

# WHAT NOW?

## Rapid Employee Upskilling & Reskilling

An innovative approach to skills shortages

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## The Problem A skills shortage

A shortage of skilled workers remains a top challenge for businesses. Employers struggle to find workers who meet industry needs and job seekers without the specific skills demanded by employers find it harder to land jobs. As industries move towards digitalization of their processes and face fundamental changes to their business methods, new and higher levels of skills, which employers need and job seekers want, are essential.

In developed countries including Canada, employers are increasingly challenged to sustain their skilled workforces, as shifting demographics reduce the overall size of the labour market. This, combined with fewer opportunities to learn hands-on skills training in secondary school and the decades-long push towards university education over skills training, has reduced the skilled worker talent pool. Meanwhile, for employers of skilled workers, tomorrow's workforce will include most of the people they employ today – but only if those individuals acquire higher level skills.

In short, more skilled workers have hit retirement age, there is a shortage of people with necessary skills leaving the education system, and there are too few quality training programs. These challenges are expected to continue and even grow as Canada welcomes an increasing number of skilled immigrants who need to obtain Canadian credentials.

## The Solution

# An innovation whose time has come

While more training programs have adopted a demand-driven approach that focuses on high-priority skills, few have an answer to the ongoing labour shortage. One solution is recruitment into on-the-job training provided after an employment contract is signed.

Employers have been reluctant to invest in training their employees because of a fear they would leave or be poached by the competition. But it can cost employers more in low productivity if workers are not trained and then stay. The demand for skilled workers is now so widespread, employers have begun to recognize the need to invest in their own staff. For some employers, a long-term investment in people via on-the-job upskilling and reskilling can build the workforce they require and help them retain those people as their increased value is recognized. However, this solution requires a system of readily available rapid upskilling and reskilling programs that really build skills.

As more employers become actively engaged in defining and delivering well-structured, competency-based on-the-job training, it will enable more people to be considered for jobs for which they have the aptitude and interest. Job seekers, including youth, workers in transition, immigrants, women, indigenous people and people with disabilities who are a good fit for a specific skilled job could be hired first and then acquire the technical knowledge and skills they need to be proficient workers. Investment in training and the offer of rewarding career pathways encourages people to apply to work and then stay with their employer.

## Discussion

The problem of skills shortages is reported widely in the media and through industry association surveys.

For example: The number of [job vacancies](#) in Canada increased by 72 per cent between 2017 and 2022. [Small- to medium-sized enterprises](#) feel the shortage of skilled workers acutely. Only 21 per cent are very confident that over the next three years they will be able to hire the talent they need to expand their organizations. And, while 96 per cent of Independent Contractors and Business Association member [companies](#) expected 2022 to be as busy or busier than 2021, 75 per cent could not find enough workers to meet

demand. The [mining sector](#) expects there will be a gap of roughly 80,000 to 120,000 mining workers by 2030, forcing companies to deal with “replacement demand” even as they need to fill new positions. And Canada’s transportation, energy and manufacturing sectors will undergo the [most significant early shifts](#), as 46 per cent of new jobs in natural resources and agriculture and 40 per cent of new jobs in trades, transport and equipment require a more technical and enhanced skillset, according to RBC.

Demand for skilled workers continues to grow while the desire among young people to enter skilled work does not. [Skills Canada](#) estimates that 40 per cent of new jobs created in the next 10 years will be in the skilled trades, yet 84 per cent of Canadian youth say they would not pursue a career in the trades, [according to 3M data](#).

On top of a lack of interest in the sector among young working populations, in Canada the so-called Great Resignation is more of a Great Retirement. Retirement rates have spiked and will continue to grow. Of Canadians [55 years and older](#) who left their jobs in the year that ended in July 2022, 77 per cent retired; in July 2019 the equivalent proportion was 74 per cent. Recent [StatsCan](#) data reports that more than one in five working Canadians is close to retirement.

## The skills shortage is not a new problem

Educational capacity to introduce young people to skilled work and educate them for skilled jobs has decreased over the years. Like the [Greater Victoria School District](#), many secondary schools dropped shop class due to high infrastructure costs and teacher shortages. Meanwhile, trade schools across the country including [BCIT](#) also face instructor shortages which have caused some classes to be discontinued.

Over the last few decades, Canada’s bias towards the pursuit of university education as a preferred career pathway for young people has resulted in too few of them entering the skilled workforce. Taken together, this means that the replacement demand for skilled workers far outstrips the projected supply through conventional channels.

The number of ‘skilled trades’ program registrations have also declined substantially over the past 20 years. Figure 1 shows how this change has affected Central and Western Canada the most over the last decade.

**FIGURE 1: Percentage change in in apprenticeship registrations between 2013 and 2020, by province**  
(Higher Education Strategies Associates)



## On-the-job rapid upskilling and reskilling

Given the ongoing demand for skilled workers, training needs to be readily available and have the capacity to build skills rapidly. To be incorporated in the workforce development system at scale, rapid upskilling and reskilling programs must meet the needs and interests of both employers and job seekers, which most training methods have not done well. Attracting employers to offer this training on-the-job requires both a high probability of success and minimal loss of productive working and earning time. The incorporation of competency-based principles into training programs will lead to both. Listed in the most logical order of implementation these principles are:



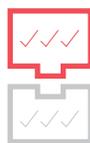
**01**

A focus on 'in-demand' jobs – actual vacancies for which employers are ready and willing to hire and train people. Training programs are built and delivered to meet real skills shortages and require that employers hire trainees as full-time, permanent employees at the start of their learning program. Trainees earn while they learn.



**02**

Employers work with curriculum developers to define the technical and non-technical competencies (knowledge, skills and attributes) a skilled worker needs to be proficient in each specific skilled job.



**03**

Job seekers are selected for training for skilled jobs based on the fit between their cognitive, personal and relational, and workplace readiness competencies and those that are essential for success in the specific skilled job.



**04**

Job seekers who 'fit' the job are hired by the employer at the outset of their training program.



**05**

Employers are active participants in delivering the 'practical' training needed to develop the technical competencies required for the skilled job and have incentives and support for doing so.



**06**

As and when appropriate, modular e-learning is offered to carry the principal load for knowledge training and close alignment of e-learning content with shop floor learning tasks.



**07**

Trainee success in learning programs is affirmed through an independent, valid and reliable competency-based certification process.

## Expected results

The offer of on-the-job training as described enhances industry competitiveness as companies are better able to attract and retain competent workers. Job seekers who want to acquire technical skills for in-demand jobs get the job-specific technical training they need and build a rewarding career pathway.

When programs incorporate the principles listed above, inequities within the labour market are reduced.

This competency-based approach is especially important to immigrants who have unrecognized credentials but may have some or all the competencies required for jobs. Employers recognize their pre-existing technical competencies and then provide effective training to build required technical skills. Quality training can also assist them to acquire the technical language of the Canadian workplace.



**Digital disruption and innovation will define the future of work. This future requires expedited learning that is flexible, timely and reflective of the competencies relevant for the future of industry, not the past.**

## Who offers this type of rapid upskilling and reskilling?

Some workplace training programs have moved toward a more demand-led approach that ensures trainees build the competencies required for specific jobs, but few incorporate all of the principles listed.

One organization that does incorporate all of these principles is Work-Based Learning Consortium (WBLC). It develops and manages work-based learning programs for entry- to mid-level skilled jobs, predominantly in the manufacturing sector. With support from a variety of government funders, WBLC compensates its partner employers for the time spent in the provision of the 'on-the-job' learning. The compensation is paid upon the trainees' successful achievement of all required job-specific competencies. However, the largest positive financial impact on an employer's business is that trainees become more proficient more quickly, improving the company's productivity and competitiveness.

Over the past nine years, more than 60 advanced manufacturing companies in Ontario have partnered with the WBLC team to train over 600 employees in entry- to mid-level skilled jobs, with over 90 per cent of trainees becoming long-term employees.

## Conclusion

Digital disruption and innovation will define the future of work. This future requires expedited learning that is flexible, timely and reflective of the competencies relevant for the future of industry, not the past. New approaches to training current and future workforces are essential for businesses to remain competitive in ever-evolving industries. Employers can be an excellent source for technical training – they have the equipment, the experts and the work environment essential for good technical skills learning. But employers have, until now, been focused on production not training.

As employers seek new skill sets in a limited applicant pool, quality, competency-based, rapid on-the-job upskilling and reskilling offers a logical and effective way for employers to build the workforce they need. As more funding is directed to training, more programs designed using the principles identified here will ensure that money is well spent – benefiting employers, employees and jobs seekers alike.

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