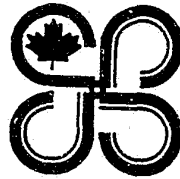


CORRECTIONAL SERVICE
OF CANADA



OCCUPATIONAL DEVELOPMENT
PROGRAMS



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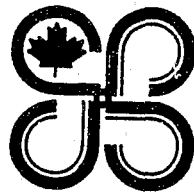
1988/89
REPORT ON PERFORMANCE

The CORCAN name and logo identifies
all products and services provided by
inmates in Industries and Agribusiness
programs within the
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**MISSION OF THE
CORRECTIONAL SERVICE OF CANADA**

The Correctional Service of Canada,
as part of the criminal justice system,
contributes to the protection of society
by actively encouraging and assisting
offenders to become law-abiding citizens,
while exercising reasonable, safe,
secure and humane control.

**OCCUPATIONAL DEVELOPMENT PROGRAMS
PROGRAM MANDATE**

Occupational Development Programs,
as part of
The Correctional Service of Canada,
actively encourages and assists offenders
to practice good work habits
and
to develop marketable skills
through the production of saleable goods
in structured, cost efficient work environments
comparable to the private sector.

PROGRAM OVERVIEW

Occupational Development Programs, like all other correctional programming, participates in the achievement of the Correctional Service of Canada Mission Statement - to actively encourage and assist offenders to become law-abiding citizens.

Occupational Development Programs, is unique in that it uses the production of goods and services as a vehicle for accomplishing this objective. The Program Mandate and Objectives adopted for Occupational Development Programs provide the focus and define the context within which Occupational Development Programs operates within the Correctional Service of Canada.

"Occupational Development Programs, as part of the Correctional Service of Canada, actively encourages and assists offenders to practice good work habits and to develop marketable skills through the production of saleable goods in structured, cost-efficient work environments comparable to the private sector."

Occupational Development Programs has developed program objectives to define its role within the correctional context.

These program objectives are listed below with the specific Correctional Service of Canada Strategic Objectives they meet.

PROGRAM OBJECTIVE 1

Correctional Service of Canada Strategic Objectives

- 3.1 To clearly communicate our Mission, values and guiding principles so that each individual can fully contribute to the realization of our objectives.
- 3.2 To develop an environment characterized by relationships among staff that are based on openness, trust and mutual respect.
- 3.4 To ensure that staff spend as much time as possible in direct contact with offenders.
- 3.8 To provide staff training and development opportunities that are based on achievement of our Mission, develop the full potential of staff members, and emphasize interpersonal skills, leadership, and respect for the unique differences and needs of all offenders.
- 3.11 To recognize that line supervisors have a critical role to play in achieving our Mission and objectives, and to ensure that they receive the appropriate training development.

Occupational Development Programs Objectives

TO PARTICIPATE AS PART OF A CORRECTIONAL TEAM WHERE PROGRAM STAFF PLAY A VITAL ROLE IN ACTIVELY ENCOURAGING OFFENDERS TO BECOME LAW-ABIDING

- By fostering good relationships between inmate employees and staff.
- By utilizing modern production techniques and management practices.
- By developing and maintaining a cadre of professional and technically competent staff.
- By developing quality as a value.
- By ensuring that the operations of factories and farms create the environment where physical skills can be practiced in real life settings.
- By encouraging inmates through the flexible operation of the program such as academic upgrading, living skills and substance abuse programming.
- By ensuring that staff are informed participants in the program through the establishment and maintenance of mechanisms for discussion and communication.

**PROGRAM OBJECTIVE 1
CONTINUED**

**Correctional Service of
Canada Strategic Objectives**

**Occupational Development
Programs Objectives**

3.14 To establish and maintain mechanisms for discussion and cooperation in employer-employee relations.

4.3 To establish and maintain mechanisms for staff exchanges and the sharing of methods, standards, and services.

PROGRAM OBJECTIVE 2

Correctional Service of Canada Strategic Objectives

- 2.3 To provide programs to assist offenders in meeting their individual needs, in order to enhance their potential for reintegration as law-abiding citizens.
- 2.4 To ensure that offenders are productively occupied and have access to a variety of work and educational opportunities to meet their needs for growth and personal development.

Occupational Development Programs Objectives

TO ACTIVELY ENCOURAGE AND ASSIST OFFENDERS TO PRACTICE GOOD WORK HABITS AND DEVELOP MARKETABLE SKILLS

- By demonstrating and instilling values, attitudes and beliefs consistent with law-abiding behaviour and in particular as they relate to employment.
- By fostering an environment whereby skills techniques acquired can be practiced.
- By producing marketable products, using modern technology.
- By developing and fostering in offenders self-esteem and pride of work.
- By encouraging inmate attendance and punctuality.
- By striving to achieve a pace of work consistent with private sector standards.
- By ensuring that the hours offenders spend in the shops are productively utilized.
- By ensuring compliance with established quality standards.

**PROGRAM OBJECTIVE 2
CONTINUED**

**Correctional Service of
Canada Strategic Objectives**

**Occupational Development
Programs Objectives**

- By creating work environments which assist offenders in accepting direction, accepting responsibility, and co-operating with others.
- By ensuring safety practices required by Federal and Provincial Legislation are understood and followed.
- By providing facilities and equipment required to replicate conditions found in the private sector.
- By establishing rules and regulations, rewards and discipline as found in comparable production environments in the private sector.
- By offering accreditation opportunities to offenders where practicable.
- By developing and maintaining a cadre of professional and technically competent staff.

PROGRAM OBJECTIVE 3

Correctional Service of Canada Strategic Objectives

- 5.6 To enhance public understanding and support of the Service.
- 5.9 To make appropriate use of available technology.

Occupational Development Programs Objectives

TO PRODUCE SALEABLE GOODS

- By ensuring that the program is market driven.
- By ensuring that recognized quality standards are maintained.
- By ensuring that high customer service standards are achieved.
- By ensuring that products are both quality and price-competitive.
- By keeping staff abreast of modern production techniques.

PROGRAM OBJECTIVE 4

Correctional Service of Canada Strategic Objectives

- 3.3 To encourage initiative, self-direction and acceptance of personal responsibility on the part of all staff for high quality work.
- 5.1 To develop our policies with a recognition of the need to demonstrate accountability.
- 5.2 To link your values, objectives, program delivery, organizational structure and resource management within a framework of strategic policy and accountability.
- 5.8 To secure and utilize resources efficiently and effectively in achieving our objectives.

Occupational Development Programs Objectives

TO CREATE A STRUCTURED, COST EFFICIENT WORK ENVIRONMENT COMPARABLE TO THE PRIVATE SECTOR

- By striving to recover Occupational Development Programs net program costs.
- By pursuing growth opportunities in the market to facilitate the recovery of net program costs.
- By developing and maintaining specialized business systems to meet programs needs.

The 1,760 offenders working on one of the 6 farms or in one of the 26 factories run by Occupational Development Programs are expected to work at a pace and in accordance with quality and safety standards similar to those found in the private sector. In this "learning by doing" environment, good work habits are continually reinforced, healthy attitudes towards work are developed, the value of work is learned and offenders experience a sense of pride and self-worth in their tangible accomplishments.

The success of Occupational Development Programs is contingent on its "real-world" obligations. Offenders are not engaged in "make work" projects. They learn that customers are relying on them to produce a quality, price-competitive product on time. The products manufactured by participating offenders are sold, on a competitive market basis, to federal, provincial, and municipal government departments and to not-for-profit organizations. These customers have very real expectations about the quality of the products they purchase and the timeliness of the delivery they receive.

Although we tend to measure and report on the performance of Occupational Development Programs in terms such as on-time deliveries, value of production and number of complaints per \$1000 sales, these are in fact, indicators of the performance of the inmate workers at work-related tasks such as following instructions, meeting established quality standards and working at a reasonable and expected pace.

We also strive to teach offenders skills for which there is demand in the private sector. This means that we must constantly upgrade our farms and factories to ensure that the products manufactured and the equipment and processes used are state-of-the-art. Wherever possible, offenders are encouraged to participate in accreditation programs. Occupational Development Programs' staff work on an on-going basis to ensure that the abilities offenders gain are both in demand and their achievements are recognized by potential employers.

Occupational Development Programs are currently involved in the following range of products:

INDUSTRIES

- Office Furniture
- Reception Furniture
- Institutional Furniture
- Racking
- Repair/Refurbishing Services
- Data and Graphic Services
- Textiles/Footwear/Leather Products
- Custom Manufacturing

AGRIBUSINESS

- Livestock
- Feed Crops
- Milk and Cream
- Eggs
- Potatoes
- Vegetables
- Ornamental Plants
- Forestry

Each product group is reviewed annually to ensure that it remains competitive in the market and that it is being produced in the most cost-effective, efficient manner using current technology. It is important that offenders feel a sense of pride and personal accomplishment in their work. Knowing that they have contributed to the production of a well-designed, top quality product which enjoys strong appeal in the marketplace is vital to that sense of self-worth and to the overall success of Occupational Development Programs.

1988/1989 PROGRAM EFFECTIVENESS

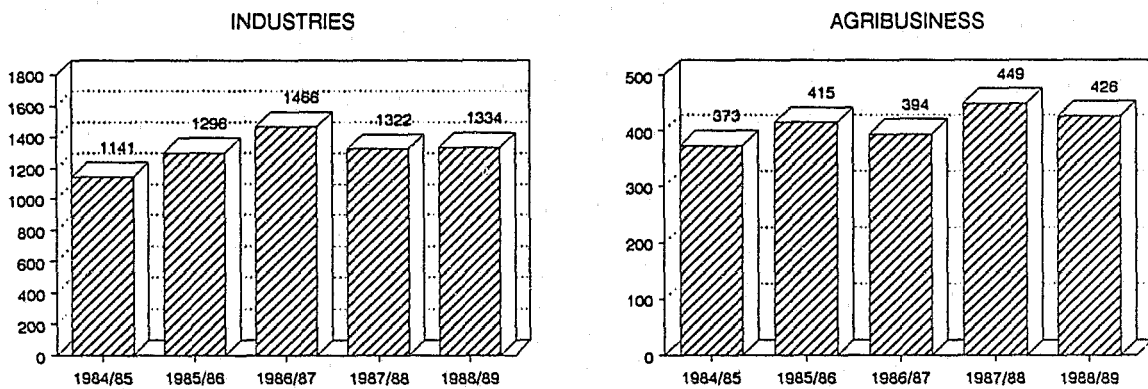
In keeping with the recognized need to demonstrate accountability, Occupational Development Programs has selected a number of factors to measure performance and has reported on each.

Employment

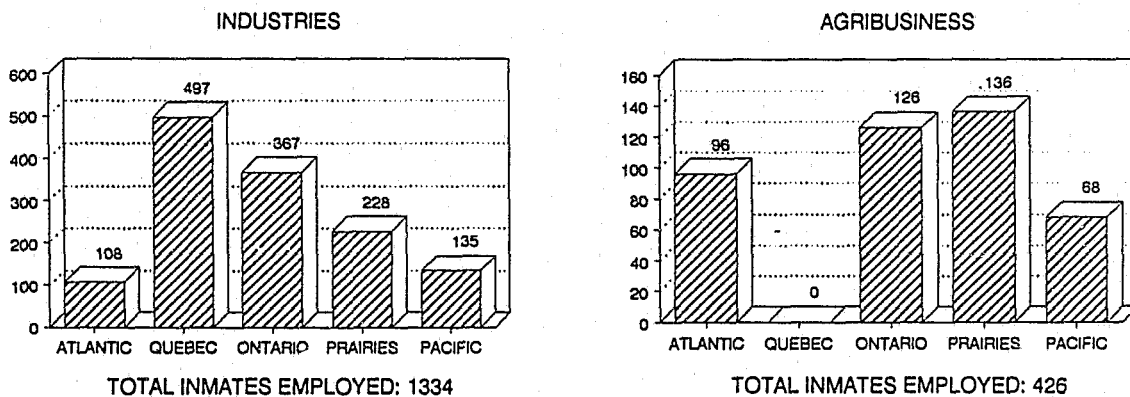
Occupational Development Programs provides 1760 employment and training positions for offenders in 32 institutions. This represents 14.3% of the total offender population and 18.6% of the employed inmate population.

The number of employed offenders remained relatively stable in both the Industries and Agribusiness operations, as it has over the past 6 years. The Industrial shops employed 1334 offenders and an additional 426 in farm and forestry operations.

AVERAGE NUMBER OF INMATES EMPLOYED



INMATES EMPLOYED BY REGION 1988/89

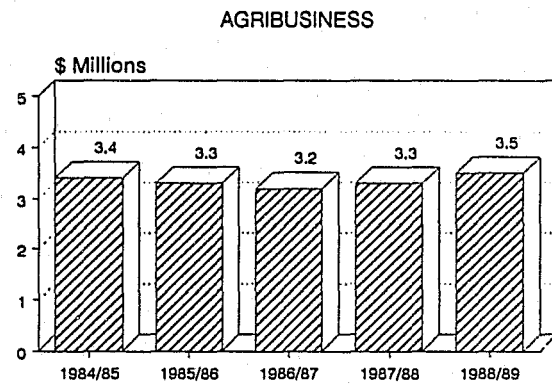
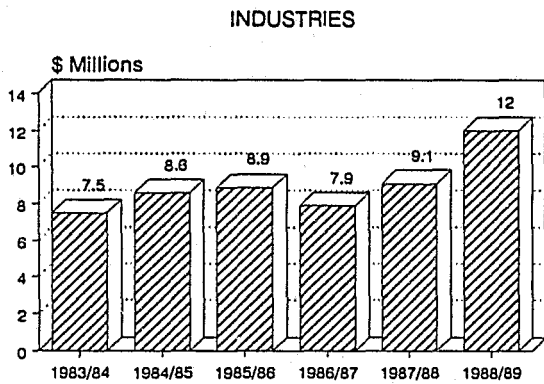


Value of Production and Productivity

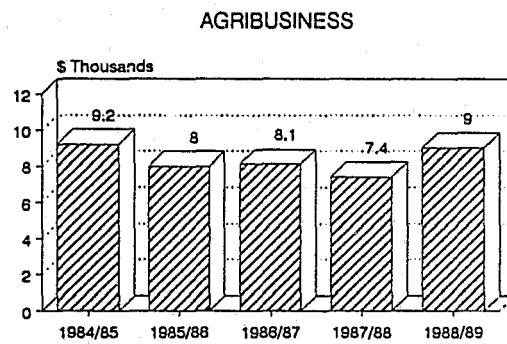
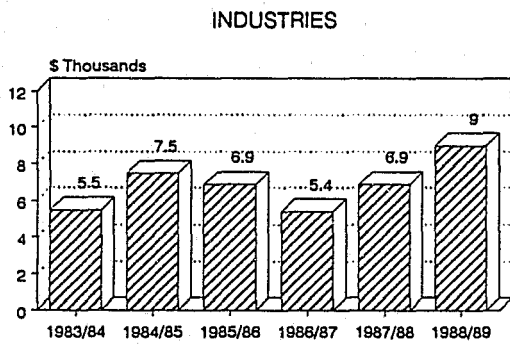
The value of industries production, measured at the direct cost of manufacture, increased to \$11,978,060 - a 31% increase over the previous year. The value of agricultural production increased to \$3,543,362 - a 9% increase.

It is important to note that our record production results are attributable to increases in the productivity of each offender employee and not to the addition of more facilities and more inmate workers. Offenders are accepting the challenge of working towards a pace equivalent to private sector manufacturing standards.

VALUE OF PRODUCTION



VALUE OF PRODUCTION PER INMATE EMPLOYED



PRODUCTION AT
DIRECT COST OF MANUFACTURE

PRODUCTION AT
DIRECT COST OF MANUFACTURE

Accreditation

In addition to these accomplishments, offender employees were encouraged to participate in accreditation programs. Although our experience in this area is quite new, more and more emphasis is being placed on establishing programs with approved provincial affiliates or trades organizations. In 1988/89, 16.8% of the offenders working in Occupational Development Programs were, at the same time, earning credits towards recognized accreditation with an outside department or organization.

Quality

In 1988/89 Occupational Development Programs adopted a new, more rigorous quality standard. The Canadian Standards Association Z299.4 quality standard was selected. Seminars were held in each region involving both regional and institutional personnel, with the objective of introducing the standard into each of our facilities. By year end, visits had been made to each industrial site to ascertain that implementation was in process. The standard was in full effect in 62% of our plants and all facilities were working towards the adoption of a **zero** defects policy.

Safety and Safety Record

In 1988/89 Occupational Development Programs renewed its commitment to safety in each of our factories and farms. Meetings held with institutional staff members in each region focused on the need to ensure safety signs are posted in all work sites, to ensure all workers, both offenders and staff, are fully conversant with the rules of safety and are adhering to them at all times. In addition, the specifications on all new equipment purchased for Occupational Development Programs' facilities were upgraded to call for the most stringent safety equipment available.

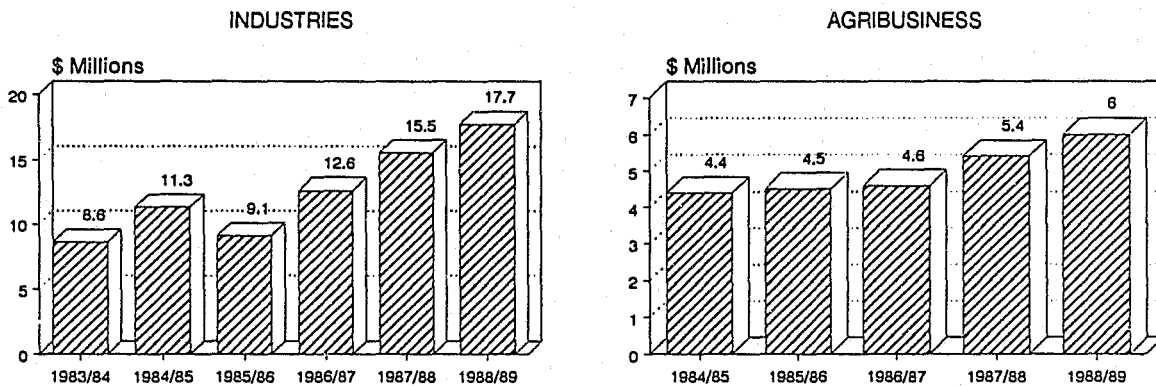
Safety is an important element of all Occupational Development Programs operations. The adoption of safe work habits is vital to an offender employee's personal success. Efficiency in this area is measured by the industrial or farm accident rate against an objective of operating accident-free. The industry standard for measuring industrial safety is days lost due to accidents.

It is difficult to record this accurately for Occupational Development Programs. Industrial accidents are tracked, although it is difficult due to Correctional Service of Canada's definition of what constitutes an accident, to distinguish between minor incidents (i.e. splinters, minor cuts) and major industrial accidents which would involve loss of productive time for either an inmate or an Occupational Development Programs staff member. The statistics are not available for the agribusiness operation. In the industrial operation, there were 35 accidents (a rate of .004 per \$1000 of production) in 1988/89.

Sales

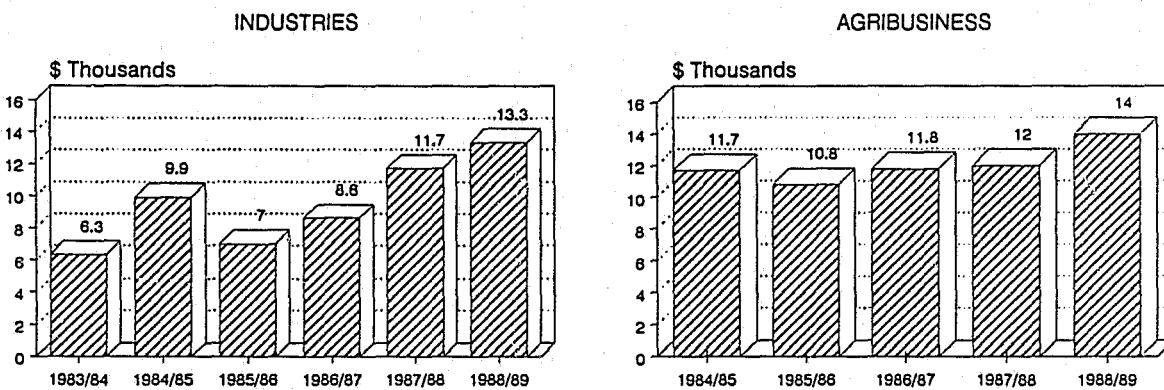
Occupational Development Programs is well aware of the fact that our customers purchase products bearing the CORCAN trademark because they are contemporary in design, and are quality and price competitive. The fact that these products are manufactured by offenders helps change public attitudes about the capabilities of these individuals and reflects positively on the management of the Correctional Service as a whole. We take great pride in our record sales performance in 1988/89 as it is indicative of overall Program success.

SALES REVENUE



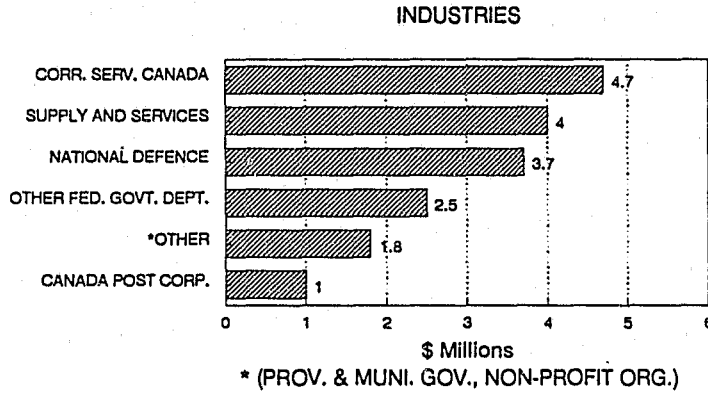
Sales of industries products continued on an upward trend to reach an all-time high of \$17.7 million or 100.6% of planned sales. Since 1983/84 sales have more than doubled. This equates to \$13,300 per employed offender. Agribusiness product sales accounted for an additional \$6 million in revenue or \$14,000 per offender employed.

REVENUE PER INMATE EMPLOYED

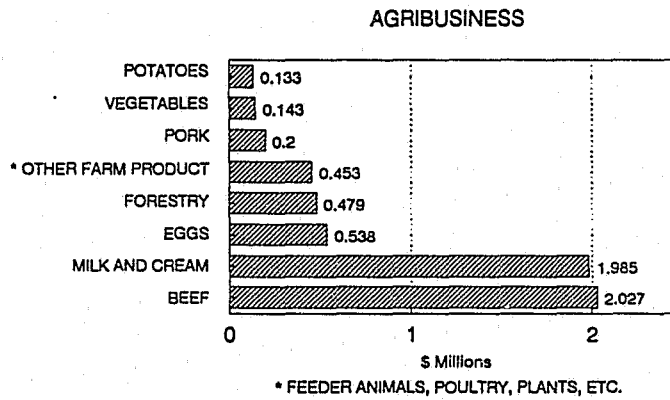
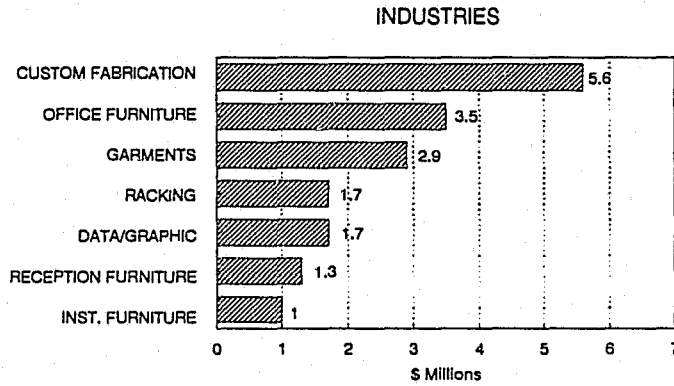


Sales Continued

**SALES BY CUSTOMER CATEGORY
1988/89**



**SALES BY PRODUCT GROUP
1988/89**



Customer Satisfaction

We are constantly striving to provide the highest possible level of customer service. To this end, we provide easy access via 1-800 telephone service and offer an unlimited warranty on all CORCAN products. Our objective is 100% customer satisfaction by providing consistently high quality products, delivered on time.

In 1988/89, we received a total of 94 complaints on total sales of \$17.7 million or a rate of .005 per \$1000 sales. Each complaint is recorded, investigated and resolved to ensure our customers are satisfied and that Occupational Development Programs staff and offenders learn from any errors they may have made.

In addition to customers notifying us when they have a complaint, many customers let us know how pleased they are with the CORCAN products and services they purchase. The Canadian Judicial Centre in Ottawa, Ontario; the Vanier Centre for Women in Brampton, Ontario; CFB Esquimalt in British Columbia; and McGill University in Montreal, Quebec are a few of the diverse group of customers who have formally acknowledged their satisfaction.

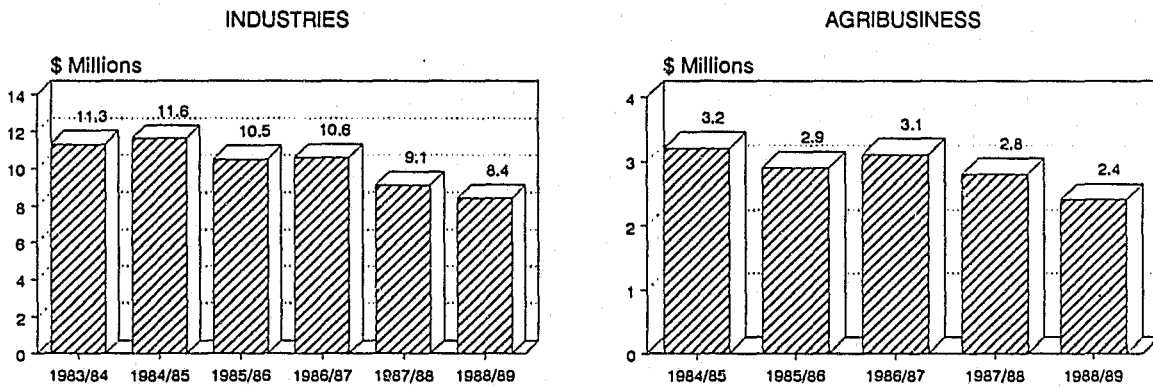
Cooperative Correctional Programming

Occupational Development Programs supports the Adult Basic Education initiative by tailoring operations, where feasible, to accommodate part-time employment. Approximately 8% of offender employees work part-time in Occupational Development Programs and are enrolled in the Adult Basic Education program part-time. The skills they learn in the classroom can then be reinforced through use in the industrial environment. In addition, incentive pay plans are being introduced to Occupational Development Programs industries plants. Completion of Adult Basic Education will be a pre-requisite for any offender who wants to work in one of these operations.

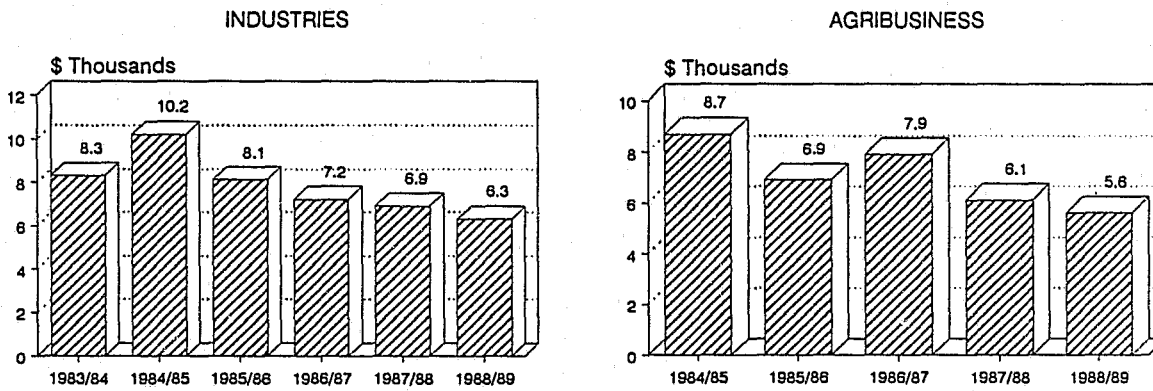
Net Program Cost

Occupational Development Programs has been able to achieve these record results while maintaining a downward trend in program costs. Since 1983/84, net program costs have decreased 25.7% to \$8.3 million at the same time that output, measured by value of production, has nearly doubled to \$11.9 million for the fourth sequential year. This decline is reflected again in the net program cost per offender. A decrease of 31.7% to \$6,300 from 1983/84 to 1989/90 has occurred in Industries with a similar reduction in Agribusiness - a 55% decrease to \$5,600 over the same 5 year timeframe.

NET PROGRAM COST



NET PROGRAM COST PER INMATE EMPLOYED



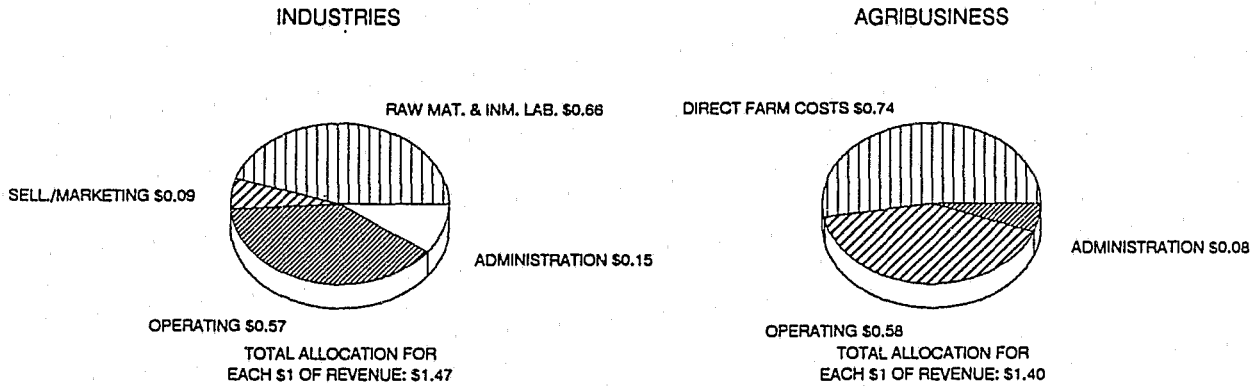
Allocation of Program Revenues

Although all revenue generated from the sale of CORCAN products and services is returned to the Consolidated Revenue Fund, the allocation of revenues to program costs is recorded and analyzed. Occupational Development Programs within its mandate calls for all operations to be conducted in a cost-efficient manner. To fulfill this, revenue generated from the sale of CORCAN products and services should at least cover direct program costs, including cost of goods and services sold. We are working towards the objectives of generating sufficient revenue from the sale of CORCAN products and services to at least cover direct program costs including cost of goods and services sold, selling and marketing expenses and operating expenses.

In 1988/89, direct program costs in Industries totalled \$1.47 for each \$1.00 of revenue generated - a reduction of \$.11 in program costs over 1987/88.

In Agribusiness, direct farm input costs also declined \$.11 from \$1.51 in 1987/88 to \$1.40 in 1988/89 for each \$1.00 in revenue generated.

ALLOCATION FOR EACH \$1 OF PROGRAM REVENUE 1988/89



ALLOCATION FOR EACH \$1 OF PROGRAM REVENUE 1987/88

