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Effective practices in developing human capital

# BUILDING AND SUSTAINING A CULTURE OF INNOVATION/ ENTREPRENEURIALISM IN CANADA FOR COMPETITIVENESS AND GROWTH

*A discussion paper prepared for participants  
in the April 9–10 roundtable*

BY KURTIS KITAGAWA

March 2001

In her recent Speech from the Throne,<sup>1</sup> the Governor General, Her Excellency the Right Honourable Adrienne Clarkson, underlined the federal government's innovation agenda and its closely related skills and learning agenda, according to which the federal government has committed itself to "building a world-leading economy driven by innovation, ideas and talent" by pursuing economic and social success together.

On April 9–10, 2001, in Toronto, The Conference Board of Canada will be hosting roundtables to provide leaders with a unique opportunity to share with the federal Government their views relating to the success of Canadian firms in the knowledge economy.

This paper has been written by the Conference Board to help prepare participants for the roundtable.

## I. CHALLENGE AND OPPORTUNITY

Practical know-how and ingenuity is at an all-time premium. To be able to contribute to today's knowledge economy, everybody—from individuals to companies, to the full gamut of industrial sectors, to entire countries—needs to build and sustain a high-performance blend of skills, attitudes and behaviours. It is these that collectively drive innovation and entrepreneurialism, the keys to competitiveness and growth.

Building and sustaining a supply of people with the right mix of skills, attitudes and behaviours to generate innovative capacity and spawn entrepreneurialism, in turn, requires an integrated solution. Canadians must refresh their public policy

<sup>1</sup> To open the first session of the 37th Parliament of Canada, January 30, 2001 ([http://www.sft-ddt.gc.ca/sftddd\\_e.htm](http://www.sft-ddt.gc.ca/sftddd_e.htm))

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infrastructures, push back the frontiers of knowledge, build their skills and develop exchange networks. They must commit—in a deep and all-pervasive way—to success; and design and animate new structures for action.

Canada has long been regarded as a country of opportunity. However, its ability to create, and thereby to drive its performance and realize its potential, depends fundamentally on building and sustaining a culture of innovation and entrepreneurialism. That is the subject of this paper. It is also the focus of the roundtable to be held on April 9-10, 2001, in Toronto.

**II. OBJECTIVES OF THE PROJECT**

- To provide key stakeholders with a venue for reviewing the recommendations of *Stepping Up: Skills and Opportunities in the Knowledge Economy, the Report of the Expert Panel on Skills* presented to the Prime Minister's Advisory Council on Science and Technology in January 2001 (hereinafter referred to as the *Report of the Expert Panel on Skills*)
- To consult with key organizations and enlist their support for the government's Skills and Learning Agenda
- To demonstrate national leadership by acting as a catalyst for a shared commitment to concrete action on skills and learning
- To raise the profile of skills and lifelong learning issues as key government commitments for the 21st century, consistent with the message contained in the October 1999 Speech from the Throne
- To contribute to the formation of a positive public environment for action on skills and learning

**III. INTRODUCTION**

The purpose of this discussion paper is threefold. It is:

1. To present an overview /synthesis of the Report of the Expert Panel on Skills' recommendations
2. To articulate a framework for understanding the background and recommendations of the report
3. To help roundtable participants crystallize their thinking relative to the report

Participants in the upcoming roundtable on building and sustaining a culture of innovation and entrepreneurialism are encouraged to reflect on new and exciting ways in which the public and private sectors can collaborate to build Canada's innovative and entrepreneurial capacity. Solutions are needed that will promote a skilled labour force and innovative workplaces that provide incentives for their employees and reward creativity. This could be done through the creation of new collaborative public-private institutions and mechanisms such as the proposed Enterprise Canada, and by encouraging existing institutions to invest in their people. Only solutions such as these will lead to sustained growth.

Participants are asked to read this paper in preparation for the roundtable on April 9-10, 2001. You should be prepared to discuss the clusters of recommendations summarized in Section VII.

**IV. BACKGROUND**

The *Report of the Expert Panel on Skills* was commissioned by the Prime Minister's Advisory Council on Science and Technology as a vehicle for providing advice on present

► The Report of the Expert Panel on Skills was intended to stimulate dialogue on the roles and responsibilities of the different stakeholders in shaping the future that Canadians want.

and future skills issues as they relate to meeting the challenges of the knowledge economy and preserving Canada's high quality of life in a highly competitive global environment. The *Report of the Expert Panel on Skills* was produced in consultation with, and with input from, a broad spectrum of stakeholders. They include federal, provincial and First Nations governments; business and labour organizations; educators and trainers; and individual Canadians.

Right from the outset, the *Report of the Expert Panel on Skills* was intended to stimulate dialogue on the roles and responsibilities of the different stakeholders in shaping the future that Canadians want. The present paper was written with a view to stimulating discussion among participants in one of three roundtables being sponsored by Human Resources Development Canada (HRDC) to review the recommendations of the *Report of the Expert Panel on Skills*. The Conference Board of Canada is facilitating this roundtable, which is about creating opportunities. This document is offered to roundtable participants as an aid to discussing some of the key themes and recommendations relating to the creation of opportunities and to encourage participants to lead the process in doing so.

According to the *Report of the Expert Panel on Skills*, creating opportunities for "Building and Sustaining a Culture of Innovation/Entrepreneurialism in Canada for Competitiveness and Growth" requires an integrated solution. It requires one that includes people and institutions and gives priority to the development of Canadians' skills and to the recruitment, ongoing development and retention of talent.

The roundtable will focus on the *Report of the Expert Panel on Skills'* recommendations regarding: the creation of an entrepreneurial culture; improving our ability to invest strategically in research and development (R&D); improving Canada's R&D capacity; stimulating and supporting the creation and growth of knowledge-intensive small and medium-sized enterprises (SMEs); and improving exchange networks in all regions and subregions of the country.

### 1. Underlying assumptions

At the most basic level, both this paper and the roundtable suppose that:

1. Innovation leads to competitiveness and growth
2. Entrepreneurship is a key component of innovation
3. Canadians are lacking in entrepreneurial skills
4. A central challenge for building innovative capacity—and thereby competitiveness and growth—is to find ways to enhance the entrepreneurial skills of Canadians and the institutional structures that support entrepreneurship

### 2. The dual aspect of creating opportunities

Creating opportunities for building and sustaining a culture of innovation/entrepreneurialism in Canada has a dual aspect. It requires us to focus on encouraging the growth of the innovative and entrepreneurial capacity of our people as well as putting into place institutional or structural mechanisms that support the ongoing development of this "capacity."

### 3. What is a culture of innovation/entrepreneurialism?

For the purposes of the paper, we interpret "culture" in the broad sense as encompassing not only the innovative and entrepreneurial behaviours of individual Canadians, but also the encouragement and restraint (or disincentives) of the public environment and the support offered within private and public organizations through progressive HR practices that encourage, recognize and reward the innovative/entrepreneurial behaviours of employees.

► We interpret "culture" in the broad sense as encompassing not only the innovative and entrepreneurial behaviours of individual Canadians, but also the encouragement and restraint (or disincentives) of the public environment.

► *Building and sustaining a culture of innovation/entrepreneurialism therefore requires Canadians to engage in skills development on all fronts.*

Clearly, supporting the growth of such a culture of innovation/entrepreneurialism requires a comprehensive—even holistic—approach. It must be one that engages both the private and public sectors, and that follows the outcomes and impacts of past public policy program implementation. Supporting the growth of a culture of innovation/entrepreneurialism in this sense also requires linkages between, and encouragement from, both the private and public sectors. They must increase their competitiveness by forging strategic alliances, enhancing management practices, and encouraging innovation by front-line employees at every level of their organizations.

#### **4. The link to skills development**

Building and sustaining a culture of innovation/entrepreneurialism therefore requires Canadians to engage in skills development on all fronts—at home, in the education system, in the workplace and in the community. It demands the concerted efforts of business, education, government and the community. The challenge and opportunity of growing a culture of innovation/entrepreneurialism raises a whole host of “environmental” questions. These questions relate to public policy infrastructures, exchange networks and new structures for action that optimize Canada’s potential and leverage Canadians’ skills and knowledge for maximum advantage in the knowledge economy.

The challenge and opportunity of inspiring the growth of such a culture of innovation/entrepreneurialism raises important questions about how we can encourage and support innovation and entrepreneurialism through our public institutions and in the way we manage private sector employees. It suggests the need to evolve a new skills contract with clearly defined and supported roles and responsibilities for all stakeholders in the Canadian economy.

#### *Innovative and entrepreneurial capacity*

Innovative and entrepreneurial capacity is built on a solid footing in such basic skills as the ability to read, write, calculate and operate basic computer applications. Its foundation is built on the ability to think; analyze and solve problems; learn independently; exercise responsibility; adapt to a range of situations; communicate effectively; co-operate with others; and work in teams. And its full potential is released only when drive, determination, enthusiasm and commitment animate these skills.

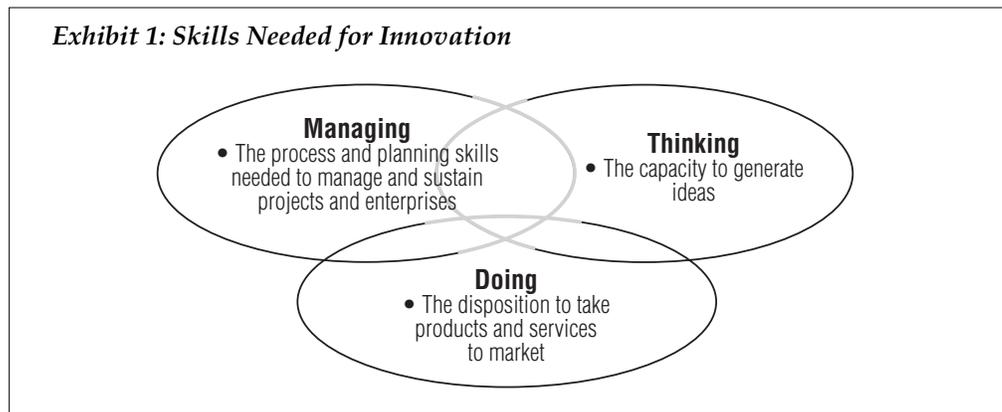
This combination of skills, attitudes and behaviours is not optional in the knowledge economy. Everyone’s commitment is needed to drive innovation. The innovative and entrepreneurial capacity of shop floor and office workers—no less than that of middle managers, technicians, skilled tradespeople, executives and professionals—are crucial to competitiveness and growth. In the quest for success in the new economy, mutually beneficial creative partnerships and strategic alignments between and among business, education, government and the community are essential. Strategic partnerships and value-added approaches grow out of a strong commitment to building and sustaining a culture of innovation/entrepreneurialism. It is only when a spirit of innovation/entrepreneurialism infuses and vitalizes the dreams and aspirations of entire countries, when decision makers and front-line actors are consistently motivated to explore creative options and design and deliver dynamic solutions and when a strong habit of making breaks, seizing opportunities and taking action is aligned with a thoughtful and long-term vision for the competitiveness and growth that supports and ensures a high quality of life and standard of living that a lead position in the knowledge economy can be achieved and sustained.

#### **5. A Recipe for Innovation: Thinking; Managing; Doing**

Innovation requires a full integration of thinking, managing and doing (see Exhibit 1). The capacity to generate ideas needs to be attached to the process and planning skills that

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are needed to manage and sustain projects and enterprises. And both of these need to be harnessed to a personal, organizational and institutional culture that takes useable products and services to market.



When elements of this innovation model are not sufficiently engaged, less than successful results occur.



When elements of this innovation model are not sufficiently engaged, less than successful results occur. For example, when great ideas go to market without proper management and planning, innovation may not be sustainable. On the other hand, great ideas supported by proper management and planning may be taken to market without an effective marketing and communications strategy. The result may be that a potentially profitable market is not properly segmented and is never fully mined. Other difficulties can arise even when good management and planning vehicles are in place and are harnessed to powerful marketing machines. Sustaining innovation requires a steady flow of good and useful ideas to cultivate and capture market demand.

#### 6. Skills and the Canadian corporate scene

The Conference Board of Canada recently published *What to Do Before the Well Runs Dry: Managing Scarce Skills*. This report makes it clear that from an organizational or business point of view, the skills that are in short supply in Canadian workplaces are the same skills that are needed to retain and develop talent. These skills, called “employability skills,” are also the same skills that drive innovation. This means that in order to build innovative capacity, companies need to build management’s employability skills, encourage their use, and build the infrastructure that supports the practice and exercise of these skills. This, in turn, will support the development of a culture of innovation and help Canadian business to retain talent.

#### 7. Skills and the Canadian economy at large

The *Report of the Expert Panel on Skills* suggests that the same findings apply to the entire Canadian economic environment. Canada has a major opportunity to improve its position in the knowledge economy. To take advantage of this opportunity, we will have to engage intelligently and immediately on all levels—business, education, government and the community—to encourage the growth of a culture in Canada that builds and sustains innovation and entrepreneurialism in today’s economy.

In order to build innovative capacity, companies need to build management’s employability skills.



### V. QUESTIONS THAT NEED TO BE ADDRESSED

From the foregoing, it is clear that the questions we need to address relative to implementing the recommendations arising out of the *Report of the Expert Panel on Skills* fall into two broad categories. First, what are the conditions necessary to create a culture and organization that lead to innovation and entrepreneurialism? Second, what are the roles of key economic players in creating that culture?

Now, more than ever, added value comes not only from innovations to a production or service delivery process, but also, emphatically, from improvements to human process, from careful attention to the human factors that are crucial to exploiting our enhanced capacity.

More specific questions include the following:

- ✓ What are the opportunities for Canada, and for Canadian firms, in building and sustaining a culture of innovation/entrepreneurialism?
- ✓ Where are the challenges?
- ✓ What are the conditions within organizations and within society generally that we need to create in order to ensure that we reach our destination?
- ✓ What are the roles of government, business, labour and educational and community organizations in building the culture?

## VI. SUMMARY AND INTERPRETATION OF THE REPORT OF THE EXPERT PANEL ON SKILLS

Discussing key recommendations contained in the *Report of the Expert Panel on Skills* will help us organize our reflections on the challenges and opportunities presented by the knowledge economy. Discussion will also help us to define new roles and responsibilities for business, education, government and the community to drive Canada's competitiveness and growth.

According to the *Report of the Expert Panel on Skills*, the growth of an innovative and entrepreneurial culture in Canada requires that all Canadians contribute to building Canada's capacity in all of the interconnected and interdependent areas of the new economy—public policy infrastructures, knowledge, skills, exchange networks, commitment to success and new structures for action.

The report emphasizes the organic connection between these six elements of the new economy, but does not underline the nature or even the physiology of their connection. These elements are clearly of three types. Three of these areas relate to institutional mechanisms—public policy infrastructures, exchange networks, and new structures for action. Two areas relate to the human capital that powers these mechanisms—knowledge and skills. And a third area—commitment to success—is the motivational hyphen that connects human capital to, and engages that human capital solidly in, the institutional mechanisms that have been retooled for high performance.

Understanding the nature of the different elements of the new economy and their connection is particularly important when taking action is necessary. For example, with regard to the "skills gap," it is clearly helpful to take a series of before and after shots and measure the relative growth of the gap that manifests itself. But the skills gap is about human beings and their innovative and productive capacity in the market. Unless we engage with the human and motivational dimensions of that gap, we will not be able to move real human beings, wherever they are—whether in business, education, government or the community—to take action to close that gap by increasing and improving their skills. In other words, Canada cannot address the skills gap in isolation. We must create the institutional conditions and encourage the psychological attitudes that will ensure that skills are not only being constantly recruited and tried but also enhanced and retained for continued high performance.

Now, more than ever, added value comes not only from innovations to a production or service delivery process, but also, emphatically, from improvements to human process, from careful attention to the human factors that are crucial to exploiting our enhanced capacity. A well-tuned machine, even one whose operations are mediated by information and communications technology, is useless without skilled, knowledgeable and personable human operators.

Only a sustainable, humane commercial process will ensure Canada's competitiveness and growth and sustain our comparatively high standard of living and enviable quality of life. That is because Canada's enhanced capacity in all of the key areas of the new economy needs to be actively leveraged for high performance by intelligent

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and motivated people. Only such committed and resourceful people can use and apply their innovative vision to constantly reshape the conditions that are conducive to top performance. These are the conditions that will attract energetic top performers.

Canadians have invested much energy in keeping up with the demands of the new economy. It is now time to turn our attention to the human processes and institutional structures within our businesses and industries. By “human processes” we mean the entire range of human resources practices that we use with employees, from recruitment to retirement. More specifically, we mean encouraging employers to become employers of choice, investing in developing their employees to build depth and adaptability within their employees, their organization, and beyond. Building innovative capacity requires this depth and adaptability, which enable individuals and organizations to constantly meet new challenges and take advantage of fresh opportunities.

Indeed, the main paradox underlined in the *Report of the Expert Panel on Skills* is that Canada’s graduates frequently have trouble finding jobs at a time when jobs are going begging. When we probe deeper, we find that Canada has a “persistent shortage of . . . technically competent people who can work in teams, communicate effectively and apply their technical knowledge to real world business problems” (p. 2). And if we probe even deeper below the surface, we find that although our post-secondary institutions tend to equip Canada’s young people with the technical skills they require, employers find that graduates often lack the communications, teamwork and project management skills (including cost control and budgeting) that they need. Under the current conditions, these skills tend to be developed best in a workplace setting.

The report emphasizes that the real skills shortage relates more to the supply of people with the right mix of skills developed through education and experience than it does to a lack of young people with the required technical abilities to fill the available jobs. When seen in this light, the challenge is to find better and more efficient ways to deliver the winning combination of education and experience. We must build on the strengths of the education system and leverage the capacity of business and government. Only by revisiting what and how young people learn and are taught—and how education, business, government and community can leverage their resources and capacity to provide education and experience—will we develop solutions that play to our real strengths.

## VII. SUMMARY OF THE RECOMMENDATIONS RELATING TO CREATING OPPORTUNITIES

▶ According to the Expert Panel, creating opportunities for “Building and Sustaining a Culture of Innovation/Entrepreneurialism in Canada for Competitiveness and Growth” requires an integrated solution that bolsters Canadian capacity on several fronts at once. This solution must:

- ✓ enhance the capacity of small and medium-sized Canadian enterprises;
- ✓ revamp labour market information;
- ✓ prepare young Canadians with the right combination of skills;
- ✓ enhance Canadian research and development capacity;
- ✓ develop exchange networks;
- ✓ encourage and cultivate a broadly shared commitment to success; and
- ✓ develop new decision-making structures.

We will look at each of these sets of recommendations in turn.

### 1. Enhance the capacity of small and medium-sized Canadian enterprises

Increasingly, Canada’s competitiveness and growth depend on the capacity of small and medium-sized enterprises (SMEs) to recruit and retain talent. SMEs need people to drive their innovation and growth, develop the skills of their existing employees, gain

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*The Ontario Centres of Excellence Program is a global leader and an excellent foundation on which to build.*



access to capital, transfer technology, commercialize research and development and increase their exports. Enhancing the capacity of Canadian SMEs is a vital structural issue. Canada's success in raising the skills of its citizens to drive innovation and growth depends on it. As a country, Canada needs to develop the capacity of its SMEs to upgrade the skills of their existing employees and absorb highly educated science and technology graduates who lack work experience. Building the capacity of its SMEs to do these two things will help Canada position itself for long-term competitiveness and growth.

The Ontario Centres of Excellence Program is a global leader and an excellent foundation on which to build. The *Report of the Expert Panel on Skills* reviews other models for enhancing the capacity of SMEs drawn from the experience of the United States, the United Kingdom and Ireland. The report recommends that the Minister of Industry Canada take the lead in creating 15 to 20 incubators and resource centres for technology enterprises across Canada (2.3). These incubators would be housed in post-secondary institutions, where they would have affordable access to the kinds of scientific, technical and business resources crucial to the start-up and growth of SMEs in the technology area.

The report also recommends that the Ministers of Industry Canada and Human Resources Development Canada develop a program, modeled on the British *Teaching Company Scheme*, to help SMEs absorb the recent graduates in science and technology who will help drive their own competitiveness and growth as SMEs (2.4). In the British model, Master's and Ph.D. students are paid a salary at market rate by the government while they work on research and innovation projects for host firms. The government also compensates post-secondary institutions for their expenses in supporting and supervising placements and ensuring that employers and student employees meet their expected achievements. Finally, participating post-graduate students are brought together periodically for week-long business and management training courses at which they learn from business faculty and build networks with other participants hosted by other SMEs.

## **2. Revamp labour market information**

Canada needs to review how it gathers and delivers labour market information. We must address this structural issue in order to extend our capacity for innovation and growth. More specifically, the Expert Panel argues that when Canada collects labour market information, it needs to shift its focus from occupational titles to the skill sets required for any given occupation. The assumption is that the skill sets required in different occupations change rapidly. Simply knowing the occupations in which there are vacancies does not help Canadians prepare themselves to fill those positions.

Individuals and organizations in Canada also need to have timely skill-focused information on trends and conditions in the Canadian labour market. Without it, they cannot make sound career and learning choices or intelligent investment decisions.

## **3. Prepare young Canadians with the right combination of skills**

A third structural challenge facing Canada is the ability of its education system—from K–12 through post-secondary—to prepare young Canadians with the right combination of job- and trade-specific technical competencies and generic employability skills to get, keep and progress in employment in the knowledge economy.

There are already some excellent models in this area. Useful models that are familiar to Skills and Learning Roundtable participants include:

- ✓ Vitesse ([www.vitesse.ca](http://www.vitesse.ca))
- ✓ Innovation Network (<http://thinksmart.com>)
- ✓ Canadian Youth Business Foundation (<http://cybf.ca>)
- ✓ Taking IT Global.org ([www.takingitglobal.org](http://www.takingitglobal.org))
- ✓ Shad Valley ([www.shad.ca](http://www.shad.ca))
- ✓ The Prince's Youth Business Trust ([www.princes-trust.org.uk](http://www.princes-trust.org.uk))

*When Canada collects labour market information, it needs to shift its focus from occupational titles to the skill sets required for any given occupation.*



Recommendations 3.4 to 3.7 focus on teacher education and professional development to ensure that teachers are prepared to deliver essential and employability skills education and training in elementary and secondary schools.

Recommendations 3.21 and 3.22 focus on building the capacity of Aboriginal communities to use information and communications technologies, pursue careers in science and technology (3.21) and contribute to Canada's knowledge-intensive industries (3.22).

On the K–12 front, the *Report of the Expert Panel on Skills* recommends renewing local and regional infrastructures to better enable families, communities, educators and businesses to meet the learning needs of young children (3.1).

It also recommends (3.2) that the Council of Ministers of Education, Canada (CMEC) co-ordinate the efforts of business, education and government to develop a “concerted strategy for sharing best practices and for progressively incorporating ‘work studies’ and experience-with-work programs as core elements of elementary and secondary curricula” (p. 55).

A third recommendation (3.3) calls on CMEC to co-ordinate the work of provincial ministers of education to measure the acquisition of employability and essential skills levels of elementary, secondary and post-secondary students.

Recommendations 3.4 to 3.7 focus on teacher education and professional development to ensure that teachers are prepared to deliver essential and employability skills education and training in elementary and secondary schools. Recommendation 3.7 would see provincial ministries of education develop summer institutes and other programs to help current elementary and secondary teachers upgrade their science, technology and mathematics skills. Recommendation 3.4 calls on teachers to tap into a wider range of sources of labour market and career information and to keep in touch with employers. The expectation is that this “will better equip them to demonstrate the practical applications of what they teach, integrate co-op and experience-with-work programs into the curriculum, and help students returning from work assignments to reflect upon and internalize their experience” (p. 55). Recommendation 3.5 calls on provincial ministers of education to co-ordinate internships for teachers in non-academic workplaces, while 3.6 recommends that business executives participate in programs to help them experience and better understand the educational system and the classroom setting.

Recommendations 3.8 and 3.9 focus attention on revamping apprenticeship, including integrating it into the secondary school system (3.8), to enable Canada to produce the qualified tradespeople it needs.

Recommendation 3.17 clearly underlines the importance of nurturing a culture of lifelong learning, i.e., supporting learning before and beyond the activities of the public education system, in order to further Canada's competitiveness and growth. Recommendation 3.18 suggests that the Ministers of Industry Canada and Human Resources Development Canada develop a program, modeled on Great Britain's *Investors in People* and Ireland's *Excellence through People* programs, to help firms “adopt high standards and good practices in the management and development of their employees and managers” (p. 63). This would enhance the capacity of Canadian firms to innovate, grow and manage effectively in highly competitive global markets.

Recommendations 3.21 and 3.22 focus on building the capacity of Aboriginal communities to use information and communications technologies, pursue careers in science and technology (3.21) and contribute to Canada's knowledge-intensive industries (3.22).

#### **4. Enhance Canadian research and development capacity**

Another structural challenge addressed by the *Report of the Expert Panel on Skills* is that of enhancing Canadian research and development capacity to generate new knowledge. This knowledge is needed to develop new commercial products.

The report contains many wide-ranging recommendations to help Canada's post-secondary institutions contribute to the country's competitiveness and growth. Recommendation 3.10, for example, would link funding increases to a given post-secondary institution to that institution's strategic plans to improve its research and development capacity; increase the recruitment and retention through to graduation of students in science- and technology-related programs; broaden students' experience with work opportunities; renew faculty in disciplines essential to driving the knowledge economy;

Canada also needs to focus on encouraging and cultivating certain motivational factors, including a broadly shared commitment to success and a willingness to set collective goals that cut across traditional public- and private-sector boundaries.



and retrain the adult workforce. Recommendation 3.14 calls on provincial ministers responsible for post-secondary education to encourage colleges and universities in their jurisdictions to establish advisory committees to enable industry and other stakeholders to have input into the whole range of post-secondary programs. This is aimed at bringing post-secondary education and the world of work closer together.

### **5. Develop exchange networks**

Developing exchange networks to carry goods and services (including information and ideas) across the country and around the world is a further challenge identified in the *Report of the Expert Panel on Skills*.

Recommendation 4.3 calls on the federal Ministers of Industry Canada and Human Resources Development Canada to enhance the learning aspect of Community Access Program (CAP) sites, particularly in rural and northern locations, so that they truly become counselling and training centres.

### **6. Encourage and cultivate a broadly shared commitment to success**

Canada also needs to focus on encouraging and cultivating certain motivational factors, including a broadly shared commitment to success and a willingness to set collective goals that cut across traditional public- and private-sector boundaries. Canadians will then need to work together to actually achieve them. All of this needs to happen. If it does not, we will not be able to tie together our enhanced capacity to develop skills and knowledge and our expanded systemic capacity to absorb, utilize and apply made-in-Canada skills and knowledge. And we will not be able to develop and market made-in-Canada solutions across Canada and around the world. Governments can model this commitment to success by crafting public policies to foster wealth creation, sustain our social values and support public information systems.

Recommendations 5.1 to 5.3 focus on encouraging the development of a more innovative, entrepreneurial culture in Canada. Recommendation 5.1, for example, calls on the Council of Minister of Education to identify best practices and develop supporting curricula to help young Canadians from K–12 through post-secondary develop their problem-solving skills; and gain exposure to, and receive mentoring from, innovative and entrepreneurial role models. Recommendation 5.3 calls for the Minister of Industry to launch a national “*ParticipAction*” style campaign to celebrate the achievements of Canadian innovators and entrepreneurs and emphasize the advantages of building a more innovative, entrepreneurial culture.

### **7. Develop new decision-making structures**

Having recommended the sweeping capacity-building measures mentioned above, the *Report of the Expert Panel on Skills* calls for the development of new decision-making structures that cut across traditional public- and private-sector boundaries and pull together and leverage the innovative capacity collected through the previous waves of recommendations.

In particular, Recommendations 6.1 to 6.6 call for the establishment of an arm’s length, private executive agency, Enterprise Canada, (6.3) to “aggressively address skills and enterprise challenges” (p. 75). The creation of Enterprise Canada would represent a major new approach to job training and skills development and would be run by the private sector with cash injections from the federal government going directly into the hands of individuals seeking to upgrade their skills. If it were established, Enterprise Canada would constitute a new generation of agency—one designed for action. It would collect and manage the most up-to-date information on different sectors of the economy, the skills required in those sectors, and on employment opportunities. An agency like Enterprise Canada could also establish training routes for individuals, who would receive federal funding.

The creation of Enterprise Canada would represent a major new approach to job training and skills development and would be run by the private sector with cash injections from the federal government going directly into the hands of individuals seeking to upgrade their skills.



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An agency like Enterprise Canada could also be given the task of implementing and supporting a national standard for employers' human resource development activities modeled on the United Kingdom's successful *Investors in People* program (described earlier in the third part of this section).

As well, an agency like Enterprise Canada could support the establishment of regional enterprise incubators, as well as co-ordinate innovation and knowledge exchange between incubators and post-secondary programs in science and technology and SMEs (described in the first part of this section).

## VIII. SUMMARY

Collectively, the *Report of the Expert Panel on Skills* calls for massive support for infrastructure to help Canada's innovative capacity grow, nurture a culture of innovation and establish a new skills targeting and delivery agency that will bring Canada's innovative capacity and commitment to success into action.

Participants in the April 2001 roundtable, *Building and Sustaining a Culture of Innovation/Entrepreneurialism in Canada for Competitiveness and Growth*, are encouraged to reflect on new and exciting ways in which the public and private sectors can collaborate to build Canada's innovative and entrepreneurial capacity. By doing so, they will help to ensure that Canadians continue to enjoy their high quality of life and enhance Canada's competitive position in the global economy. Participants are encouraged to provide leadership in developing solutions. These could involve organizations investing in their employees or in forming alliances, especially between the public and private sectors. They must also support dynamic mechanisms with incentives for individuals and organizations. Only such solutions will lead to sustained growth.

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