

EMPLOYER INVESTMENT IN WORKPLACE LEARNING: REPORT ON THE TORONTO ROUNDTABLE

WORK AND LEARNING

Knowledge Centre

April 2008

Ron Saunders

This report was prepared by Ron Saunders of Canadian Policy Research Networks (CPRN) for the Canadian Council on Learning's Work and Learning Knowledge Centre with financial support provided by the Canadian Council on Learning (CCL). It is issued by the Work and Learning Knowledge Centre as a basis for further knowledge exchange. The opinions and conclusions expressed in the document, however, are those of the authors and do not necessarily reflect the views of the Work and Learning Knowledge Centre's members.

The Work and Learning Knowledge Centre is one of five knowledge centres established in various learning domains by the Canadian Council on Learning. The Work and Learning Knowledge Centre is co-led by Canadian Manufacturers & Exporters and the Canadian Labour Congress.

This publication is available electronically on the Canadian Council on Learning's Work and Learning Knowledge Centre's website at www.ccl-cca.ca/WorkLearning, and on Canadian Policy Research Networks' website at <http://www.cprn.org/doc.cfm?doc=1860&l=en>.

For further information about this publication please contact:

The Work and Learning Knowledge Centre
1 Nicholas Street, Suite 1500
Ottawa, Ontario K1N 7B7
CANADA
Ph: (613) 241-3222
Fax: (613) 563-9218
E-mail: info@wlkc-csamt.ca

© 2008 Work and Learning Knowledge Centre & Canadian Policy Research Networks

All rights reserved. This publication can be reproduced in whole or in part with the written permission of the Canadian Council on Learning's Work and Learning Knowledge Centre. To gain this permission, please contact info@wlkc-csamt.ca. These materials are to be used solely for non-commercial purposes.

Cite this publication in the following format:

Saunders, Ron (2008). Employer Investment in Workplace Learning: Report on the Toronto Roundtable. Work and Learning Knowledge Centre and Canadian Policy Research Networks: Ottawa, Canada. 13 pages.

Ce rapport est aussi disponible en français sous le titre *Les investissements des employeurs dans l'apprentissage en milieu de travail : Rapport de la table ronde de Toronto*.

The Canadian Council on Learning is an independent, not-for-profit corporation funded through an agreement with Human Resources Development Canada. Its mandate is to promote and support evidence-based decisions about learning throughout all stages of life, from early childhood through to the senior years.

Employer Investment in Workplace Learning: Report on the Toronto Roundtable

Introduction

This document reports on the first of a series of regional roundtables on employer investment in workplace learning. While this issue has been the subject of recent discussions at the national level, the nature of the labour market and the institutional structure of the education and training systems vary from province to province. In order to gain an understanding of these differing perspectives, the Work and Learning Knowledge Centre (WLKC) of the Canadian Council on Learning (CCL) is partnering with Canadian Policy Research Networks (CPRN) to convene a series of roundtables on employer investment in workplace learning, involving senior government officials and senior representatives from business, labour, colleges/universities and NGOs from a particular province or region. The goal of the roundtables is to identify practical steps to ensure that the quantity and quality of workplace learning in Canada matches the needs of the economy and maximizes the potential of Canadian workers.

The first of these roundtables was held in Toronto on December 6, 2007. This report presents the highlights of that discussion.¹

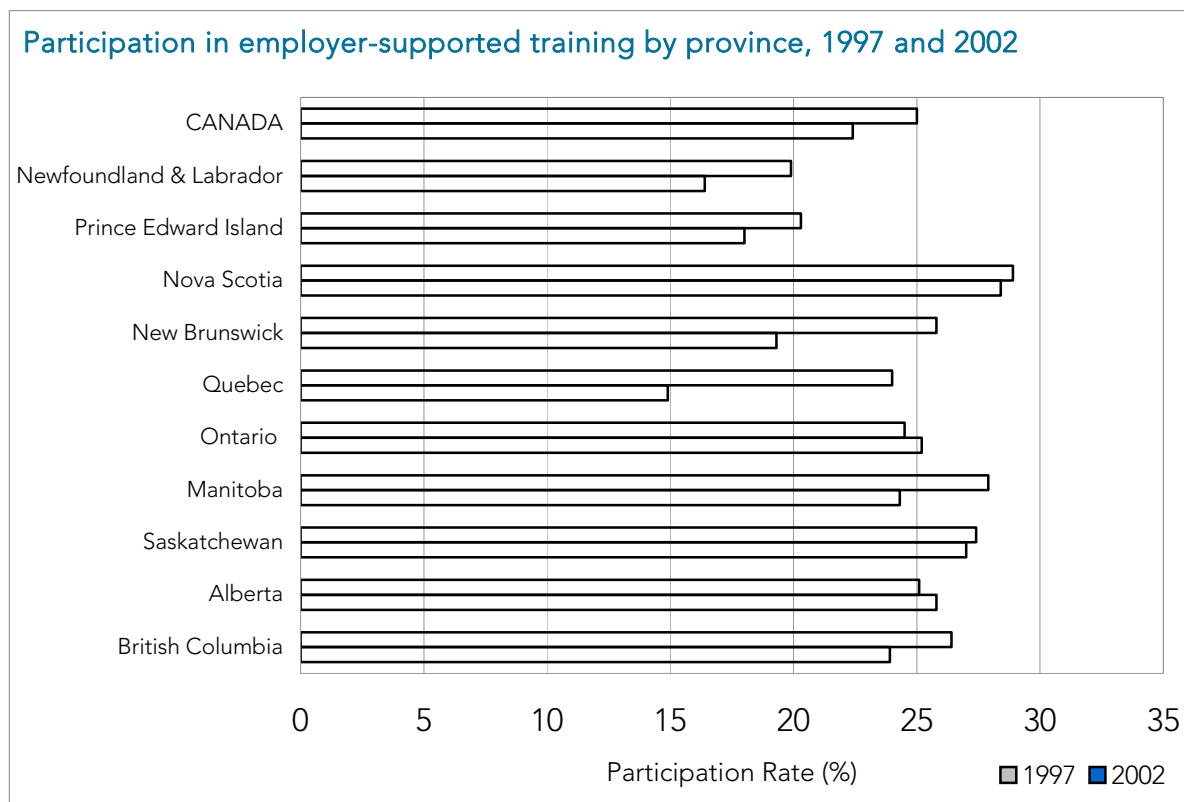
Background

Investment in developing the skills and knowledge of Canadian workers is becoming increasingly important, for several reasons. One is the demographic imperative. The ageing of the baby boom cohorts will bring about a slowing of labour force growth. We can no longer rely on large youth cohorts to renew the skills of the workforce: most of the people who will be in the workforce in 2015 are in it today, so it's becoming more urgent to make the best use of the workers we have now. A second reason for the growing importance of workplace learning is the rapid pace of change in technology, which means frequent changes in skill requirements on the job. In addition, while skill shortages are experienced in some occupations in some sectors, layoffs are occurring in the manufacturing sector. Displaced workers will be more successful in finding rewarding new employment if their skills are up to date.

Canada's performance in workplace learning has been mediocre. Less than 30 % of adult workers in Canada participate in job-related education and training, compared to almost 35 % in the UK and nearly 45 % in the US (Goldenberg, 2006). Moreover, as shown in Figure 1, there has been little increase in employer-sponsored training in Canada between 1997 and 2002.

¹ The agenda for the day is provided in Appendix 1.

Figure 1
Employer-sponsored training in Canada



Source: reproduced from Peters (2004). *Working and training: First results of the 2003 Adult Education and Training Survey*, Statistics Canada.

Yet evidence is emerging that those employers who do invest heavily in learning programs for their employees usually experience a high rate of return on that investment (Bailey, 2007).

Access to learning opportunities for less-educated adults, whether by returning to the formal education system through government-funded programs in the community or through employer-sponsored training, is generally poor in Canada (Myers and de Broucker, 2006). Yet over 40 % of adult Canadians lack the literacy skills they need to live and work in today's society.

To understand these issues better, to document promising initiatives in Canada and elsewhere, and to explore ideas for improving workplace learning in Canada, the Canadian Council on Learning commissioned CPRN to prepare the discussion paper, *Employer Investment in Workplace Learning in Canada*, which was authored by CPRN's Research Associate Mark Goldenberg. This paper set out data on Canada's performance, reviewed what is done in Canada and elsewhere to foster investment in workplace learning, and reported on interviews with leaders in Canada from business, labour, government, and the education sector. Its key findings included the following:

There are barriers to doing more:

- Employers (especially small- to medium-sized firms) are concerned about “poaching,” time off the job, and whether the returns to training justify the costs.
- Sometimes they lack information about how to find/organize training programs that would meet their needs.
- Workers question the commitment of government and employers to substantive initiatives in workplace training.

There are many ideas to overcome the barriers and there are promising practices here and in other countries. These proposals or practices include:

- partnerships among firms, workers, unions, governments and educational institutions;
- active advocacy by business organizations to encourage a training culture;
- a tool box with a wide variety of supports and initiatives and the flexibility to tailor their application to specific needs and circumstances;
- awareness campaigns and the collection of evidence to convince employers about the benefits of investing in workplace learning; and
- enhanced government financial incentives to firms (e.g., tax credits, matching training funds, mandatory employer contribution systems as in Quebec) and/or individuals (e.g., training leave, vouchers, learning accounts, use of Employment Insurance to provide benefits to workers on training leave), especially with regard to basic skills/literacy training.

In the fall of 2006, CPRN and CCL brought together leaders from the business and labour communities, from the colleges, and from federal and provincial governments to discuss these issues and to identify steps that should be taken to improve the quantity and quality of employer investment. Participants in the *Forum on Employer Investment in Workplace Learning* identified several ideas for action including:

- CEOs and unions should champion investment in employee training.
- Governments should explore new and enhanced incentives to encourage employers and workers to participate in learning activities.
- Organizations engaged in facilitating training should identify promising initiatives and exemplary practices.

In June 2007, at its Second Annual Symposium on Workplace Learning, the WLKC organized a further roundtable discussion in which constituency-specific roundtables identified approaches that they thought should be pursued.

- Labour participants focused their attention on training trust funds, training levies, and right to training leave.
- Business participants concentrated their discussions on financial incentives and information sharing.
- Education representatives discussed primarily essential skills issues, training trust funds, and information sharing.
- Government participants looked widely at a variety of approaches, including fiscal incentives, right to training leave, and the role of sector councils in supporting training.

These findings provide a backdrop to the discussion at the regional roundtables, and were presented to the participants in Toronto at the outset of the day.

Highlights of the discussion in Toronto

Thirty-six people participated in the Toronto roundtable. They came from a variety of backgrounds and perspectives: employers and employer associations, labour, government, colleges, universities, sector councils, and community training boards. A list of the participants is provided in Appendix 2.

Identifying issues and opportunities

In the first of the two dialogue sessions at the roundtable, participants were asked to identify issues and opportunities regarding investment in workplace learning in Ontario. The dialogue was conducted in small groups with a mix of people from the different sectors at each table. The key themes that emerged from this dialogue were the following.

Collaboration

By far the most dominant theme was the importance of collaboration and the opportunity it provides to lever more investment in training and more effective learning programs. Participants felt that collaboration can facilitate information sharing, pooling of risk, and economies of scale (e.g., more cost-effective development of training curriculum). Many forms of collaboration were mentioned, as follows:

- *Multipartite collaboration at the provincial level* on training issues. This has worked well in Quebec, and might be emulated in Ontario.
- *Sectoral organizations*. Sector councils have worked well at the national level. Some participants suggested the development of sectoral organizations at the provincial level. Such organizations are in place in several provinces (e.g., Quebec, Nova Scotia, and Manitoba).

- *Regional/community clusters.* Employers, unions, colleges, other training providers, government officials from a particular community or region, as well as provincial government representatives could meet to share information about labour market developments and skill needs, and develop strategies for learning programs. In some communities in Ontario, this sort of “collaborative governance” is done through existing labour market or training boards, but the degree to which such boards are active is uneven across the province. One of the discussion groups referred to the potential “power of the cluster.” “Clusters lever the energy of people coming together.”
- *Collaboration across departments within government and across levels of government.* The recent Labour Market Development Agreement in Ontario regarding EI-eligible clients, and the new labour market agreements for non-EI-eligible clients provide an opportunity to develop more integrated labour market programs in Ontario. The Ontario government is moving in this direction with the establishment of Employment Ontario.
- *Provinces learning from other provinces.* Information about promising practices should be actively shared across provinces.
- *Partnerships among employers, unions, and educational institutions.* Employers and unions can work with colleges on the development of learning programs tailored to the needs of the workplace or sector. Some collective agreements involve employer funding of union-led training programs (e.g., United Food and Commercial Workers, Canadian Auto Workers).
- *Articulation across education/training providers.* Providers and governments need to work to facilitate the portability of learning and to find ways to document competencies achieved whether through formal or informal learning. Quebec has made some strides in this regard.

Information

Participants in the roundtable emphasized that effective learning programs require good information about labour market needs, by sector, occupation, and community. Some of the collaborative mechanisms mentioned above can be useful vehicles for assembling such information.

Employers need information about how to develop learning programs and what is offered by training providers in their community. They also may need information about how to assess the return on their training investment and about the growing evidence of strong returns on investment in cases where a rigorous cost-benefit methodology was applied.

Incentives

There is a case for governments to provide incentives for employers to invest in workplace learning, since not all of the benefits of such learning can be captured by the employer or the employee. The case for incentives applies particularly to learning activities that lead to general, portable skills, as opposed to skills specific to a particular workplace or process.

The discussion of incentives was animated. Some pointed out that the case for any government intervention must be compelling—it has to be clear that the problem cannot be solved in other ways, and that any government expenditures will lever increases in learning activity.

Some participants, particularly those from labour organizations, pointed to evidence that Quebec's "1% Law," which requires employers to contribute 1% of their payroll to a public training innovation fund if they do not make a defined minimum investment in training, has worked to increase investment. Participants referred in particular to data from the *Adult Education and Training Survey* showing that employer-sponsored training increased the most in Quebec, in comparison with other provinces, in the period 1997-2002 (see Figure 1 above).

Representatives from small business expressed the view that it is more difficult for smaller firms to invest in formal learning programs than it is for larger firms and also more difficult for the former to deal with the paperwork involved in documenting compliance. As such, a levy system with the proceeds forming a pool to support training can involve the transfer of resources from smaller to larger firms. Quebec addresses this to some extent through a small business exemption, but there remains a concern in small business organizations that thresholds based on firm size can discourage the growth of firms.² In the case of the Quebec mandatory employer contribution system, which is at most 1 % of payroll, labour participants in the roundtable expressed the view that the levy is sufficiently small that it would be unlikely to have this effect.

Both labour and business participants in the roundtable indicated that the large EI surplus presents an opportunity for EI-based incentives for training. Employers favoured reducing EI premiums for organizations that invest heavily in workplace learning activities. Some labour participants pointed rather to EI-funded training leave—complementing a legislated employee leave with benefits from the EI program.

Flexibility

The question of whether or not certain elements of the training system need to be more flexible also elicited some differing opinions, particularly regarding the apprenticeship system. For example, participants in the roundtable from the small business sector expressed the view that that regulations regarding journey person/apprentice ratios

² For further details and analysis about Quebec's workplace training system, see Paul Bélanger and Magali Robitaille (2008), *A Portrait of Work-related Learning in Quebec*. Ottawa: Work and Learning Knowledge Centre. URL: www.ccl-cca.ca/WorkLearning.

should be eased to better enable smaller employers to participate in the program. Labour groups have concerns that this might undermine standards.

Foundation skills

Several groups indicated that special attention should be given to improving the skills of the workforce with respect to literacy, numeracy, and, for recent immigrants, language. Some referred to the essential skills framework developed by the federal government as a useful one. But there were some concerns about using results of essential skills assessments as a screening device when hiring.

Resources

Clearly greater investment in workplace learning will require new resources from employers and perhaps also from governments. Several participants in the roundtable noted that the improved fiscal position of governments and the improved profitability of corporations in recent years present a clear opportunity for new investment in workplace learning.

At the same time new technologies, particularly information technology, present new opportunities for workers in rural and remote areas to participate in learning programs. "People have an appetite to learn, and the resources should be there to take advantage of this."

"Best Bets" for Improving Investment in Workplace Learning

In the second of the two small group discussion sessions, roundtable participants were asked to identify the "best bets" — specific steps that would be likely to improve investment in workplace learning. For purposes of this session, participants were grouped by sector: labour, business, government, educators, and a grouping of people from training boards and sector councils. Each sector was asked to include in its proposals at least one that could be initiated by the sector itself, without waiting for others to act. Highlights of this ideas put forward, by sector, are as follows.

Provincial and Municipal Government Participants

- Develop a broad "human capital" strategy and situate workplace learning as an important constituent within in it. Be clear about the public policy imperative: where and why government intervention is required (e.g., a focus on disadvantaged groups). Identify supports for people to participate in learning throughout their lives.
- Look for opportunities to integrate programs/services across EI-eligible and non-EI eligible clients.
- Consolidate and share information on promising practices.

- Facilitate partnerships to address labour market issues.

Labour Participants

- Establish a permanent labour market partners' forum in Ontario, similar to the arrangements currently in place in Quebec and Newfoundland and Labrador.
- Provide incentives—some combination of carrots and sticks—so that employers increase investment in workplace learning. This could include a training levy by the provincial government, like the Quebec one, as well as use of EI funds by the federal government.
- Elevate training/learning issues (as a priority for labour) in collective bargaining negotiations.

Employer/Business Participants

- Employer associations could provide tools for their members regarding workplace training initiatives.
- Individual employers could promote co-op programs and internships in partnership with schools, colleges, and universities. "Take your teacher to work" days might be helpful in developing more support for vocational programs in high schools.
- Government incentives (tax or EI credits) should be considered.

Participants from the Education sector

- Develop modular curriculum that can be taken up in stages by employers and that is sensitive to their operational requirements.
- Give higher priority to the recognition of prior learning.
- Improve communication channels with employers (including having websites that allow employers to find curriculum that meets their needs).
- Work towards better articulation among different learning paths.

Participants from training boards/sector councils

- Build on existing mechanisms (such as sector councils and community/regional training boards) as vehicles to promote partnerships and disseminate information. This will require additional resources.
- Deliver programs through partnership models.
- Use EI to support the training of employed workers.

Conclusion

Participants in the Toronto Roundtable on Employer Investment in Workplace Learning recognize the importance, for a variety of reasons, of investing more in the development of the skills and knowledge of workers in Ontario. They also feel that the opportunity to make real progress in this area is growing: awareness of the issue is rising, governments are in a better fiscal position than in the past, and evidence is emerging of the gains to employers from investing in the development of their employees. Progress will require greater collaboration, at multiple levels, among governments, employers and employer associations, unions, providers of education and training programs, sector councils, training boards, and others. It may also require some form of government incentives for employers and/or employees to participate in learning activities.

Each sector represented at the roundtable put forward specific ideas for improving employer investment in workplace learning, including steps that each sector can act upon now. Many also expressed an interest in working together to develop new strategies and build or strengthen collaborative mechanisms—a number of individuals volunteered to help move this forward. The prospects for progress on workplace learning in Ontario look good. Now is the time for action.

Next steps

The Toronto Roundtable in Employer Investment in Workplace Learning is the first of a series of such dialogues that will be held in different parts of the country. We shall report on each of them, and there will also be a synthesis report that will reflect on this series of conversations and identify common themes as well as differences in regional context and approaches to the issue. But the most important steps are those to be taken by the participants and others who read this report and are in a position to help bring about action to improve employer investment in workplace learning in Canada.

References

- Bailey, A, 2007. *Connecting the Dots...Linking Training Investment to Business Outcomes and the Economy*. Ottawa: Work and Learning Knowledge Centre of the Canadian Council on Learning.
- Bélanger, Paul and Robitaille, Magali, 2008. *A Portrait of Work-related Learning in Quebec*. Ottawa: Work and Learning Knowledge Centre.
- Goldenberg, M. 2006. *Employer Investment in Workplace Learning in Canada*, Ottawa: Canadian Policy Research Networks.
- Myers, K. and P. de Broucker, 2006, *Too Many Left Behind: Canada's Adult Education and Training System*, Ottawa: Canadian Policy Research Networks.

Appendix 1

*Roundtable: Employer Investment in Workplace Learning
Debates Room, Hart House, University of Toronto
December 6, 2007*

Agenda

- 8:00 Registration
 Continental breakfast
- 8:30 Welcome and Introductions
- 9:05 Presentation on Key Research Findings
 Overview of the discussion paper
 Results of other forums/roundtables
 Key findings of other relevant research
 Q and A
- 9:45 Table Dialogue: Employer Investment in Workplace Learning in
 Ontario--Issues and Opportunities
- 10:25 Brief Reports Back to Plenary
- 10:45 Break
- 11:00 Table Dialogue: Addressing the Key Issues
- 12:00 Plenary Feedback and Dialogue
- Promising Ideas
 - Opportunities for Collaboration
- 1:00: Closing Comments/Next Steps
- 1:10: Adjourn and Lunch

Appendix 2

Roundtable: Employer Investment in Workplace Learning Debates Room, Hart House, University of Toronto December 6, 2007

Final List of Participants

Judith Andrew

Vice President, Ontario
Canadian Federation of Independent
Business (CFIB)

Anita Bennett

Manager, Policy & Projects Coordination
Unit, Strategic Policy & Initiatives Branch
Ministry of Training, Colleges & Universities

Phil Benson

Lobbyist
Teamsters Canada

Karen Bergin

Program Manager, Private Sector
The Chang School, Ryerson University

Karen Charnow Lior

Executive Director
Toronto Training Board

Gary Cronkwright

Executive Director
CON*NECT Strategic Alliances

Sonia Del Missier

Vice President, Academic
Cambrian College

Terry Downey

Executive Vice President
Ontario Federation of Labour

John Hugh Edwards

Labour Liaison
Work and Learning Knowledge Centre/
Canadian Labour Congress

Ann Robertson Everatt

Director, Community Services/ Continuing
Education, Fanshawe College of Applied
Arts & Technology

Simon Farbrother

CAO, City of Waterloo

Kevin French

Assistant Deputy Minister, Employment &
Training Division
Ministry of Training, Colleges & Universities

Mark Goldenberg

Researcher/ Author
CPRN Research Associate

John Hoicka

Senior Research & Policy Advisor
Colleges Ontario

Charles Ivey

Chair
Canadian Education Industry Summit

Ian Howcroft

Vice President, Ontario Division
Canadian Manufacturers & Exporters (CME)

Andrew Jackson

Director, Social & Economic Policy
Canadian Labour Congress

Cheryl Jensen

Vice President, Technology, Apprenticeship
& Corporate Training
Mohawk College of Applied Arts &
Technology

George Khoury

Director of Programs
The Alliance of Sector Councils

John MacDonald

Research Specialist
Canadian Union of Postal Workers (CUPW)

Shane McCarthy

Training Director, JTAC/U.A. Local 787 and
TTB Director
Refrigeration Workers Training Centre &
Toronto Training Board

Krystyna McLennan

Specialist Learning & Development
Dofasco Inc.

Earl Miller

Director, Organizational Learning
The Chang School, Ryerson University

Janis Miller

Dean, Corporate & Continuing Education
Humber Institute of Technology &
Advanced Learning

Cynthia Murphy

Director,
CON*NECT CASS Centre

Janet Murphy

Manger, Innovative Learning Solutions
ABEL Program, York University and
York Region DSB

Estella Muyinda

Executive Director
A Commitment to Training & Employment
for Women (ACTEW)

Plamen Petkov

Policy Analyst
Canadian Federation of Independent
Business (CFIB)

Ingrid Richter

Roundtable Facilitator

David Robertson

Director, Work Organization & Training
Canadian Autoworkers' Union (CAW)

Derwyn Sangster

Business Liaison
Work and Learning Knowledge Centre

Deborah Sattler

A/Manager, Policy
Ministry of Training, Colleges & Universities

Ron Saunders

Vice President, Research
Canadian Policy Research Networks

Gail Smyth

Executive Director
Skills Canada – Ontario

Alex Stephens

Coordinator
Work and Learning Knowledge Centre

Judy Travis

Executive Director
Hamilton Training Advisory Board