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Thank you to Global Public Affairs, especially John Allen, for their work on this report. Skills project sponsors and members of the Human Resources Policy Committee of the Canadian Chamber provided valuable contributions. Sarah Anson-Cartwright, Director, Skills Policy, is the contact for the report.
1. Why focus on upskilling by employers?

Skills mismatches continue to challenge employers across the Canadian economy. Job vacancy rates remain high in certain occupations, and the outlook is for more of the same.¹ The labour market reality is that supply takes time to adjust to demand. In the meantime, employers cannot afford to stand still. As this report reveals, employers are stepping up their resolve to close the skills gap by focusing on existing employees.

In speaking with employers, it is evident everyone is grappling with human resource challenges that are requiring different or more dedicated attention than ever before. Even as they seek to fill job vacancies and plan for retirements of staff, increasingly their response is to rethink and reconsider their role in the training, learning and development of existing employees.

“Where a government’s job ends and an employer’s begins is something of a gray area,” when it comes to solving the problem of the right skills for the jobs available, some have argued.²

A comprehensive response implicates government, the educational system and employers, at a minimum. This report focuses on the employers’ response and specifically on the role of employer-sponsored training in the upskilling of existing talent.

As Canada’s largest business association, the Canadian Chamber of Commerce wants policy-makers and other stakeholders to understand how employers are responding to the skills shortages and mismatches.

Our comprehensive report on the skills crisis conveyed the experience and opinions of companies, educators and other parties in sectors and regions across Canada as they cope with the impacts of skills shortages and try to address the imbalances in the labour market.³ The report on our skills and small business symposium articulated the challenges and needs of the SME community in closing the skills gap, when cost, time and the lack of human resource capacity are key barriers to employee training.⁴

Certainly, many employers would like the educational system to better prepare young people with soft skills as they enter the workplace. Other companies invest heavily in on-the-job training only to see how mobile human capital can be, even from large employers to small business. Still, others have shifted their focus significantly to retrain their workforce and to fund for future positions, in step with how their business has changed.

Across the employer community, however, the need to develop existing employees is acknowledged. Whether by collaborating with post-secondary institutions or responding to policy incentives, employers can and will do more as human capital enablers. It is a business imperative.

Consider this report as a step toward understanding and potentially leveraging the role of business to work with individuals, educators and governments to achieve better skills and better outcomes in Canada’s economy.

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³ Canadian Chamber of Commerce. Canada’s Skills Crisis: What We Heard. Sept. 2012. www.chamber.ca/download.aspx?t=0&pid=f1c0b24c-9bae-e211-8bd8-000c291b8abf
2. Context and Intent of the Report

Employers are often criticized for not investing enough in the training and skills development of their employees. Educational institutions are expected to do a better job at preparing individuals to enter the workforce, with more of the skills employers are seeking.

The context for this report is the fact that employers may sponsor more formal training of their employees and of prospective employees either as a result of their own proactive workforce plans or as a result of a financial incentive to be made available. Specifically, in its 2013 budget, the federal government set in motion changes to training support that are aimed at better linking the training of workers to the skills needs of employers.

To understand the potential outcomes of increased upskilling by employers, it is worth having a picture of employer-sponsored training and the need for upskilling and realignment of skills in the workforce.

This report is largely a review of Canadian research to synthesize what we know about the training eco-system and what employers offer to their workforce. It is interspersed with sidebar interviews with several members of the Canadian Chamber who provide the views of human resource executives, employers and educators.

Various related topics are covered including customizing education for employers; the issue of the apprenticeships; planning for reskilling and redeployment; job-readiness training for youth; and the perennial demand for soft skills.

This report offers an overview of all of the kinds of formal training available for employees. It also points out which skills development, training and learning seem to fall outside the purview of employers and may rest with educational institutions and other parties.

The main aim of this report is to investigate what to expect from employer-sponsored training and the possible outcomes of an incentive for such training. The focus here is on formal training of employees where the employer selects or approves and pays for the training. Formal training typically takes place off-site, often at educational institutions or training providers that can offer certifications (see the ‘Definitions’ section).

By laying out the training eco-system and its key players, this report will reveal any gaps left unaddressed by employer-sponsored training. Policy recommendations will flow from the identification of the current eco-system and the gap analysis of training for employees.
3. Definitions

This report focuses on **formal learning** that is employer-sponsored or supported. The Canadian Council for Learning synthesized the work of organizations such as the European Centre for the Development of Vocational Training (Cedefop) and the OECD to define three broad categories of learning: formal, non-formal and informal.

- **Formal learning** is seen as any learning activity that takes place in an organized, structured setting and leads to a recognized credential (also known as structured learning).

- **Non-formal learning** generally takes place alongside recognized education and training but does not normally lead to a formal certificate or credential (also known as continuing education or further education). The Conference Board of Canada refers to this category as social learning.

- **Informal learning** occurs during everyday activities and can be intentional or unintentional and is recognized by the learner as an activity that has led to the transfer of knowledge, understanding or skills (also known as experiential learning).

Whilst these definitions help, there is a blurring of lines between formal, non-formal and informal learning which makes research in the area challenging. This is demonstrated by the evolution of corporate training as mapped out by Bersin, with the Conference Board of Canada also noting there has been a shift from formal learning and individual focus towards social learning and group focus.

---


Modern Corporate Training

2008+

Collaborative, Talent-Driven Learning
• Formalize Informal Learning
• Collaboration and Talent Management by Design

1995-today

Blended and Informal Learning
• Mixing All forms of media with informal learning
• Learning On-Demand and Integrated Programs

1998-2004

The E-Learning Era
• Put materials online, Information vs. Instruction
• Web-Based courseware, virtual classrooms

1980s-1990s

Traditional and Computer-Assisted Training
• Instructor and Computer-Based

Source: Bersin by Deloitte, 2009

4. Focus on Training

This report aims to draw together available research, supplemented with interviews of experts in the field of training and development, to provide a picture of the training and learning that employers sponsor in Canada. To achieve this aim, this review will look to answer three main questions:

1. What does the training and skills development eco-system look like?
2. Where do employers sponsor training?
3. Where are there gaps in employee training?

This enhanced understanding will ultimately help inform discussions on current training and skills development and the best way to further develop employer-funded and supported programs.

A. Training Eco-system for Employees

To bring greater clarity to the training options available to employees, this review first attempts to build a picture of the formal training and learning eco-system for employees. This eco-system can vary greatly for both employers and employees depending on the sector and location, with size of the business also being an important factor. Indeed, even taking all these factors into account, there can still be big differences from business to business as some companies and individuals put greater emphasis on training and/or upskilling as a way to improve performance.

When deciding on the most appropriate training to offer employees, employers typically have four main decisions to make:

- What do I want to achieve?
- What resources do I have available?
- Who should provide the training?
- How should it be delivered?

Demand is dictated by the drivers, or why employers want to offer the training in the first place. There is a growing recognition that to be successful, training should be demand-driven and linked to overall business objectives. However, companies still have some way to go to become more strategic in how they develop their staff. In determining what the company wants to achieve, it must pick the right people to deliver the training to be effective.

When establishing what the company — and its employees — want to achieve through training and skills development, it must decide how much resources to allocate. As shown in the survey conducted by the Amex Small Business Monitor, this can vary from five per cent of companies that spend nothing on training, up to seven per cent that spend over 21 per cent of their revenue on training.

The training options for businesses are large and varied when it comes to selecting who will provide the training and whether it can be provided in-house or through an external supplier, either on-site or off-site. The delivery methods are also diverse and constantly evolving, thanks in large part to information technology and building on a great deal of research into what is most effective.

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### External Factors Affecting Training Choices

**Government, Regulators & Professional Organizations**
Set professional requirements and can provide incentives to invest in skills

<table>
<thead>
<tr>
<th>End-users</th>
<th>Drivers</th>
<th>Delivery</th>
<th>Suppliers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Must select training based on business objectives and resources available.</td>
<td>What encourages companies or individuals to invest in skills?</td>
<td>What are effective ways of making an impact and through what mechanisms?</td>
<td>Who provides the best value and expertise?</td>
</tr>
</tbody>
</table>

**Employers**

**Employees**

<table>
<thead>
<tr>
<th>Requirement</th>
<th>Necessity</th>
<th>Desirable</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Regulated professions</td>
<td>• Technical</td>
<td>• Optional accreditations</td>
</tr>
<tr>
<td>• Regulated trades</td>
<td>• Competitiveness</td>
<td>• Profile</td>
</tr>
</tbody>
</table>

**Style:**
- Formal
- Non-formal
- Informal

**Mechanisms:**
- Classroom
- Face-to-face
- Online
- Blended

**External**
- Private sector
- Value chain
- Government
- Education institutes
- Associate networks
- Unions
- Other

**Internal**
- Private sector
- Value chain
- Government
- Education institutes
- Associate networks
- Unions
- Other
1. Suppliers

Broadly speaking, suppliers can be split into internal (those inside the business) and external. The choice of external suppliers is wide, and for some small companies, confusing.\textsuperscript{12} The report by Canadian researchers for the OECD categorized the external actors involved in training and skill development, as outlined in the following table.\textsuperscript{13}

<table>
<thead>
<tr>
<th>Training &amp; Learning Suppliers</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Private-sector Trainers &amp; Consultants</strong></td>
</tr>
<tr>
<td>Trainers</td>
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<tr>
<td>Consultants</td>
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</table>

The Supplier Landscape

Larger companies often invest heavily in their in-house training capacity as a source of competitive advantage and promote the professional development offered as a way to lure the best talent. They can also usually call upon the best available external knowledge that can be tailored to meet their needs. When small companies look at formal training, they tend to rely more on what is available externally, although companies are trying to develop more in-house capacity.\textsuperscript{14}

- **Private-sector trainers and consultants** – Private-sector providers come in all shapes and sizes and can provide flexible training delivery depending on end-user budgets.


• **Value chain** – Partners within the value chain can offer support to develop skills. Large companies like HP\(^{15}\) and Tervita\(^{16}\) work with their suppliers and subcontractors to develop skills regarding environmental performance and safety. Companies can also offer training as a perk to customers.\(^{17}\)

• **Government agencies** – Government agencies tend to provide help where they can, particularly for small businesses. A good example is the government of Newfoundland and Labrador which worked with industry to develop the NL HR Manager,\(^{18}\) an online human resources toolkit.

• **Educational institutions** – Universities, community colleges and polytechnics can provide a range of training and bring the added benefit of providing qualifications and certifications. Companies of all sizes can offer to subsidize or cover the cost of education or training. Depending on the requirement (and the size of the company), these bodies can also sometimes work with companies to develop tailor-made programs.

• **Associate networks** – Associations and sector councils have become good vehicles for pooling resources to develop and deliver relevant training. For example, the Canadian Tourism Human Resources Council launched a project to measure return on investment and to develop tools that could be used across the tourism sector.\(^{19}\) Associations and sector councils can also offer certifications, such as the Supply Chain Management Association (SCMA)\(^{20}\) and the Forum for International Trade Training (FITT).\(^{21}\)

• **Unions** – Unions tend to be more common within the trades. Unions, such as United Food and Commercial Workers Canada,\(^{22}\) provide personal training, workshops, online and printed resources. The Fairmont Royal York Hotel in Toronto worked together with Local 75, the union for hotel workers in the city, to develop a sector-wide approach to workplace training.\(^{23}\)

There is also the possibility of combinations of any of the suppliers listed above. Partnerships that bring together different actors in the skills eco-system to deliver training can be highly effective.

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\(^{15}\) www.hp.com/hpinfo/globalcitizenship/environment/supplychain/ser_program.html

\(^{16}\) www.tervita.com/hse/safety/Pages/our-commitment.aspx


\(^{18}\) www.nlhrmanager.ca

\(^{19}\) www.essentialstoexcel.ca

\(^{20}\) www.scmanational.ca

\(^{21}\) www.fitt.ca/about


When Irving Oil decided it wanted to offer an Executive MBA program on-site for employees, it took its request to the University of New Brunswick. Guess how long it took UNB to get a program in place and ready for employee-students? Just 90 days.

In a win-win partnership, the company and the university have worked together to give 50 employees a year an EMBA education. Employees can put the theories they have learned into practice on a daily basis at work. Driven by the company’s former president, Mike Ashar, it represents a commitment to employee education as a competitive edge for the company.

The program is special since it is provided at the workplace, rather than putting the onus on employees to pursue learning completely off-site and outside working hours. Employee training is a joint responsibility, and employees need to consider what they need from employers to keep their skills at their sharpest, says Paul Davidson, President of the Association of Universities and Colleges of Canada (AUCC), which represents Canada’s 97 universities.

There has not been an increase in part-time studies in Canada as there has been in other jurisdictions, says Davidson. He notes in the U.S., for example, the majority of the students in post-secondary education are non-traditional students (i.e., either older or studying part-time). “Policies to encourage more participation in part-time studies would help,” he says.

“Universities have developed an expertise to provide custom-tailored programming for employers and others in the community who want it,” says Davidson. “New technology also allows them to deliver to remote settings; for example, to help improve the skills and prepare employees for life after working in the extractive industries.”

In addition, universities should be viewed as resources to employers and to employee-students to help them achieve their goals.

“There are literally hundreds of outstanding examples of how an enterprise has worked with a university to meet their specific needs.”

Davidson encourages business leaders to think of universities as an under-leveraged asset—for example in pursuing new international markets. More than 40 per cent of Canadian faculty have international experience; international students offer insight into new and emerging markets; Canadian students return from overseas internships with valuable skills and experience.

“Universities are dynamic institutions,” says Davidson. “One million Canadian students will receive their first university degree between now and 2017. Half the faculty at universities has been hired in the past 10 years.”

“Consider the power of university partnership in the Waterloo region, or think of how the Quartier d’innovation is transforming downtown Montreal, or see the urban renewal emerging in Windsor — all examples of universities responding to community and business needs,” he adds.

Davidson echoes what Canadian Chamber President Perrin Beatty has been saying recently to member chambers of commerce: “Pick up the phone and call a post-secondary institution, or better still, visit your local campus.”
2. Drivers

A number of factors have been identified as driving companies to invest in skills and training. The biggest driver for many companies is regulatory compliance and other legal requirements.\footnote{Belanger, Paul and Sylvie Ann Hart. Organisation for Economic Co-operation and Development. Leveraging Training and Skills Development in SMEs: An analysis of two Canadian urban regions: Montreal and Winnipeg. 2012. www.oecd.org/canada/Canada%20report%20FINAL%20formatted.pdf} There are also major benefits that may shape an employer’s decision to invest, such as increased competitiveness, productivity and business growth. Upskilling and training can also be seen as a key differentiator in attracting and retaining the best staff.

A major factor in determining training expenditures of smaller companies, in particular, are the professional requirements laid down by either the government or the profession itself. The government of Alberta\footnote{www.albertacanada.com/immigration/working/occupations-regulated-professions.aspx} has split such requirements into two business categories for the purposes of immigration: regulated professions and regulated trades.

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### Careers with Credentials (in Alberta)

- **Regulated professions:** professions are overseen by professional regulatory organizations and the government of Alberta has split this into five categories:
  - Business, finance, administration and management – e.g. accountant, management consultant;
  - Engineering, architectural, industrial and natural sciences – e.g. architect, planner, geologist, veterinarian;
  - Health, dental and emergency services – e.g. chiropractor, dentist, optician, pharmacist, physician;
  - Land use, natural resources and realty – e.g. forester, land surveyor, real estate broker;
  - Social, legal, education and government – e.g. lawyer, social worker, teacher.

- **Regulated trades:** to work in a compulsory regulated trade in Alberta, employees must be registered with Alberta Apprenticeship and Industry Training (AIT). For optional certifications, it is up to the employer to decide if individuals have the required knowledge and skills, if they have worked elsewhere in the job, but anyone learning the trade must become a registered apprentice.
  - Compulsory – e.g. automotive service technician, electrician, gasfitter, hairstylist, heavy equipment technician;
  - Optional certification trades – e.g. baker, carpenter, insulator, machinist, power system electrician, roofer.
3. Delivery

Delivery methods have evolved over time with many different theories about what constitutes the best method in any given circumstance. The OECD, the European Union and others have tried to bring some clarity and uniformity to the training ecosystem by categorizing different types of training and skills development into formal, informal, and non-formal.26

An OECD study27 found big disparities between Canadian regions in terms of formal qualifications as the ultimate outcome of training. While 62.7 per cent of training in Montreal leads to a recognized diploma or certification, that figure stands at only 19.4 per cent in Winnipeg. Differences also exist between small and large companies, with small companies preferring to invest in informal training, according to the Canadian Federation of Independent Business (CFIB).28

Training can be delivered in an ever-growing number of ways, and hybrid delivery methods are also becoming more popular. The Conference Board of Canada29 found instructor-led (or classroom) learning was the most popular with 58 per cent of the overall time spent and used by 95 per cent of companies. Online (self-paced) learning is also offered by more than three-quarters of companies. The Conference Board divides delivery methods into instructor-led, self-paced, or collaborative with delivery mechanisms being listed as either classroom, online, face-to-face or blended. Delivery can be short and intense, or spread out over five years in the case of some apprenticeships.30

For small businesses, the most common method used is on-the-job training (including apprenticeships), which is used by 53 per cent of firms. Coaching by either managers or external practitioners either at work or off-site is also popular.31

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4. Small Businesses

Small businesses with fewer than 100 employees account for 98 per cent of firms in Canada, employing a total of about five million people. The motivations for investing in training for smaller firms include improving productivity, increasing competitiveness, staff retention and flexibility and meeting compliance obligations from both the government and the sector.33

Small businesses do not generally have the resources to have in-house training capacity, or even a specialized HR function in many cases. This translates to them relying more on external resources for training, notably the government, industry associations and partners.34 That said, 26 per cent of SMEs said they had reduced or controlled training and development costs by developing their own in-house programs.35

A 2008 survey by the CFIB36 found 94 per cent of SMEs provided either formal or informal training, up from 88 per cent in 2002. Formal training was offered in 49 per cent of SMEs. A survey of 500 SMEs in Canada by the American Express Small Business Monitor37 shows this figure has held up, with only five per cent of small businesses not providing any budget for training.

The general notion that smaller companies invest less in skills is contested by different authors.38 Research suggests smaller firms tended to use more informal training and are also less likely to track expenditure which also clouds the picture.39

Investment in skills can represent a bigger risk for smaller companies as they have less capacity to absorb the cost and the workload. Smaller businesses that may be willing and plan to provide training for employees can encounter difficulties and have to cancel. The OECD study of Canadian SMEs’ training experiences found a third of companies surveyed in Montreal and a quarter in Winnipeg faced such difficulties.40

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SME training at colleges and institutes

“Colleges and institutes have a long history of working closely with employers in their communities to provide highly-skilled work-ready graduates,” says Denise Amyot, President and CEO of the Association of Canadian Community Colleges (ACCC). ACCC is the national and international voice of Canada’s 131 publicly-funded colleges, institutes, polytechnics and cégeps.

With their close ties to business, industry and community partners, colleges and institutes benefit from business and industry input for curriculum development through program advisory committees (PACs). Committee members are an external selection of exceptional leaders in their fields with a diversity of program-related experience and expertise. They identify current and future industry trends and shifts in the skills and knowledge graduates need to meet employer requirements.

PACs ensure programs are current and relevant to industry, business and society. In guiding the development of college programs, they help to ensure graduates are well prepared to begin their careers and contribute to their field. Most colleges and institutes must have a PAC already in place, with small- and medium-sized enterprise (SME) representation, in order to obtain provincial funding for a new program.

Colleges and institutes offer customized education, re-skilling displaced and older workers, training apprentices for Red Seal programs and seasonal workers, teaching English and French languages to new immigrants and providing essential skills to employees.

SMEs may turn to their local college or institute as a provider of customized training. For example, new software products and systems are continually introduced to the workplace, as are regulatory changes requiring skills upgrading and certification for SME employees. In rural and northern areas, the local college is often the only source of in-classroom technical skills training and a key way to help rural-based SMEs operate on par with marketplace demands.

Entrepreneurship development for entrepreneurs, small business owners and managers ranges from concept and business plan development to financial management and costing to market, etc. For example, the Nova Scotia Community College-led incubator will enable budding entrepreneurs to start their own businesses in geomatics, information technology and communications technologies. The Centre of Entrepreneurship at Centennial College partnered with the Canadian Union of Skilled Workers to design a program that will help members in transition acquire knowledge to run their own business efficiently.

Business and industry work with colleges and institutes to adopt consistent, collaborative, sector-wide approaches to ensure skills needs and challenges are identified, mapped and met to satisfy employer needs.
5. Trades

A trade is an occupation formally recognized by provincial or territorial legislation as requiring the method of apprenticeship training and certification (CGA, 2012).41 These trades can be further classified based on whether there are qualification requirements, i.e. those requiring a qualification (compulsory) and those where a qualification is desirable (voluntary).

Compulsory or Voluntary?

There are 393 trades listed, according to the Ellis Chart, a comparative chart of apprentice training programs in Canada.42 Of those trades, 55 are in the Red Seal program, accounting for almost 90 per cent of all apprentices and more than 80 per cent of the total trades workforce in Canada. 43 (The Red Seal provides the assurance that workers are qualified according to common standards of knowledge and competency, as defined by the industry across Canada, and thus assists in interprovincial mobility.)

Compulsory: Currently, there are 94 professional designations that are compulsory in one or more province or territory.

Voluntary: Additionally, there are 281 professional designations that are voluntary, meaning that qualification is desirable, but not mandatory, to practice that trade in certain provinces.

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42 www.ellischart.ca/h.4m.2@-eng.jsp
This picture is further complicated by variations in the requirements set by the 13 provincial and territorial governments in Canada. Many of these certifications need to be kept up to date, especially in professions that are highly regulated and must conform to new industry standards. Consequently, they can become a focus for training budgets for many companies involved with trades.

Training for these positions is influenced by whether the trade is compulsory or voluntary. Generally speaking, apprenticeships are the most common routes for achieving qualifications for compulsory trades. Individuals can also sometimes obtain a “trade qualifiers” certificate through practical experience and writing an exam. For voluntary trades, there is usually a broader selection of paths to qualification. Apprenticeships and trade qualifier options are still common, but work experience and on-the-job training are also sometimes sufficient.44

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**Apprenticeships**

Apprenticeships are workplace training programs designed to teach students the skills needed to meet an industry standard. Typically, apprenticeships would be made up of 80 to 85 per cent on-the-job training and 15 to 20 per cent technical training (Canadian Apprenticeship Forum, 2013).45 The on-the-job training component requires that an apprentice work roughly 1,600 hours under the supervision of a certified journeyperson, according to the ratios of apprentice-to-journeyperson set out by the trade. Only once the apprentice has accumulated the required supervised hours can he or she return to the in-class training component.

The technical element is undertaken in a college, union or private training centre or online. Once the student has completed the required hours and/or modules, he or she may then write an exam in order to become certified for a province or territory.

Lengths can vary depending on the requirements of the trade and the province, but apprenticeships normally last between two to five years.46

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An employer typically pays the apprentice’s wages, and the apprentice pays for tuition. During the in-school portion of the apprenticeship, apprentices are not paid by their employer. The usual practice is for employers to terminate employment in order for apprentices to claim employment insurance benefits while in school, which normally takes place in a block of eight to 10 weeks once a year. To move through each of the levels of apprenticeship, an apprentice must take an exam at the end of the each in-class training “block;” the final exam leads to “certification” which enables the tradesperson to practice his/her profession fully and be considered a “skilled worker.” Apprentices do not qualify unless they can get the on-the-job experience, and during times of high unemployment, companies may simply not be able to take people on. While the system relies on an uptake of apprentices by companies, only 19 per cent of eligible employers in the skilled trades are participating in this kind of training and most of them are SMEs.

Once an apprentice obtains the certificate of qualification at the end of all levels of training, he or she becomes a journeyman and can pass on his or her experience to apprentices. A major challenge for the trades is the dropout rates for apprentices, and a major explanation for high dropout rates in trades training is apprentices, particularly those in the later stages of their training, cannot afford to live on Employment Insurance for the months they are pursuing their in-class training.

Another factor to further dissuade candidates from completing their apprenticeships is the patchwork of provincial regulations making the system difficult to understand and providing little mobility between provinces. The issue of non-completion, including various employer-specific factors, is the subject of a report by the Canadian Apprenticeship Forum.

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47 http://apprenticeshippays.com/english/PDFEng/Toolkit_pdf_Section1.pdf
A perspective on apprenticeship training at polytechnic institutions

Apprenticeship is a form of learning, but in Canada, we treat it as employment. Apprentice learners are supported through the Employment Insurance system and not through the Canada Student Loan Program. Therein lie many of the problems that keep Canada from achieving the numbers of certified skilled trades professionals required to support our economy.

That is the view of Nobina Robinson, Chief Executive Officer of Polytechnics Canada, an association representing 11 degree granting and research-intensive colleges and polytechnics. In addition to offering post secondary credentials, these colleges and polytechnics offer in-class training for 225 apprenticeship programs in 52 of the Red Seal programs across the country. Last year, over 40,000 trades trainees pursued different levels of apprenticeship training in these 11 institutions.

To engage employers and apprentices, the apprenticeship system includes a patchwork of interventions, including a tax credit for employers who hire apprentices and direct grants to individual apprentices.

“But there is nothing to incent the employer to retain you (the apprentice) and to let you go and get your technical training to complete your trade certification,” says Robinson.

Although registrations and enrolment in trades training have been on the rise, the apprentice completion rate is below 50 per cent across the nation. This matters because Canada needs more certified trades professionals in order to train the next generation of apprentices to meet the demand in the labour market.

Among Polytechnics Canada’s policy recommendations are tax credits to incent employers to ensure employees can move to completion and certification. This should also boost the number of skilled trades employers who participate in apprenticeships, which stands at just 19 per cent according to data from the Canadian Apprenticeship Forum.

Employers are on the mind of John Tibbits, President of Conestoga College in Southwestern Ontario. In Canada, 98 per cent of all companies are small- and medium-sized, and they don’t have the infrastructure and find it costly to take on apprentices, he notes.

Many apprentices arrive at the employer without sufficient math and other basic skills to be trainable on the job. This can lead to frustration all round, for apprentices, journeymen as trainers and employers.

Tibbits’ answer, replicated elsewhere at other polytechnics and colleges, is to offer pre-apprenticeship programs for would-be apprentices. “They skill up with the math and tooling skills,” he says, “to be ready to become an apprentice.” And, they then will have more likelihood of being taken on by an employer.

Many small companies cannot offer training for the full range of skills for a trade. One option proposed by Sarah Watts-Rynard, Executive Director of the Canadian Apprenticeship Forum, is to allow small companies to pool apprentices and thus offer the full scope of training for a trade over three to five employers.

One of the innovations in trades training is the emergence of dual credential offerings at polytechnics like Conestoga. Apprentices are now able to work toward their business diplomas while also preparing for their trades competencies. Since many tradespeople are also entrepreneurs and business owners, this kind of dual learning opportunity helps to ensure they can be prepared for the demands of operating their own businesses.
6. Larger companies

Canadian research on employer-funded training at larger companies appears to be sparse at first glance or wrapped into broader international research. Much of the research available tends to highlight best practices and is undertaken by professional service firms.

A look at Canada’s Top 100 Employers provides some insight as to the types of initiatives offered by some of the larger companies operating in Canada. Larger companies can offer: tuition subsidies for education, accreditations and qualifications; apprenticeship programs; formal management training programs; formal mentoring programs; in-house training programs; online resources; new employee orientations; and career planning services. Companies can also provide support in other ways, such as allowing employees more flexible working conditions to accommodate training and granting leave (paid in some cases) to undertake higher education programs. Many companies have set up their own on-site learning centres to deliver the training, something out of the scope for smaller companies. In the U.S., there is a longstanding practice of corporate universities that have been tailored to specifically meet the needs of the company.

Within large companies, there are broadly two routes of career progression: management and professional (or technical). This is well illustrated by the career pyramid developed by Bersin. If employees progress up the company, there comes a point where they will be channelled into either management or professional/specialist functions. Larger companies usually open up training and skills development to those perceived to have high potential.

55 www.canadastop100.com/national/
Bersin’s Career Pyramid

Source: Bersin & Associates

Strategic workforce management and skills development

In response to shifting skills requirements and the potential for shortages of key capabilities, RBC has identified two action items in managing a large and continuously evolving workforce:

- Be prepared for ongoing training and re-skilling.
- Apply the same rigour to people planning as is given to designing business strategy.  

Jobs and required skills are continuously shifting to reflect changes in business, technology and customer expectations and require constant, ongoing skills development in employees. For example, as more banking transactions are conducted on-line, customers are more likely to contact front-line employees for advice or problem resolution. This has dramatically changed the role of customer service representatives in branches and call centres, requiring a significant increase in the demand for listening skills.

As skills requirements for entry-level positions increase, RBC provides extensive training for front-line staff before they come into contact with customers. This also provides an opportunity to formally communicate and educate new employees about RBC’s professional standards and cultural expectations. Not all companies provide such extensive initial training, choosing to hire entry-level employees with experience gained elsewhere. Employers have a choice between external hiring and internal talent development. RBC has concluded training, retraining and reskilling employees as business needs change is an option that pays dividends.

“No one has the silver bullet for people planning, but RBC is moving towards an integrated people planning approach based on several best practices,” explains Carlyle. “Essentially, we need to answer four key questions:

1. Based on our business plans, how many people will we need in each job?
2. What are the skill requirements for our key jobs, and how are they changing over time?
3. Do current recruitment, training and development plans need to change to meet evolving staffing needs?
4. How do we empower employees and managers to make career decisions that align with tomorrow’s demand for jobs and skills?”

RBC’s experience has some broader implications for other Canadian employers.

In an economy where skills requirements are constantly changing, companies may need to reconsider the skills jobs require. By articulating the core requirements for a role, employers may find they need to adjust recruitment and training plans.

Most skills development takes place by doing a job, not in a classroom. This is particularly true of job-specific, social and problem-solving skills. Employee development plans should account for out-of-classroom learning.

Recognize that without direction, it is difficult for employees to know what skills they need to develop today, and almost impossible to anticipate what the future will require. This is even more difficult for people entering the labour market. That is where a commitment to ongoing training and rigorous, integrated talent planning brings it together and helps employees and the organization.

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59 These are also two of the calls to action to companies, as stated in a global talent report by Oxford Economics, available online at: www.oxfordeconomics.com/my-oxford/projects/128942
B. Employer-sponsored training for employees

1. What employers spend on training

Employers can support skills development in training a number of ways, including: providing training, sponsoring training, covering associated costs of training or providing flexible work schedules.60

The notion of a global war for talent is extremely prevalent in research and in the media. A study commissioned by KPMG, undertaken by the Economist Intelligence Unit found 81 per cent of the global executives interviewed said putting in place the most effective talent management strategy will be key to competitive success (KPMG, 2012).61 Despite the importance given to developing talent, spending on learning and development has fallen in Canada, according to the Conference Board of Canada (2011).62 Canada also falls behind the U.S., spending an average of 64 cents to each dollar spent in the U.S. on learning and development.63

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In Canada, a 2012 survey found 92 per cent of small business owners believe well trained employees are the key to a company’s success.\textsuperscript{65} Overall 43 per cent of all sizes of companies expected to spend more and only 12 per cent expected a decrease. Expenditure on training was also encouraging amongst small businesses, with 65 per cent investing over three per cent of their revenue on training and development and only five per cent claiming to spend nothing.

In terms of hard numbers, a 2008 survey by the CFIB estimated SMEs on average spent $1,958 per employee on informal training and $746 on formal training.\textsuperscript{66} Overall, the CFIB estimates SMEs spend $18 billion annually to train employees, of which $5.3 billion is spent on formal training. This research also found the biggest spenders on training per head were actually the smaller companies of less than 50 employees. The biggest investors were companies with between five and 19 employees. They spend a total of $2,917 on average per employee, compared to $1,972 for companies with between 300 and 499 employees.

In terms of spending on formal training specifically, the CFIB found the very smallest (between two and four employees) are the biggest investors, spending on average $827, with companies with between 50 and 99 employees spending the least, but still only marginally less at $634.\textsuperscript{67} Interestingly, the American Express survey found 19 per cent of companies sometimes require co-payment by employees for training and development, and two per cent always do.\textsuperscript{68}

The picture is also varied across Canada, with the state of the economy and consequent skills and labour shortages being an important factor in determining how much is spent on training. The CFIB estimates 59 per cent of small businesses have had to ignore business opportunities as a result of either skills or labour shortages.\textsuperscript{69}

Location, too, is a factor. Employers in Alberta, B.C. and the Prairies invest the most in training, with those in Alberta spending $4,685 per employee.\textsuperscript{70} The logic seems to be that employers have to spend more on training in tight labour markets with high employment. The OECD report\textsuperscript{71} also highlights a rural-urban split in skills investment.

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2. Who invests?

Researchers have examined 14 Canadian industries looking at both level of investment and return on investment using data from 1999 to 2005. The data show the biggest investor in training is the finance and insurance industry; coincidentally, this sector also realizes the greatest return on investment from investing in skills. At the other end of the scale, the retail sector invests the least per employee. The authors suggest it could be practical for them to under-invest due to historically high turnover in the sector. That said, the acquisition of customer service skills in the retail sector can be highly valued to employees and former employees. As only four sectors demonstrate a return on investment, the authors also suggest there may be a threshold at which training begins to trigger measurable financial benefits.

### Expenditure and Return on Training Investment

<table>
<thead>
<tr>
<th>Industry</th>
<th>Average Training Expenditure ($/employee)</th>
<th>Internal Rate of Return</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Finance, insurance</td>
<td>430</td>
<td>23%</td>
</tr>
<tr>
<td>2 Communication, utilities</td>
<td>327</td>
<td>-</td>
</tr>
<tr>
<td>3 Forestry, mining, oil, gas</td>
<td>299</td>
<td>22%</td>
</tr>
<tr>
<td>4 Information, culture</td>
<td>264</td>
<td>18%</td>
</tr>
<tr>
<td>5 Primary product manufacturing</td>
<td>240</td>
<td>4%</td>
</tr>
<tr>
<td>6 Capital intensive tertiary</td>
<td>233</td>
<td>-</td>
</tr>
<tr>
<td>7 Secondary product manufacturing</td>
<td>204</td>
<td>-2%</td>
</tr>
<tr>
<td>8 Business services</td>
<td>204</td>
<td>-</td>
</tr>
<tr>
<td>9 Transport, warehousing</td>
<td>173</td>
<td>-8%</td>
</tr>
<tr>
<td>10 Construction</td>
<td>168</td>
<td>-</td>
</tr>
<tr>
<td>11 Education, health</td>
<td>151</td>
<td>-18%</td>
</tr>
<tr>
<td>12 Labour intensive tertiary</td>
<td>118</td>
<td>-15%</td>
</tr>
<tr>
<td>13 Real estate</td>
<td>114</td>
<td>-14%</td>
</tr>
<tr>
<td>14 Retail trade</td>
<td>84</td>
<td>-17%</td>
</tr>
</tbody>
</table>

Source: Percival, Cozzarin and Formaneck, 2013
3. What do they invest in?

Investment in the subject of the training varies across sectors and geographies. According to the OECD research,74 the biggest expenditure in training is on occupational health and safety (particularly in trades professions such as electricians or power line technicians), which according to the report, is becoming increasingly mandatory in Canada. Anecdotal evidence at the Canadian Chamber of Commerce’s symposium on skills and SMEs75 suggests training budgets are being swallowed up by mandatory training requirements.

The Conference Board76 finds 80 per cent of companies offer occupational health and safety compliance. The most common content offered was management and supervisory skills at 91 per cent, followed by new employee orientation at 85 per cent. New employee orientation was also highlighted by the CFIB,77 that found new hires with no experience were the most costly. A new hire with no experience costs $5,411 to train; established staff cost $2,254 annually and new hires with experience cost $3,469.

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According to the Amex survey, the most popular subject for SMEs was found to be job-specific technical skills, with training on that subject provided by 52 per cent of companies, closely followed by company-specific knowledge or skills at 49 per cent of companies. Other popular topics identified were sales, customer service, teaching employees to coach, negotiation, time management and communication.

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Human capital and the demand for soft skills

As one of North America’s fastest growing human capital consulting firms, Knightsbridge Human Capital Solutions has clients throughout the Canadian economy who have learning and training requirements. As Managing Director, Career Solutions, Kelly McDougald has a wide-ranging and pragmatic view of how corporations and medium-size businesses are currently investing in training.

“Competitive pressures and volatility in a sector can push companies to investment more, as they are doing in the pharmaceutical and retail sectors,” says McDougald. She has also noticed that since the intensive media focus on the temporary foreign worker program in early 2013, Knightsbridge has been receiving more requests to assist with redeployment for existing employees.

“There’s been a notable uptake in large employers’ interest in retaining and redeploying, rather than bringing in foreign workers,” says McDougald. “The outplacement business has expanded to include internal redeployment, career management and assessing the opportunities,” she notes. “Companies are asking: Can you train someone to migrate for another position elsewhere in the firm?”

Typically, there is a fundamental disconnect in most organizations. In her view, they don’t have a systemic analysis of the competencies required and what they need to address them. Research suggests, in addition to skills and abilities, there are attitudes and behaviours that are key to determining an individual’s employability. This notion of employability applies to employees seeking progression within a firm and to unemployed individuals or those seeking new positions with different employers.

Knightsbridge sees a high demand for soft skills training, and McDougald believes not enough of the soft skills are taught in university. She notes government, as an employer, is very rigorous in its approach to developing both soft skills and technical skills.

For the difficult task of measuring behavioural changes as a result of soft skills training, many HR practitioners rely on the Kirkpatrick Model of evaluating training programs. Behavioural change needs to be tested over time.

“With the push to data and the value of big data, the requirement for HR professionals to measure the ROI of their investment will grow,” says McDougald. Through the pursuit of ROI and sustainability, e-learning is emerging as an adjunct to reinforce learning acquired through training. The growth of Learning Management Systems (LMS) has enabled companies to better manage and track the effectiveness of e-learning. Accordingly, Knightsbridge has invested significantly in the development of e-learning courses to augment its classroom courses, which are more effective in teaching certain skills. The combination of classroom and e-learning, called blended learning, helps reinforce the content and leads to more effective and sustainable learning.

While employees cannot become certified for soft skills, there is a big demand for soft skills for people who are new to management positions. “An employee that has been a great engineer needs to cultivate the soft skills to match his or her technical skills,” explains McDougald.

McDougald wonders how much of the choice of training is because the individual wants to develop versus training to align with the employer’s needs. Employers often want to look after the employee, and she supports retention and engagement efforts. However, she advocates strongly that the employer should be developing a roadmap.

“We need to put the onus on employers to be thoughtful and purposeful in their acquisition of training, not scattershot,” she says. That is the mission of a human capital firm with its clients.

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C. Employee training gaps

From the research cited earlier, some gaps were identified that could have wider implications. These gaps relate to sectors, topics, social groups, the HR role and the measuring impact.

1. Sector gaps

As mentioned above, some sectors are more likely to invest in skills development and training than others. The retail sector, which is important as it is the first exposure for many to employment, was singled out as being the lowest spender on training. While this may be explained as possibly being linked to high turnover of employees, its role as a first employer for many people who go into other sectors makes it an important sector to look at in greater detail. Research also suggests there is little understanding of the importance of training in the service sector in general.

Job-readiness training and teachable fit: ways to expand the talent pool

ManpowerGroup helps people find jobs. Last year, however, the Canadian operation of the human resources solutions company tackled a specific challenge: helping unemployed youth with “job readiness” training and work placements.

The Ready-SET-Go! Program identified youth between the ages of 15 and 30 who had barriers to employment. ManpowerGroup Canada provided them with a four-week intensive training program covering personality assessments, conflict resolution, interview skills and “dress for success” among other sessions. The company partnered with employers to provide the young people with 16-week work placements and on-the-job coaching. At the end of the placements, the goal was for the young people to secure work or go back to school.

Created and managed by ManpowerGroup’s Janis Sugar, Director of Marketing, the program was funded by the government of Canada through Skills Link. There was no cost to the employers providing work placements, although the youth did receive salaries. Sugar is enthusiastic about the program, the “wonderful group of young people” who participated and the possibility of replicating it.

While Ready-SET-Go! focused on youth with barriers to employment, job-readiness training programs are more broadly available. Career Focus funds programs for post-secondary graduates to prepare to enter the workforce, for example.

Many employers say they are prepared to teach people their particular business and that they are looking for core competencies, skills and aptitudes. A white paper by ManpowerGroup suggests employers consider the concept of “teachable fit.” The company argues employers should broaden the candidate pool by considering “those who are best positioned – thanks to their skills and their personalities – to benefit from training and development.”

The “teachable fit” concept focuses on four questions:

- What capabilities are essential to performing the job?
- Which of these are teachable in an efficient way?
- Is there adequate time and money to develop those capabilities in the candidate?
- And do candidates have the capacity (both motivation and capability) to develop them?

The table is then set for employers to consider training in lock-step with their approach to hiring and the talent mismatch.


2. Literacy and essential skills

During the Canadian Chamber’s Symposium on Skills and SMEs,84 the general consensus from small business owners was that it was the education system’s responsibility to prepare individuals for jobs with basic skills, especially literacy and essential skills. Companies would take care of job-specific skills, but they still felt more could be done to prepare potential employees for the world of work.

SMEs could also be amongst the biggest beneficiaries in terms of return on an overall investment in essential skills. Companies with less than 20 employees could see a rate of return of 2,078 per cent over five years through an investment in adult literacy levels at a globally competitive standard.85 Despite the undoubted importance of these critical skills, they are rarely featured in the surveys as being a focus for training investment.86 Employment and Social Development Canada is looking to address this challenge through its Office of Literacy and Essential Skills. Some sectors, notably the tourism sector, have actively sought to develop these skills amongst employees.

Hierarchy of Skills

Source: Statistics Canada, 201287
3. Achieving return on investment

Research in recent years has increasingly focused on the return on investment of training. This serves the important function of making companies and individuals look more selectively at where resources are concentrated and redesigning strategies accordingly. Training leads to more productive employees, with estimated gains in the order of 11 per cent for classroom training and 3.4 per cent for on-the-job training, based on Canadian employee-employer data from 1999-2006. 88 One research project, based on 12 companies’ cases, identified the main barriers to achieving return on investment as: a lack of alignment with metrics that matter, not transferring skills to the job, and targeting training to the wrong audience.89

Companies of all sizes struggle to measure the real impact of training, but small businesses in particular find it difficult. Very few formally assess the impact of training, although they would like to. While some small businesses are keen to measure impact, they cannot find a cost effective or practical way to do so.90

4. The importance of the HR role

An increasingly strategic role for HR may help drive more effective skills development and training within a company. A KPMG91 study highlighted a dichotomy with only 17 per cent of respondents stating HR demonstrates its value to the business well, 59 per cent believing the role will grow in strategic importance in the years ahead and 55 per cent expecting the metrics that define success in HR changing fundamentally in the next three years.

Many small companies do not have a specialized HR role to help ensure training is more integrated with overall business objectives by, for example, better linking training to performance appraisals.92 Without spending on the broader professional development infrastructure, the benefits of training may not be fully realized.

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89 Canadian Chamber of Commerce. Closing the Skills Gap: Mapping a Path for Small Business. 2013. www.chamber.ca/download.aspx?t=0&pid=e5c0b24c-e111-8bd8-000f291b8abf


5. Broader inclusion

There are gaps in the training landscape for specific groups of society that receive comparatively less training from employers. Aboriginal peoples, residents of rural areas, low-income individuals and immigrant workers are all singled out by the Canadian Council on Learning as groups that need greater focus. As the labour market has been squeezed, these groups are becoming more of a focus for employers:

- **Aboriginal peoples**: The unemployment rate amongst Aboriginal Canadians is around 19 per cent, which is much higher than the Canadian average. The government has led the way on training up to now, with initiatives such as Aboriginal Skills and Employment Partnership and Aboriginal Skills and Training Strategic Investment Fund, but the private sector is becoming increasingly involved, particularly in the resource sector.

- **Rural communities**: The 2012 OECD study felt the training landscape in the urban areas they studied (Winnipeg and Montreal) was much more dynamic than the rural locations, where choice was often limited. The training landscape in remote Canada was the subject of a study by the Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities that highlighted examples of public-private partnerships as possible solutions.

- **Low-income**: The Conference Board noted the most educated groups received the lion’s share of training budgets, leaving the least skilled and generally low-income groups in a vicious cycle.

- **Older workers**: Age is a factor with 32 per cent of workers between 55 and 64 receiving some training, compared to 45 per cent for those aged between 25 and 54, although this gap has been closing. Older workers on lower incomes are significantly less likely to receive workplace training.

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94 www.aboriginalhr.ca/en/resources/getstarted/labourmarket


6. The education and employment gap

In bringing attention to the skills crisis, the Canadian Chamber has also highlighted the mismatch of education outcomes with labour market needs. Canada is not alone in identifying this disconnection: in its international report, *Education to Employment: Designing a System that Works*, McKinsey says the gap between education and employment is a major concern.\(^{102}\) In Canada and elsewhere, there are persistently high levels of youth unemployment coinciding with a shortage of people with the skills for job vacancies. The lack of skills is the main reason for entry-level vacancies for almost 40 per cent of the employers in nine countries surveyed by McKinsey.\(^ {103}\)

Although post-secondary institutions appear to be well aware and active in addressing this gap, the kindergarten to grade 12 education system also needs attention. Among the groups actively proposing changes to the system are C21 and The Learning Partnership. The forthcoming results of the OECD’s Programme for the International Assessment of Adult Competencies (PIAAC) will provide data and research for a sharper, deeper picture of our skills mismatch. The Council of Ministers of Education, Canada (CMEC), employers and other stakeholders will necessarily want to respond and propose actions based on that report among others.

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102  http://mckinseyonsociety.com/education-to-employment/report/
103  Ibid.
At the intersection of innovation and education

What can a technology-intensive, research-focused university provide in the way of employer-driven training? Ask Tim McTiernan, President of the University of Ontario Institute of Technology (UOIT), and the answer will be manifold.

With an aim to deliver programs to align with the market-driven requirements of employers, UOIT supports students’ transition to the workplace. Based in Oshawa, Ontario, the university embeds itself with the region’s employers with an average of 1,000 student placements such as co-ops each year, and through partnerships with firms, such as General Motors, Hewlett-Packard, Siemens PLM Software, Sun Microsystems, provides students with industry-grade software experience as part of its technology-enriched learning environment. With its capstone (fourth-year) projects, students work in small groups with a business to tackle a problem or project and offer solutions and recommendations.

Research partnerships with employers prompt companies to turn to the university for the training and upskilling of their employees. Organizations such as Ontario Power Generation and the Regional Municipality of Durham work with UOIT’s faculties to offer career-relevant diploma programs and certificates for their staff.

On soft skills training, UOIT has piloted a graduate professional skills program that includes sessions on entrepreneurism.

McTiernan sees a dual challenge facing employers and educators simultaneously. On the employer side, a company needs a strategy around employees to treat them as valuable assets. “The investment in time and financially in training has an ROI that is quite substantial,” he says. “While the size of a firm probably matters, there are many examples of small- and medium-sized companies with that approach who are incredibly productive and doing well in managing transformation.”

“Our obligation (as educators) is to understand that our job is not just to take young high school graduates, give them an education and throw them out to the workplace,” he says. “People need to re-address their skill base, analytical strengths and problem-solving capabilities in a hugely dynamic environment and continue to apply those skills and abilities in new work environments. And we need to connect with industry to understand the trends.”

UOIT has embedded IT into its learning model at all levels, and McTiernan sees the growing value of asynchronous delivery of education, providing opportunities online and on campus or a hybrid approach so people can learn when they need to.

As a university that contributes to advanced manufacturing in Canada, data analytics and informatics, and to smart communities such as efficient energy use, UOIT thrives on industry engagement and innovation. And if there is an area that should complement companies’ talent strategies in McTiernan’s view, it is the opportunity of data analytics and informatics to help them understand their markets in the most strategic and sophisticated of ways. Mark his words: there is a strategic advantage not to be missed.
5. Policy Implications and Recommendations

The training and development eco-system is complex, spanning a continuum from the supply side to the demand side with many actors and various actions on both sides. Consider the impact on a learner and potential future employee of the actors along the skills continuum, starting with high school guidance counsellors and teachers, then on to professors and instructors at the post-secondary level, co-op and internship-sponsoring employers, professional accreditation bodies and unions and, ultimately, employers of all sizes. Each and every one of those actors can influence the range and quality of learning and training choices for the potential or existing employee.

With a focus on the employer’s role in the training of employees, this report has raised several of the issues and gaps in our skills picture in Canada. There is no silver bullet solution to improve the picture. Despite the various incentives already in place, the research suggests there is scope to further alter and improve the employers’ training investment behaviour.

From the review of research, we have identified three broad areas where government action could improve the context for learning and training sponsored by employers across Canada:

**Build the skills base:** Employer-funded training tends to be concentrated amongst the best educated and highest earning employees. There is vast potential within organizations that is being held back by a lack of basic or essential skills. Employers may not see the value of investing themselves in these essential skills or in people at the start of their careers, but in doing so, it would ultimately have a positive impact across all sectors.

Government should directly or indirectly:

- Provide incentives for first employers (such as those in the retail trade) to invest in employer training;
- Embed literacy and essential skills in professional requirements and training programs;
- Facilitate partnerships to help develop literacy and essential skills for the groups in the labour force who do not normally benefit from employer-funded training.

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**Remove barriers:** Employers invested most heavily in the training that was necessary from either a legal or sectoral perspective. The complex landscape of differing trade qualifications across provincial borders also provides uncertainty and confusion for employers looking to invest in apprenticeships and for apprentices seeking to achieve completion.

Government should:

- Reduce the burden of compulsory training requirements or streamline delivery;
- Harmonize and/or allow for mutual recognition of trade qualifications across provincial borders to permit technical training to span various jurisdictions as needed;
- Find financing options to allow apprentices to be kept employed while in technical training.

**Measure impact:** Employers do not fully benefit from investments made in training and development due to a lack of understanding as to how best to link training to business objectives and measure impact. Different stakeholders should look at ways to ingrain the concept of business impact into employer decisions on training and development investment.

Government should:

- Invest in statistics to gauge the overall training and development picture across sectors in Canada;
- Develop tools that can be used to measure the training impact and develop the HR role internally, especially in SMEs;
- Incent training that brings the most benefit by including references to return on investment on funding applications and by promoting best practices.

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