

# EMPLOYER INVESTMENT IN WORKPLACE LEARNING: REPORT ON THE HALIFAX ROUNDTABLE

## WORK AND LEARNING

Knowledge Centre

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Ron Saunders

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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](mailto:info@wlkc-csamt.ca)

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# Employer Investment in Workplace Learning: Report on the Halifax Roundtable

## Introduction

The issue of employer investment in workplace learning has been the subject of recent discussions at the national level. However, since the nature of the labour market and the institutional structure of education and training systems vary from province to province, it is important to gain an understanding of these differing provincial or regional 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 non-governmental organizations (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. The second was held in Halifax on February 18, 2008. This report presents the highlights of the discussion at the Halifax roundtable.<sup>1</sup>

## 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. The demographic imperative takes on particular importance in Nova Scotia, which has a somewhat older age profile than Canada as a whole.<sup>2</sup> A second reason for the growing importance of workplace learning is the rapid pace of change in technology as well as the demands of the global knowledge economy, resulting in higher and frequently changing skill requirements on the job. In addition, changes in the labour market also point to the increased importance of workplace learning. On the one hand, skill shortages are being

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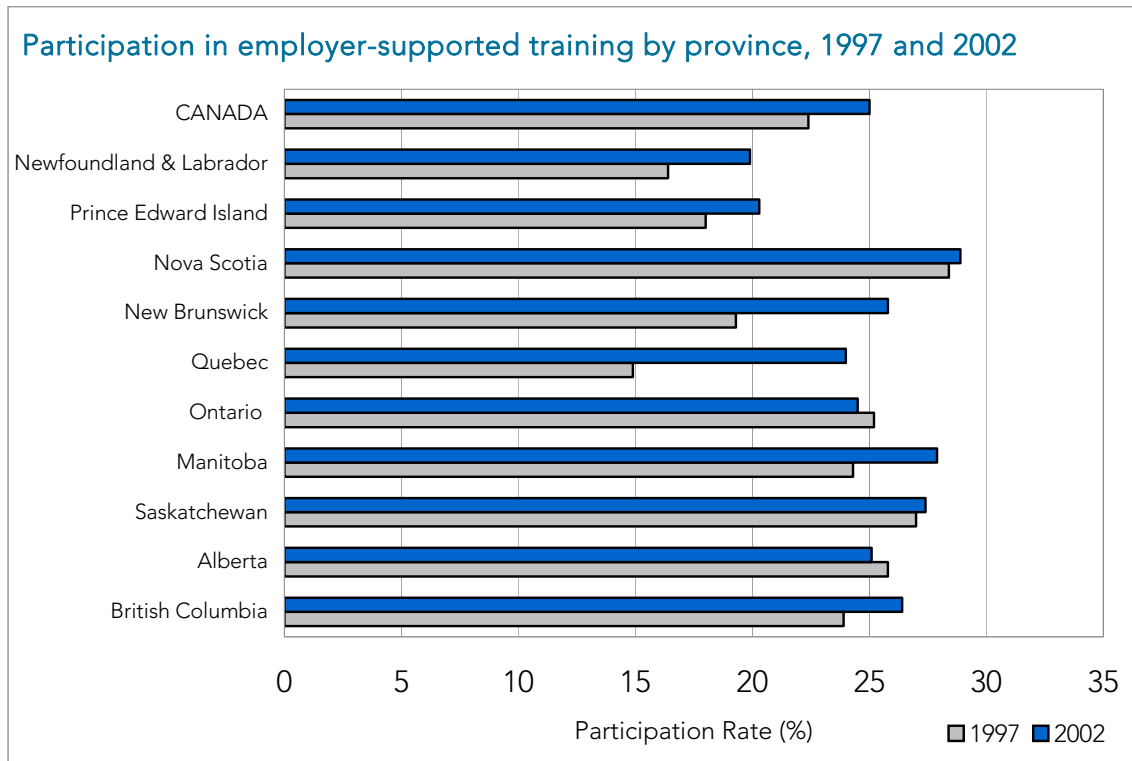
<sup>1</sup> The agenda for the day is provided in Appendix 1.

<sup>2</sup> Statistics Canada, 2006 Census.

experienced in some sectors, underscoring the need for increased skills training and development. On the other hand, 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 non-formal 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 as a whole between 1997 and 2002, though there were sizeable gains in the provinces of Quebec and New Brunswick. While there was virtually no gain over this period in Nova Scotia, it is noteworthy that within Canada, Nova Scotia has had the highest rate of participation in employer-sponsored training.

**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.

Evidence is emerging that 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 approximately 40 % of adult Canadians—the figures are similar for Nova Scotia — lack the literacy skills they need to live and work in today's society.<sup>3</sup>

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

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<sup>3</sup> Statistics Canada (2005). Building on our Competencies: Canadian Results of the International Adult Literacy and Skills Survey.

- enhanced government financial incentives to firms (e.g., tax credits, matching training funds, levy 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.

Similar ideas were expressed at a national roundtable in the fall of 2006 and at the WLKC's Second Annual Symposium on Workplace Learning held in June 2007.

These findings provide a backdrop to the discussion at the regional roundtables on employer investment in workplace learning.

### Highlights of the discussion in Halifax

Thirty-four people participated in the Halifax roundtable. They came from a variety of backgrounds and perspectives: employers, labour, government, educators, and provincial sector councils.<sup>4</sup> A list of the participants is provided in Appendix 2.

### A new architecture for workforce development in Nova Scotia

Bobbi Boudreau, the Director of Adult Learning in the Nova Scotia Department of Education, outlined plans for a new Department of Labour and Workforce Development, to take effect on April 1, 2008. It is to include the Skills and Learning Branch of the Department of Education, the responsibilities for regulation of the labour market currently housed within the Department of Environment and Labour, and the staff being transferred from the federal government to Nova Scotia as a result of the new Labour Market Development Agreement (LMDA).

The new department's aims include:

- improve client service;
- reduce duplication of programs;
- enhance access to opportunities for education, training, skills and knowledge development;
- increase literacy and essential skill levels;
- increase capacity among employers and workers to maximize the use of skills and knowledge in the workplace;

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<sup>4</sup> Nova Scotia has a network of sector councils at the provincial level.

- help employers become employers of choice; increase productivity and competitiveness;
- reduce barriers to employment; improve workforce outcomes for all Nova Scotians; and
- strengthen links among key labour market stakeholders.

The new department plans to develop a government-wide labour market strategy for the province.

## Identifying key issues

In the first of the two dialogue sessions at the roundtable, participants were asked to identify the issues that need to be addressed in order to improve employer investment in workplace learning in Nova Scotia. The dialogue was conducted in small groups with a mix of people from the different sectors at each table. The key issues that were identified in this dialogue are as follows.

### *Attitudes*

- Participants in the roundtable were concerned that too many employers and employees are complacent about learning issues, so investment in learning is not a high priority. Some employers take the attitude that if the job is not being done well, they can just replace the employee rather than provide training to improve their skills. Some owner-operators of small businesses do not have high levels of literacy themselves and are reluctant to see literacy/essential skills as an issue in the workplace.
- However, the rise in the Canadian dollar is putting greater pressure on employers to improve productivity. Also, declining labour force growth (as the baby boomers approach retirement age) will make it harder to simply replace workers who do not have high skill levels. These developments may force a change in attitudes. But it would help to have leadership from within the employer and labour communities: those who are investing and getting good returns from that investment could act as champions; unions could play a stronger role in promoting the value of training to workers.
- Some participants noted that promoting the value of workplace learning should be situated within a broader effort to foster a culture of lifelong learning.

### *Demonstrating Results*

- Connected to the issue of attitudes is the need to demonstrate to employers that investments in learning programs for their employees lead to a good return on investment. Employers will want to tie learning

investments to results, and training programs must be relevant to employer needs.

### ***Awareness***

- Employers may not be aware of the programs that exist to facilitate investment in workplace learning (such as Nova Scotia's Workplace Education initiative) or what offerings are available from education and training institutions.
- The new Department of Labour and Workforce Development could partner with other organizations (e.g., the Chamber of Commerce, labour organizations) to improve awareness of training opportunities.

### ***Partnerships***

- The example just given illustrates the benefits to be had from partnerships among employers, unions, education and training providers, and government. Some participants noted the importance of government leadership in this regard and the need for the new department to actively engage the labour market partners in the development of a labour market strategy.
- Greater collaboration among stakeholders and government is needed to build a more coordinated, cohesive learning system.

### ***Sustainability***

- Some roundtable participants noted that it can be difficult to obtain long-term funding for innovative training programs, even where good results are demonstrated. Governments need to ensure that initiatives that work are sustained.

### ***Improving delivery***

- Learning programs need to be sensitive to the learning styles of adults. Experiential learning may be more effective for some than programs that focus on classroom lectures. This may require the training of middle-level supervisors who can train and mentor others on the job.
- In some cases, such as learning programs for Aboriginals, it is particularly important to pay attention to cultural context and the needs of the community, not just the individual.

### ***Special barriers facing SMEs***

- As has often been noted in discussions of investment in workplace learning, participants in the Halifax roundtable cited particular barriers faced by small- and medium-sized enterprises with respect to investment

in structured learning programs (though it is recognized that much informal learning may occur in such enterprises). The key barriers faced by SMEs include:

- inability to realize economies of scale;
  - the cost of investing when profit margins are thin; and
  - the difficulties in replacing staff while they are on a training program.
- Sector consortia may be useful vehicles for helping members find collective solutions to training issues. However, some SMEs are reluctant to collaborate because of the risks associated with aiding competitors.

### *Focussing on the disadvantaged*

- It is well documented that employers tend to invest more in learning programs for those who are already highly skilled than they do for their less-skilled employees. Yet evidence is also emerging that when the less-skilled are provided with formal training, they benefit greatly from the opportunity, especially when it leads to a recognized credential. Some roundtable participants suggested that governments need to pay particular attention to training for the less-skilled worker.
- At the same time, roundtable participants stressed the importance of early intervention—helping those who are struggling in high school to stay in school and complete their diploma. It was also noted that some promising initiatives in this regard are under way.
- Reducing the high school drop-out rate could also have the benefit of making more people eligible to enter apprenticeship programs.

### **“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 in Nova Scotia. For purposes of this session, participants were grouped by sector at separate tables as follows: labour, business, government, educators, and sector councils. Each stakeholder group was asked to include in its proposals at least one that could be initiated on its own, without waiting for others to act. The “best bets” put forward by each group are as follows.

### ***Employers/Business***

1. Industry/sector based consortia to find collective training solutions.
2. Clear measurements of the return on investment in workplace learning programs; aligning training with business objectives
3. More effective marketing of services/programs to all labour market stakeholders by the new Department of Labour and Workforce Development, with the active assistance of business associations.
4. Facilitation by the new department of labour-business partnerships, particularly at the workplace level.

### ***Labour***

1. Establishment by the new department of a labour market partners' forum, with some decision making authority over labour market programs. Labour and business would be partners with the government, not just stakeholders.
2. A national training levy, along the lines of the Quebec levy, to be put in place by the federal government.
3. Greater priority given by unions to training issues in the collective bargaining process. Cost and time issues to be bargained between unions and employers.
4. Greater focus on access to learning opportunities for disadvantaged groups.
5. Continuing to promote the value of training to both workers and employers.

### ***Government***

1. Improving communication of existing programs.
2. Providing funding sources for "Learning Communities".<sup>5</sup>
3. Using the LMDA funds being transferred by the federal government to tailor labour market programming to the needs of the Nova Scotia economy.
4. Providing accurate and timely labour market information in collaboration with business and labour.
5. Providing a forum for dialogue among the labour market partners.

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<sup>5</sup> The learning community model, developed by the Organisation for Economic Co-operation and Development, involves a process at the community level in which learning is "systematically fostered in order to enable sustainable economic development, promote social inclusion and cohesion, and encourage civic and social participation." (Faris, 2007)

### ***Education/Training Institutions***

1. Collaboration on the development and delivery of programs.
2. Credit for structured workplace learning programs (i.e., articulation between such programs and post-secondary institutions).
3. More active use of prior learning assessment and recognition with regard to informal learning.

### ***Sector Councils***

1. A campaign (and possible awards program) to communicate success stories.
2. Lobbying government to change the Employment Insurance and Workers' Compensation systems to eliminate disincentives to re-entering the labour market, and to provide training grants.
3. Helping employers use investment in training as a way to retain workers.
4. Industry-managed training funds, like those that can be found in the construction sector.

Roundtable participants felt that, while some of the “best bets” would take time to develop, many could be acted upon now. For example, participants from the sector councils felt that they could start sharing success stories, while employer associations indicated that they could begin to create opportunities for their members to exchange information about workplace learning initiatives. All groups expressed an interest in starting to explore new mechanisms for partnership/collaboration, and some suggested the possibility of examining models used in other provinces (such as Saskatchewan, Quebec, and Newfoundland and Labrador) as a first step.

### **Conclusion**

Participants in the Halifax Roundtable on Employer Investment in Workplace Learning recognize the importance of investing more in the development of the skills and knowledge of workers in Nova Scotia. Many ideas were exchanged about how to move forward to achieve this. Each stakeholder group represented at the roundtable—government, business, labour, education/training institutions, and sector councils—indicated that there were steps they could take to encourage or facilitate more investment in workplace learning. They also recognized there is scope for greater collaboration both within stakeholder groups and among them. While developing the specifics of new mechanisms for dialogue and collaboration was beyond what could be accomplished at the roundtable, the discussion in Halifax demonstrated a strong appetite for further

efforts in this regard. There was also a strong interest in more active efforts to communicate what is available and share information about promising practices, and recognition that all stakeholders could do more to champion the importance of investment in workplace learning.

The Halifax Roundtable in Employer Investment in Workplace Learning was the second 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.

## References

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## Appendix 1

### *Roundtable: Employer Investment in Workplace Learning*

*Admiral Room, Lord Nelson Hotel, 1515 South Park Street,  
Halifax, Nova Scotia  
February 18, 2008*

### Agenda

- |       |                                                                                                                                                                                                        |
|-------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 8:00  | Registration<br>Continental breakfast                                                                                                                                                                  |
| 8:30  | Welcome and Introductions                                                                                                                                                                              |
| 9:00  | Presentation on Key Research Findings<br>Overview of the discussion paper<br>Results of other forums/roundtables<br>Key findings of other relevant research, highlighting data for Nova Scotia Q and A |
| 9:40  | Nova Scotia's New Workforce Development Architecture                                                                                                                                                   |
| 10:00 | Table Dialogue: Employer Investment in Workplace Learning in Nova Scotia--Issues and Opportunities                                                                                                     |
| 10:40 | Break                                                                                                                                                                                                  |
| 10:55 | Brief Reports Back to Plenary                                                                                                                                                                          |
| 11:20 | Table Dialogue: Addressing the Key Issues                                                                                                                                                              |
| 12:05 | Plenary Feedback and Dialogue <ul style="list-style-type: none"><li>• Promising Ideas</li><li>• Opportunities for Collaboration</li></ul>                                                              |
| 1:00: | Closing Comments/Next Steps                                                                                                                                                                            |
| 1:15: | Adjourn and Lunch                                                                                                                                                                                      |

## Appendix 2

### *Roundtable: Employer Investment in Workplace Learning Admiral Room, Lord Nelson Hotel, Halifax February 18, 2008*

#### List of Participants

**Robin Anthony**

Manager of Human Resources  
Bowater Mersey Paper Co. Ltd.

**Bobbi Boudreau**

Director, Adult Learning  
Department of Education

**Sheryl Briand**

Occupational Consultant  
Halifax Regional Municipality

**Robert Chisholm**

Atlantic Regional Director  
Canadian Union of Public Employees

**Rick Clarke**

President  
Nova Scotia Federation of Labour

**Margan Dawson**

Coordinator  
Association of Workplace Educators  
of Nova Scotia

**Kathleen Flanagan**

Coordinator  
Adult Learning Knowledge Centre

**Teresa Francis**

Prior Learning Assessment &  
Recognition Centre

**Derek Gee**

Director General  
Service Canada

**Paul Gillis**

Director, Policy and Research  
Atlantic Canada Opportunities  
Agency

**Mark Goldenberg**

Researcher/ Author  
CPRN Research Associate

**Lynn McDonagh Hughes**

Manager, Operations  
Nova Scotia Tourism Human  
Resource Council

**Gennie Himmelman**

Controller  
Elmsdale Lumber Co.

**Lynn Jones**

Co-Coordinator, Atlantic Region,  
Joint Learning Program  
Federal Public Service/Public Service  
Alliance

**Betty MacDonald**

Director, Continuing Education  
St. Mary's University

**Susan MacQuarrie**

Director of Human Resources  
Maritime Paper Products Ltd.

**Louise Michelos**

NS Department of Education

**Cliff Murphy**

President  
Cape Breton Building &  
Construction Trades Council

**Jacques Pelletier**

Director, Labour Market  
Partnerships, Skills and Learning  
Branch  
Department of Education

**Roger Peters**

Skill Development Coordinator  
Nova Scotia Department of  
Education, Skills & Learning Branch,  
Apprenticeship & Skill Development

**Judith Potter**

Executive Director, College of  
Extended Learning  
University of New Brunswick

**Keith Robicheau**

Director, Nova Scotia and Prince  
Edward Island  
Canadian Association of Municipal  
Administrators

**Corrie Robley**

Executive Director  
Nova Scotia Automotive Industry  
Human Resource Sector Council

**Anne Rodger**

Project Manager, School of Trades &  
Technology  
School of Trades, Nova Scotia  
Community College

**Paulette Sadoway**

Atlantic Regional Director  
Canadian Labour Congress

**Trent Sohlt**

Executive Director  
Nova Scotia Construction Sector  
Council – ICI

**Brian Stevens**

Treasurer  
Mainland Nova Scotia Building &  
Construction Trades Council

**Lise Thibodeau**

Education Officer - Atlantic Region  
Public Service Alliance of Canada

**John Hugh Edwards**

Labour Liaison  
Work and Learning Knowledge  
Centre/Cdn Labour Congress

**Mark Goldenberg**

Researcher/Author  
Canadian Policy Research Networks

**Kathleen Howard**

Facilitator  
Kathleen Howard & Associates

**Derwyn Sangster**

Business Liaison  
Work and Learning Knowledge  
Centre

**Ron Saunders**

Vice President, Research  
Canadian Policy Research Networks

**Alex Stephens**

Coordinator  
Work and Learning Knowledge  
Centre