Barrie region saw an increase of 33.4% in job postings from December 2023 to November 2025, while the Northwest region saw a 10% increase.<sup>(2)</sup> These regional disparities have profound implications. For jobseekers and employers in growth regions like the Northwest where EmployNext operates, talent shortages threaten productivity and economic expansion. Communities in declining regions face rising unemployment and reduced consumer spending, while those in growth areas risk leaving marginalized populations behind if workforce development does not keep pace.

Sectoral variation adds another layer of complexity. Manufacturing and trades occupations saw a 9.5% decline in postings, particularly affecting frontline and mid-skilled positions.<sup>(3)</sup> This trend limits entry points for jobseekers who rely on these roles as pathways into stable employment. Employers in these sectors struggle to fill critical positions, which can slow production and weaken regional competitiveness. Communities dependent on manufacturing risk economic stagnation unless re-skilling initiatives are implemented quickly. These differences underscore the need for localized strategies. A one-size-fits-all approach will not work. System stewardship is essential here: by convening employers, educators, and service providers, we can design rapid-response training programs that align with real demand and create equitable access to emerging opportunities.

(1) Vicinity Jobs Hiring Demand Reporting System. Signal49 Research (The Conference Board of Canada) 2025.

(2) Vicinity Jobs. Custom Labour Market Data Extract. Vicinity Jobs, January 2026. Unpublished data.

(3) Vicinity Jobs Hiring Demand Reporting System. Signal49 Research (The Conference Board of Canada) 2025.

## Demographic insights and their impact on employment outcomes

Our data shows persistent gaps in employment outcomes among specialized populations. Employment outcomes for equity-deserving groups continue to fall short of the overall benchmark, signaling systemic barriers that require focused attention. Populations such as persons with disabilities, racialized communities, Indigenous jobseekers, newcomers, and youth often experience disproportionately lower success rates compared to the broader average. These gaps are even more pronounced for individuals facing intersecting challenges, such as racialized or disabled youth.

These disparities matter. For jobseekers, they translate into prolonged unemployment, financial insecurity, and diminished confidence. For employers, they represent missed opportunities to tap diverse talent pools that drive innovation and performance. For communities, they perpetuate income inequality and limit social mobility. System stewardship is critical to closing these gaps.

By embedding equity dashboards into performance metrics, co-developing culturally anchored service models, and partnering with employers to implement inclusive hiring practices, we can ensure that specialized populations are not left behind.

### **Commitment to improvement**

To advance equity and improve outcomes across all populations, we have implemented a multi-pronged approach that includes:

- Cohort-based training programs
- Service provider competency training
- Education modules focused on specialized populations
- Enhanced data analysis and reporting to identify gaps
- Collaborative partnerships with community organizations
- Continuous feedback loops with jobseekers and service providers
- Integration of wraparound supports to address barriers beyond employment.
- Digital literacy and technology access initiatives

## Jobseeker interests and employer needs

Construction, manufacturing, and trades remain top sectors of interest, accounting for roughly one-third of jobseeker preferences. Based on our catchment data, the average jobseeker seeks 37 hours per week at \$21.47 per hour.<sup>(4)</sup> While this interest aligns with some regional demand, mismatches persist. Without localized hiring pathways and credentialing supports, jobseekers risk underemployment or churn between short-term roles. Employers, meanwhile, struggle to find candidates who meet safety and certification requirements. Communities lose the economic benefits of infrastructure and housing projects when talent pipelines are not aligned.

Cohort-based training programs designed in partnership with local industry can address these gaps while providing opportunities for specialized populations. Participating employers commit to interviews, industry-recognized certifications, and include wraparound supports such as transportation and tool grants. These initiatives turn interest into opportunity and ensure that jobs become careers through wage progression maps and micro-credential ladders.



<sup>(4)</sup> Deloitte Canada - Labour Market Supply Data from the EmployNext programs from October 2024-October 2025 across all catchment areas. .

# Key barriers impacting employment services today

The employment services system is complex and faces structural challenges that require coordinated leadership. Issues such as mismatched aspirations and employer needs, systemic barriers to inclusion, fragmented data, administrative burdens, and competition among providers have historically slowed progress and limited innovation.

**Mismatch between jobseeker aspirations and employer needs:** Regional and sectoral disparities mean that jobseekers' interests do not always align with available opportunities.

**Systemic barriers to inclusion and accessibility:** Specialized populations face persistent challenges in achieving employment outcomes.



## Lack of integrated labour market data

Need better alignment of supply-side (jobseeker) and demand-side (employer) data



## Administrative burdens

Service providers report that excessive paperwork and approvals reduce their capacity for one-to-one employment support and innovation.



## Competition among service providers

Limits sharing of best practices and collaborative approaches.





### **Need for professionalization and capacity-building**

Inconsistent service quality across regions and organizations.



### **Youth require focused and personalized supports**

The employment services system for youth struggles with failing to recognize individual potential, relies on deficit-based assessments, and lacks tailored mentorship and innovative support programs.



### **Mismatched service KPIs and desired outcomes**

The current employment services transformation system prioritizes meeting employment KPIs over addressing the needs of those facing the highest barriers to employment.

These challenges do not simply exist in isolation. They influence how quickly the system can adapt to changing labour market conditions and how effectively resources are deployed. Through EmployNext and Serco's Centre of Excellence members, we are actively addressing these constraints by taking a stewardship approach. This means integrating labour market intelligence to close information gaps, streamlining processes to reduce administrative friction, and fostering collaboration across providers to replace siloed practices with shared learning. By embedding equity principles and professional standards into every initiative, we are ensuring that the system operates as a cohesive, adaptive network rather than a collection of disconnected programs. These actions are already creating conditions for faster responses, more consistent service quality, and a stronger alignment between workforce development and real labour market demand.

# Serco's Leadership: Turning insights into action

## Overview

Serco is committed to transforming evidence into impact through a stewardship approach that strengthens the entire employment services ecosystem. We are building a system that is agile, inclusive, and aligned with real labour market needs. These efforts listed below ensure that insights gathered from data and stakeholder engagement translate into practical strategies that deliver measurable results across Ontario.

## Our impact in 2025 (5)

5%

more jobseekers supported through personalized employment services compared to last year.

19,000+

clients moved into outcomes that include employment, education and training

2,900+

employers engaged to help bridge talent gaps and strengthen local economies

200+

community partners helped co-design programs, deliver integrated employment services, and strengthen pathways that meet local workforce needs.

## Driving collaboration and innovation

The Centre of Excellence members have been forming new partnerships to co-create solutions that dismantle employment barriers and expand equitable opportunities for jobseekers facing the greatest challenges. These initiatives are just the beginning: the first of many partnership-driven innovations designed to transform Ontario's workforce development ecosystem. By leveraging strategic collaboration and data-driven design, we are building a foundation for scalable, inclusive models that respond to real labour market needs and create lasting impact.

### **Cohort-Based Construction Training (LiUNA Local 183 Training Centre):**

To address critical labour shortages in the skilled trades, EmployNext partnered with LiUNA Local 183 to launch an eight-day introductory program in Kingston and Belleville. Participants receive industry-recognized certifications and financial supports, creating a fast track into construction careers. Early results are strong: 4 out of 7 participants secured employment within 45 days, and youth-focused cohorts are planned for 2026 in Kingston, Barrie, and Cambridge. This model demonstrates how rapid-response training can open doors for jobseekers while meeting employer demand.

### **Food Processing Skills Canada Supervisor Program:**

Leadership development is essential for retention and productivity. Through this national program, 1,500+ participants have completed supervisor training, achieving 98% improvement in workplace communication and 95% gains in organizational culture metrics.<sup>(6)</sup> For employers, the impact is clear: every dollar invested yields \$21–\$24 in returns. This initiative shows how targeted upskilling can strengthen competitiveness and create pathways for advancement.



**Toronto Pearson Ready-to-Work Program:** Airports face unique hiring challenges, from security clearance to specialized roles. Pearson Airport designed a rapid workforce development program that streamlines Transport Canada clearance and hosts targeted hiring events. The results: 80–85% job placement rates and 90% retention, proving that collaborative design can accelerate hiring in high-demand sectors. (7)

**Advancing Indigenous Inclusion:** EmployNext is committed to reconciliation through action. With our Aboriginal Labour Force Development Circle partnership we are co-developing culturally appropriate employment supports, Indigenous resource guides, and advisory tables to strengthen inclusive service delivery. Similarly, EmployNext and AETS are co-chairing an Indigenous Advisory Table, delivering cultural awareness training, and creating tailored resources to improve employment pathways for Indigenous jobseekers across Northwestern Ontario. These partnerships ensure Indigenous voices shape solutions that reflect community priorities.



**Removing Transportation Barriers:** Through conversations with service providers in Northwestern Ontario, we discovered that reliable transportation is a critical link to employment and often a hidden barrier for jobseekers. To address this, EmployNext is piloting a partnership with Uride to provide subsidized rides to and from work. This pilot aims to increase job retention and reduce absenteeism for participants by eliminating transportation challenges. We anticipate improved employment stability and stronger employer confidence in hiring candidates from underserved communities.

**P.A.C.E Program:** Populations facing the highest barriers to employment, such as persons with disabilities and youth, need specialized, locally tailored support to succeed in today's labour market. Petawawa Military Family Resource Centre, Ontrac Employment Resource Services, and Algonquin College partnered together to co-design the P.A.C.E Program: a pre-employment initiative that builds confidence, essential skills, and job search strategies for individuals requiring higher levels of support. By addressing both skill gaps and confidence barriers, P.A.C.E is expected to shorten job search timelines, improve placement rates, and create sustainable pathways to employment for jobseekers who have historically been left behind.



These initiatives are only the beginning. EmployNext and its partners are committed to scaling these models and developing new innovations that respond to Ontario's changing labour market and unique local labour challenges. By convening employers, educators, and service providers, we are creating a system that is agile, inclusive, and built for long-term success.



## Advancing data-driven solutions

A modern employment system cannot rely on fragmented or outdated labour market information. To respond effectively to shifting economic conditions, we need a dynamic planning model that integrates both supply-side data from Employment Ontario and demand-side intelligence from industry. This is where system stewardship becomes critical: by bringing together data sources, standardizing insights, and ensuring decisions are informed by real-time evidence.

EmployNext is leading this transformation by using tools like Signal49 Research's real-time and localized Vicinity Jobs platform, which collects, analyzes, and integrates demographic and labour market data from multiple sources. We are using this data with Centre of Excellence members to validate industry needs, priorities and opportunities for system alignment and better outcomes for jobseekers. By aligning jobseeker profiles with employer demand, we are creating a more accurate picture of where opportunities exist and where gaps persist. This approach allows us to anticipate emerging trends, identify sectors with growth potential, and design programs that are responsive rather than reactive.



In 2026, this data-driven model will enable faster alignment between training and hiring needs, reducing mismatches, and improving retention. Employers will benefit from clearer talent pipelines and lower recruitment costs, while communities gain from a system that channels resources where they have the greatest impact. For jobseekers, this means access to programs that reflect real labour market demand, shortening the path to sustainable employment. By embedding data stewardship into our planning, we are building an employment system that is agile, equitable, and capable of driving inclusive economic growth.

## Advocating for systemic change

A resilient employment system requires more than incremental improvements. It demands structural change. System stewardship means identifying barriers that limit innovation and equity, then leading efforts to remove them. In 2026, we are committed to advancing reforms that make the system more agile, inclusive, and capable of delivering consistent quality across regions.

EmployNext's Centre of Excellence is already documenting key challenges and sharing innovative strategies through the Centre of Excellence, creating a platform for collaboration and continuous learning. We are calling for streamlined processes to reduce administrative burden and give service providers greater autonomy to focus on what matters most: supporting jobseekers effectively. At the same time, we are championing professionalization across the sector by promoting common standards and capacity-building initiatives that ensure high-quality service delivery everywhere.

By embedding these changes, we aim to create a system where resources flow efficiently, innovation is encouraged, and quality is consistent. Simplifying processes will accelerate program delivery and reduce delays, while professional standards will build trust and improve outcomes. For the broader labour market, this means a more responsive network that can adapt quickly to economic shifts, strengthen employer confidence, and foster inclusive growth across communities.

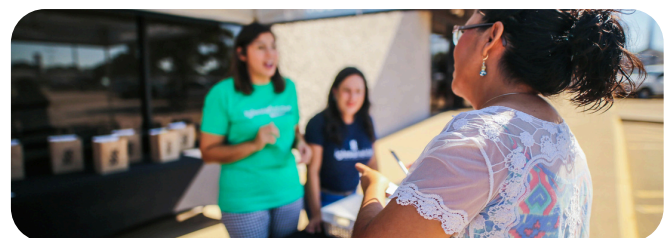


## Enhancing information sharing for continuous improvement

A high-performing employment system learns and evolves. In 2026, we are committed to embedding feedback and knowledge-sharing into the core of our operations.

EmployNext's Centre of Excellence members have established feedback loops through post-meeting surveys, frequent and regular leadership strategy sessions, and open forums that validate priorities and surface emerging needs. These mechanisms allow us to capture real-time insights from service providers, employers, and community partners. In addition, we are expanding partnerships and creating structured channels for sharing best practices across regions. This collaborative approach ensures that successful models are not isolated but scaled for broader impact.

By institutionalizing continuous improvement, we create a system that adapts quickly and intelligently. Feedback-driven adjustments will lead to more effective programs and better alignment with labour market realities. Sharing best practices strengthens consistency, accelerates innovation, reduces duplication, and improves efficiency. Ultimately, this approach builds trust across the network and ensures that employment services deliver measurable, equitable outcomes while remaining agile in the face of economic change.



# Moving Forward: What we are prioritizing in 2026

## Summary

In 2026, the Centre of Excellence will be focusing on five strategic priorities that strengthen the employment services ecosystem and ensure it operates as an integrated, adaptive network. These priorities are designed to address structural challenges, close equity gaps, and align workforce development with real labour market demand.

Our priorities reflect insights gathered from labour market data, demographic trends, and feedback from service providers and employers:



**Developing Network Capacity** through advanced training for service providers and leadership to embed data-driven decision-making, inclusive practices, and collaborative problem-solving.



**Expanding Cohort-Based Training** with industry partners such as NORCAT, Comeback Catalyst, Food Processing Skills Canada, and OFIA to deliver employer-validated programs that accelerate entry into high-demand sectors.



**Fostering Innovation** through Pilots by funding and scaling promising models that address local challenges and systemic barriers.



**Enhancing Youth Supports** with mentorship, paid work experiences, and tailored programs that create equitable pathways for young people facing persistent unemployment.



**Diversifying the Service Provider Network** to broaden expertise, improve regional responsiveness, and strengthen specialized supports for populations with complex needs.

# Closing remarks

As we move into 2026, EmployNext powered by Serco and its Centre of Excellence remains committed to transforming Ontario's employment services system into a more inclusive, adaptive, and data-driven network. The insights shared in this report are our roadmap for action. But meaningful change requires collective action.



## Industry experts

Join us in shaping the future of employment services by participating in Centre of Excellence forums and regional labour market tables. Share your insights, propose innovative pilots, and help us build a network that learns and adapts together.



## Employers

Partner with us to create demand-led training cohorts and inclusive hiring pathways. Share your workforce needs through our Labour Market Insights Tool and collaborate on strategies that deliver the talent your business requires while advancing equity in the labour market.



## Jobseekers

Explore new opportunities through your local service provider. Engage in cohort-based programs, mentorship initiatives, and tailored supports designed to connect you with employers in high-demand sectors and help you build a sustainable career.

Together, we can turn insights into impact that creates a system that delivers opportunity for all. Your participation matter to lead this change, not just respond to it.

# Acknowledgement

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We want to extend our sincere thanks to the members of the Centre of Excellence for their invaluable insights and contributions throughout our sessions. Your expertise and thoughtful input have shaped the priorities outlined in this report and strengthened our ability to respond to the evolving needs of Ontario's labour market.

By sharing your perspectives, identifying challenges, and co-creating solutions, you have helped us advance system stewardship in practice to ensure that innovation, equity, and collaboration remain at the heart of employment services. Together, we are building a network that learns, adapts, and delivers meaningful impact for communities across the province.

Thank you for your continued partnership and commitment to driving positive change.

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## About Serco Canada

At Serco Canada, we're proud to support the delivery of essential public services that touch the lives of Canadians every day. From coast to coast, our team works alongside federal, provincial, and municipal governments to deliver smart, efficient, and people-focused solutions in defence, transportation, marine, and citizen services. We bring innovation, care, and a deep commitment to public service to help governments run more smoothly and ensure Canadians receive the high-quality services they deserve.

Rooted in values of Trust, Care, Innovation, and Pride, Serco Canada is dedicated to making a positive impact—today and for the future.

Learn more at [www.serco.com/ca](http://www.serco.com/ca)

## About EmployNext

EmployNext is a locally responsive, outcomes-driven employment services program designed to connect job seekers and employers across Ontario with meaningful, long-term opportunities. Powered by Serco and delivered in partnership with Deloitte Canada and Thrive Career Wellness, EmployNext brings together cutting-edge digital tools, personalized support, and a strong network of community partners to help empower individuals, strengthen local economies, and build a more resilient workforce.

Our mandate is to deliver employment services that are accessible, inclusive, and responsive to the unique needs of every community.

Learn more at [www.employnext.ca](http://www.employnext.ca)

