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The Role of Employers in Responsive Career Pathways

Background Paper for Blueprint

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Acknowledgements

About the Authors

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About Blueprint

[Blueprint](#) was founded on the simple idea that evidence is a powerful tool for change. We work with policymakers and practitioners to create and use evidence to solve complex policy and program challenges. Our vision is a social policy ecosystem where evidence is used to improve lives, build better systems and policies and drive social change. Our team brings together a multidisciplinary group of professionals with diverse capabilities in policy research, data analysis, design, evaluation, evaluation, implementation and knowledge mobilization. As a consortium partner of the Future Skills Centre, Blueprint works with partners and stakeholders to collaboratively generate and use evidence to help solve pressing future skills challenges.

About The Future Skills Centre

[The Future Skills Centre](#) is a forward-looking organization that prototypes, tests and measures new and innovative approaches to skills development and training. It is passionate about building a resilient learning nation, backed by an agile and responsive skills ecosystem that equips everyone with the skills they need to thrive in a rapidly changing economy and share in Canada's prosperity.

As a Pan-Canadian organization, FSC works with partners across the country to understand how global trends affect the economy, and to identify what skills working-age adults need to thrive within an ever-evolving environment. FSC is funded by the Government of Canada's Future Skills Program and was founded as a partnership between Ryerson University, Blueprint and the Conference Board of Canada.

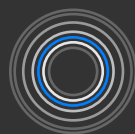


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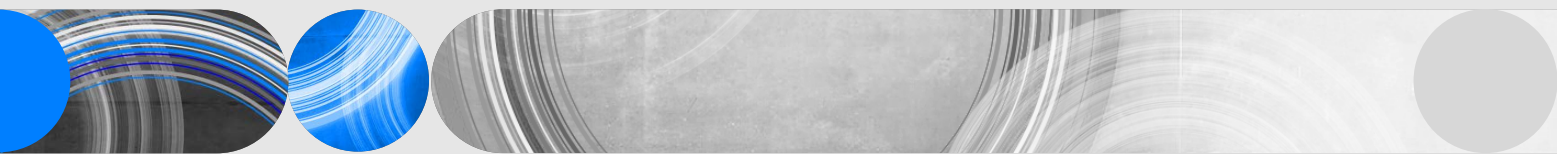
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Executive Summary

Employers are a critical stakeholder in establishing more responsive [career pathways](#)¹ for Canadians; as such, we need to consider how to help employers plan for disruption and support their current and future workers. As employers are grappling with the changing nature of work, it is important to understand and learn from their perspectives and their efforts to adapt.

In order to understand the challenges and opportunities employers are facing related to the future of work and skills, we reviewed select relevant publications, interviewed representatives from large employers and engaged with industry stakeholders through our Responsive Career Pathways roundtables. This paper summarizes key themes from our initial research and consultations and analyzes the implications for the Responsive Career Pathways initiative as well as efforts toward change in our career and employment services systems more broadly.

¹ Hyperlinked terms throughout the paper connect to the Glossary.

I Key Findings

Employers are striving to make sense of and adapt to the changing nature of work.	Employers are starting to question their established practices in HR, and approaches to career development and skills training, and they are concerned about how to ensure their workforce is resilient in the face of labour market changes.
Some employers are thinking beyond their own business.	There is a growing appetite among many employers to think about career pathways industry- and economy-wide. Some employers feel that fostering skills development, whether in their own business or beyond, is beneficial to the industry and is an element of corporate social responsibility.
Publicly-funded services are not meeting the needs of employers and their employees.	Beyond innovations in individual businesses, collaboration between publicly-funded services and employers is needed. Information sharing, integration of services and communication between the private and public sectors is needed to support employers and employees.
Small and medium sized employers (SMEs) face distinct challenges.	In contrast to many large employers, SMEs often do not have the resources and capacity to keep pace with the changing world of work, or as many buffers against risk or loss of investment. One possible solution is for large employers to act as “anchors” that SMEs can connect to and network with.

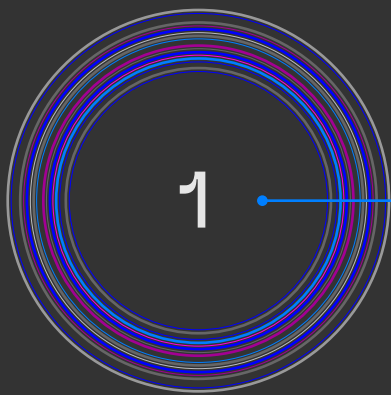
I Implications

New ways of collaborating with employers are needed. Publicly-funded career services need to be proactive in engaging with employers, finding opportunities to engage with employers to foster career transitions before disruptions occur.

There are opportunities to learn from and complement the efforts of leading employers.

Publicly-funded career services can build on innovations employers are already testing, helping to address any existing gaps, and working collaboratively to build comprehensive and cohesive career pathways for all Canadians.

Distinct responses are needed for different employer segments. Employers form a very diverse group, with many different types of capacity and needs. Experimentation with different models will be needed to learn how best to support employers and their employees across a variety of contexts.



1



Introduction



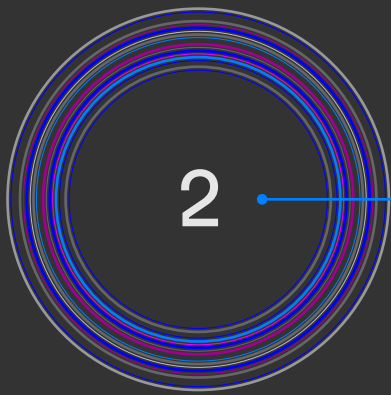
Introduction

Employers are a critical stakeholder in establishing more responsive career pathways for Canadians. In order to provide the services and supports that will equip Canadians to navigate the future of work, we need to also consider how to help employers proactively plan for disruption and support their current and future workers. As employers are themselves grappling with the changing nature of work, it is important to understand and learn from their perspectives and their efforts to adapt.

The Responsive Career Pathways initiative aims to incorporate the needs and perspectives of employers and a deep understanding of their role in strengthening Canada's career and [employment services](#) system. To that end, we reviewed recent research on the challenges and opportunities employers are facing related to the future of work and skills, and consulted with employers and industry stakeholders to discuss their ideas and perspectives.

This paper is only the beginning of this conversation. Our research and engagement to date has primarily focused on large employers that are at the forefront of dialogue and experimentation related to the future of work and skills. A key component of the [Future Skills Centre's \(FSC\) Responsive Career Pathways initiative](#) going forward will be broader and deeper engagement with diverse segments of employers and industry associations to strengthen dialogue and collaboration between industry, government and community.

This paper summarizes key themes from our initial research and consultations with employers and analyzes the implications for the Responsive Career Pathways initiative as well as efforts at change in our careers and employment services systems more broadly. The themes emerged from discussions in interviews with representatives from large employers already deeply engaged in dialogue and innovation on the future of work and skills; [engagement with industry stakeholders as part of roundtable discussions on Responsive Career Pathways](#); and a review of select recent publications focused on the challenges and opportunities faced by employers related to the future of work and future skills.



2



Key Themes



Key Themes

I Employers Are Striving to Make Sense of and Adapt to the Changing Nature of Work

The rapid pace of change in the labour market is causing many employers to question their traditional understanding of effective talent and human resource practices and re-examine their approaches to career development and skills training. Increasingly, employers are grappling with critical questions about the impact of labour market change on their current and future employees, and asking how they can make their businesses and workforces more adaptable and resilient to the future of work.

A key challenge for employers is overcoming gaps in knowledge and understanding about the pace and nature of labour market change, and the skills and competencies of their current workforce.

Our stakeholder roundtables highlighted the fundamental uncertainty many employers face in trying to predict future hiring and skills needs. Our interviewees also noted that more granular information on the skills and potential career paths of current employees is needed to support effective planning. Interviewees also noted that in the face of uncertainty about labour market change, it is important to adopt a longer-term perspective on hiring, career development and skills training and to incorporate more advance planning for how to respond to upcoming disruptions. Adopting this long-term perspective is particularly challenging for businesses who are facing disruption or lack the scale and resources to invest in sophisticated workforce planning.

While interest is building internationally around the question of preparing for the future of work, for example through the World Economic Forum's [Preparing for the Future of Work initiative](#), these conversations are still emergent in Canada. Our interviewees highlighted a need for more and deeper dialogue about how employers, in collaboration with other stakeholders, can plan and prepare for the future of work.

I Some Employers are Starting to Experiment and Chart Their Own Path

As they are seeking to make sense of the changing nature of work, some employers are already exploring and testing innovative strategies in career development and skills training. A recent review of employer reskilling and upskilling programs found that many corporations are experimenting with pilot programs and new tools for skills development, while others have launched even more expansive initiatives to retrain large parts of their workforce (Cukier, 2020). **A recent survey of 86 leading Canadian organizations found that 71% expect to increase their training spend in the next three years** (Business Council of Canada & Morneau Shepell, 2020).

Our interviews also provided examples of employers' early experimentation with new strategies to support more responsive career pathways including: mapping potential non-linear career transitions across different functional areas within a business; building transferable soft skills among workers; developing new partnerships with other organizations to provide skills development to current and future workers; and providing new “out-skilling” and [career guidance](#) supports for employees who may be facing disruption in future.

I Some Employers are Thinking Beyond Their Own Business

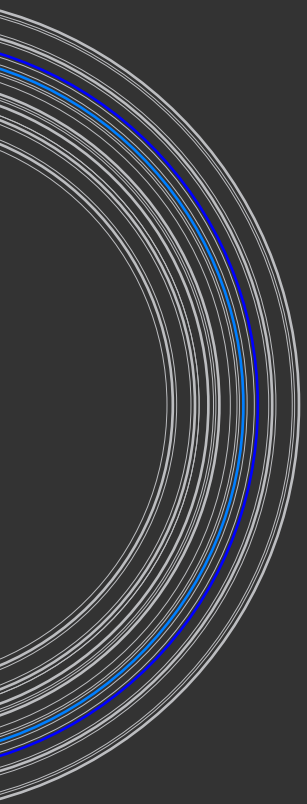
Increasingly, employers are thinking about career pathways not just within their own businesses but across their industries, and even the economy as a whole. Our interviews highlighted that there is interest among employers in investing in skills development and other supports for workers even when there is a risk that these workers might leave to work at a competitor. **Some employers feel that this is an acceptable price to pay for helping to increase overall talent levels in their industry, noting that with the rate of disruption and automation impacting many sectors, broader corporate social responsibility means doing more than just meeting minimum business requirements.**

International efforts are also highlighting the business case for investments in skills training and supports for workers. A recent pilot initiative by Accenture, in collaboration with the World Economic Forum and other partners, sought to map and test viable career transition pathways between organizations, arguing that “the future of work can be boundaryless if businesses across industries work together to fill high-demand roles and keep people in their communities employed” (Accenture, 2021, p.7).

Some employers are also investing in research and thought leadership to share perspectives on what employers and other stakeholders can do to prepare for the future of work. For example, RBC's [Humans Wanted](#) report shares learnings from a cross-country research project on the changing labour force and includes explicit calls to action to other employers and stakeholders in the skills development ecosystem to work together to better prepare youth in Canada for the future of work (RBC, 2018).

Our interviewees also expressed interest in finding new ways to bring together representatives from different sectors to share workforce planning analyses and build a shared understanding of the skills of the future. While optimistic about the opportunities, they also highlighted the challenges in bringing together different stakeholders from different sectors with different perspectives, practices and time horizons related to preparing for the future of work.

These trends highlight a growing appetite among many employers to be part of a broader dialogue about the future of work and the role that all stakeholders have to play in shaping a future that works for everyone. While interest in industry-wide coordination is growing, it is important to note that to date the dialogue has been largely driven by large employers, highlighting that smaller businesses face greater barriers to engaging in cross-industry efforts.



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I Collaboration Continues to be a Challenge

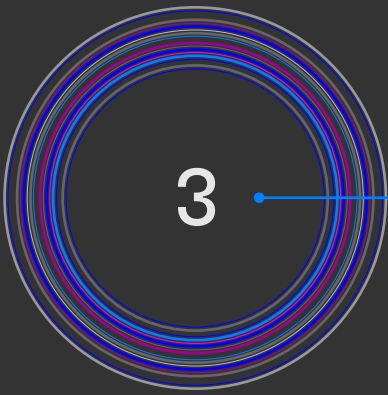
While employers are beginning to experiment with new approaches and engage in dialogue about how to prepare for the future of work, some are also asking questions about how to more effectively connect and collaborate with the government and the non-profit sector. In our stakeholder roundtables, **many highlighted that effective collaboration between publicly-funded employment services and employers continues to be an important challenge** across Canada. While there are instances of strong relationships and effective collaboration between individual service providers and local employers, the current system lacks mechanisms for coordination at scale.

Our interviewees felt that options are lacking in our publicly-funded service system to help support their workers, particularly those at risk of displacement due to disruption. Existing supports and services are primarily designed to help individuals once they are already unemployed, meaning that these individuals, particularly those who have less work experience or lower levels of education and training, are likely already experiencing stress and difficulty. Interviewees also noted that individuals – their employees and potential hires – often experience disjointed pathways between employment services, training providers and employment. **They highlighted the need for a more focused agenda outlining the changes that need to happen for employers and publicly-funded services to collaborate more effectively, such as better data and information sharing, more seamless integration of services and transition pathways and new models of upstream engagement with employers and employees to proactively plan for labour market disruption.**

I Small and Medium Sized Employers (SMES) Face Distinct Challenges

While large employers are increasingly using resources to assess, plan and respond to the changing world of work, small and medium sized employers (SMEs) often lack the capacity and scale to invest in this type of work. SMEs do not have the same backbone of human resource systems and resources, and face unique barriers in investing in skills development and supports for workers. The risk of training being wasted if employees leave the company is greater for SMEs with small workforces, and SMEs face particular challenges in defining, measuring and training for the specific skills and competencies they need (FSC, 2020).

One potential strategy for mitigating these challenges is relying on large employers to act as “anchors” for skills development and career development initiatives that include SMEs in their network. In our interviews we heard interest from some large employers in playing anchor roles to support more effective and consistent skills assessment, business planning and training initiatives that can benefit their industry as a whole. **The role of industry associations in assessing trends, sharing information and developing best practices is also a key lever for helping diverse segments of employers prepare for the future of work.**



3



Implications



Implications

The themes identified through our research and consultations highlight some important considerations for the Responsive Career Pathways initiative and for the future of Canada's career and employment services systems.

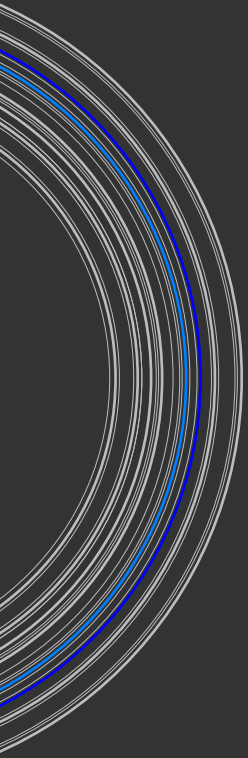
I Employers Need to be a Key Stakeholder in Systemic Change Efforts

Employers are so deeply woven into career pathways that they will need to be an important stakeholder in any efforts to drive systems change in our careers and employment services systems, such as the Responsive Career Pathways initiative. Employers are already making important contributions to the dialogue on the future of work in Canada and the steps that we need to take to prepare for this future. Engaging employers as part of further conversations about the changes needed in policy and service delivery will help ensure we are working toward a more responsive system of career pathways for all Canadians. **Our research and consultations have highlighted a need for strong leadership to convene these conversations, facilitate collaboration and information sharing and set an agenda and roadmap for a future state that serves all stakeholders.**

I New Ways of Collaborating with Employers are Needed

Our research and consultations highlighted the significant gaps in collaboration between Canada's publicly-funded system of employment services, and employers. Employers are striving to make sense of the future of work and plan for future disruptions, and career and employment services providers are seeking to equip individuals to navigate the turbulent labour market: they need new ways of working together that are explicitly proactive, future-focused and user-centered to facilitate collaboration. A critical part of this work will be figuring out ways to engage “upstream” with employers to help workers navigate their career pathways prior to disruption.

In seeking out new forms of collaboration with employers, it will be important to ensure that public resources are used effectively to fill needs, address gaps, and to drive more equitable labour market outcomes. Employers, based on their firm size and capacity, can and should invest in skills training and other supports for employees. A future state career services and workforce planning system that is more collaborative and proactive would involve contributions from both employers and publicly-funded services



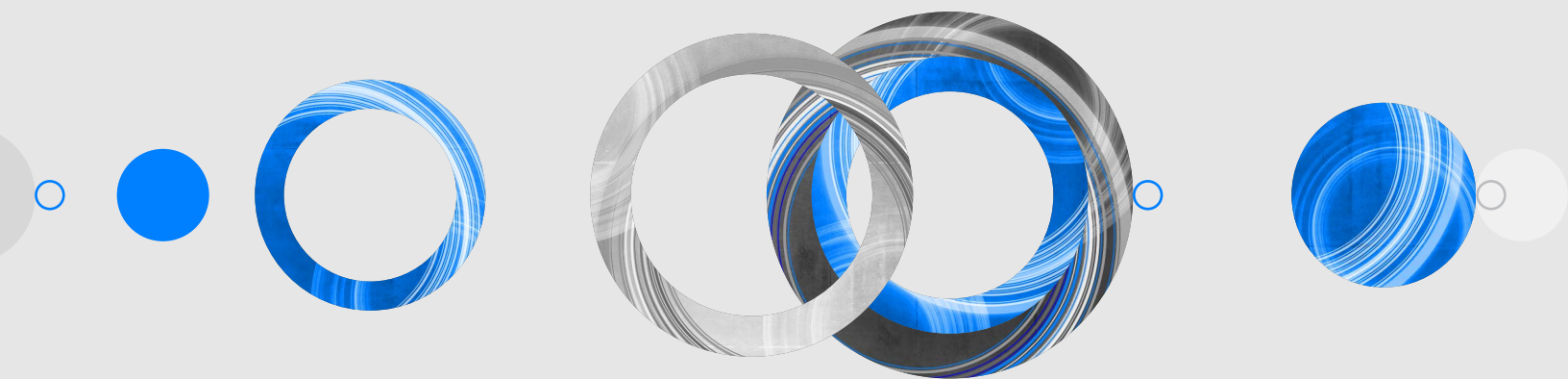
A future state career services and workforce planning system that is more collaborative and proactive would involve contributions from both employers and publicly-funded services

| There are Opportunities to Learn From and Complement the Efforts of Leading Employers

Our research highlighted that some employers are already charting new paths forward in terms of understanding and adapting to the future of work, and experimenting with new skills development and other support initiatives for current and future employees. For our publicly-funded career and employment services system, there is an opportunity to learn from what these employers are doing and focus on complementing and filling gaps to ensure all Canadians can be better equipped to navigate the future of work. For example, engagement with employers who are testing new “out-skilling” services for employees facing layoff could determine what complementary role publicly-funded services could play to support these employees in their career transitions. This type of complementary, collaborative approach to service provision could help reinforce that all stakeholders have a role to play in equipping Canadians to prepare for the future of work.

| Distinct Responses are Needed for Different Employer Segments

While some leading employers are taking substantive steps to build more responsive career pathways in their business and industry, many employers currently lack the resources and know-how to undertake these types of initiatives. Different employers will also have different needs and perspectives when it comes to collaborating with other stakeholders and implementing career development and skills training initiatives, depending on their size, industry and potential for future disruption. This highlights the need for experimentation with different models to support employers and employees.





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