

Capacity building for Canadian small and medium-sized enterprises



PARTNERS

Ontario Chamber of Commerce



LOCATIONS

Alberta
Nova Scotia
Ontario
Quebec



INVESTMENT

4,089,500



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☰ Executive Summary

Small and medium-sized enterprises (SMEs) represent 99.8% of employer businesses in Canada and account for 88.1% of private sector employment (ISED, 2022). The COVID-19 pandemic disproportionately affected SMEs, particularly small businesses. Access to talent is a critical competitive issue for SMEs; due to their size, they face challenges in hiring, retaining and training talent, and often lack the human resources expertise needed to support recruitment and training of existing employees. When surveyed, 75% of firms identified a need to invest in training and retaining their workforce (Saba & Cukier, 2022), indicating that SMEs are aware of these barriers, but may not have the capacity to address them. Time and cost are some of the main barriers identified by SMEs that limit their ability to provide training.

This project sought to understand SME skills and training needs and barriers faced in accessing skills training and talent. The focus was on evaluating the effectiveness of addressing skills needs among SMEs through the development, testing, iteration and evaluation of a national learning management system (LMS) designed to support the recruitment and skills development needs of SMEs and entrepreneurs, including the advancement of equity, diversity and inclusion (EDI) skills and capacity in SMEs, entrepreneurs and the ecosystem. Project goals included identifying and validating training content that meets the needs of SMEs; providing SMEs with access to training resources that promote diverse and inclusive hiring practices; and developing an evidence-based training model that is cost-effective and scalable.

Some of the main learnings of this project thus far include the following:

- SMEs are starved for a solution to their labour shortages and skills gaps, and they see this LMS as a critical step moving forward.
- They are willing to take action, but often do not know where to begin, and they need supports, which can be difficult to access.
- Skills needs they identified include 13 key areas: adaptability, collaboration, communication, creativity & innovation, digital, entrepreneurship, EDI, management & supervisory skills, mental health, numeracy, problem solving, reading, and writing.
- There is a growing interest in EDI and its benefits to find skilled talent and reduce labour shortages, but SMEs often do not know where to start to recruit more diverse candidates.
- The LMS platform created with [Magnet](#) (Canada's only digital community workforce system) and the Ontario Chamber of Commerce (OCC) provided insights into the feasibility and functionality of a shared learning platform.
- The platform offered custom-built course content, as well as content developed by the OCC and the Diversity Institute (a research institute at Toronto Metropolitan University).
- Courses on the LMS were well received; 77% of learners rated course quality as high, and 83% were likely to recommend the course they took to a co-worker or friend.
- Over 80% of learners were able to use the LMS without any barriers or challenges.
- Learners indicated a preference for shorter courses and formal credentials.

KEY INSIGHTS

- 1** Skills Bridge was a collaborative project of the Ontario Chamber of Commerce, Diversity Institute and Magnet. It provided a shared learning platform designed for SMEs.
- 2** A total of 674 from 381 SMEs registered in courses, including 508 participants in EDI-related webinars, and they rated their experience as positive.
- 3** The project provided valuable feedback for the feasibility of a user-friendly, shared LMS platform and additional features and functionality needed.

The Issue

Access to talent is a critical competitive issue. SMEs face challenges in hiring, retaining and training talent, and often lack the human resources expertise needed to support recruitment, train existing employees and create more formalized processes (OCC et al., 2020). A recent study shows that 75% of the firms surveyed indicated a need to invest in training and retraining their workforce (Saba & Cukier, 2022). However, less than half are actually doing it, often citing lack of time and resources as the main reasons, among others (Saba, Blanchette, & Kronfli, 2021). They also often hope to recruit employees with the required skills as opposed to investing in training.

SMEs also often present more barriers to women and diverse employees due to heavy dependence on informal recruitment processes, which tend to disadvantage candidates from equity-deserving groups (DasGupta et al., 2020; Ng & Gagnon, 2020). At the same time, SMEs are aware of the need to expand their talent pools and to upskill and re-skill in order to thrive (BDC, 2021).

The ecosystem is fragmented, and SMEs find it difficult to navigate and to find information and support for upskilling and re-skilling. They do not have the time, resources, infrastructure or government programs available to large corporations. They want guidance.



What We Investigated

This project focused on the development, testing, iteration and evaluation of a national platform designed to support the recruitment and skills development needs of SMEs and entrepreneurs. In addition to providing access to free customized and curated courses on a range of management, technical and specialized skills, the project focused on building skills and capacity for advancing EDI skills and capacity in SMEs, entrepreneurs and the ecosystem. Project goals included identifying and validating training content that meets the needs of SMEs, providing SMEs with access to training resources that promote diverse and inclusive hiring practices, and developing an evidence-based training model that is cost-effective and scalable.

Program design included skills selection, content sourcing and creation, and iterative testing phases to collect quantitative and qualitative feedback throughout program delivery (including the creation of the OCC Skills Bridge LMS platform). Research design sought to answer the following questions:

- What are the skills gaps and shortages for SMEs?
- What are the regional, sectoral and occupational differences when it comes to skills and tools needed?

- Is there a specific need for more EDI skills in SMEs in order to foster more inclusive and diverse workplaces?
- Is high-quality, curated, asynchronous content an effective solution to the needs for training, upskilling and re-skilling in SMEs? How does engaging in this type of content address the skills gap within SMEs?

Executed over a series of five iterative feedback phases, the OCC Skills Bridge project ensured that the evaluation and content included in training was anchored in data, research and trends on skills and the identified skills needs of SMEs. The research design enabled voices of SMEs, the target end users, to be integrated into platform and content development.

Phases centred around engaging over 600 learners across nearly 400 different SMEs by leveraging the Ontario Chamber of Commerce's membership and through strategic partnerships with chambers and boards of trade from across Canada (e.g., Alberta, the Atlantic provinces, Quebec). Participating SMEs signed their employees up for training opportunities and provided feedback through pre-training and post-training surveys and roundtables. Their feedback informed the curation and creation of e-learning courses from various learning management systems in 13 skill areas (adaptability, collaboration, communication, creativity & innovation, digital, entrepreneurship, EDI, management & supervisory skills, mental health, numeracy, problem solving, reading, and writing). These skill areas align with Employment and Social Development Canada's Skills for Success and are grounded in evidence-based research and market scans conducted in collaboration with the [Diversity Institute](#).

Key dates for the testing phases:

Phase 1: January 17, 2022 to April 30, 2022; 176 learners from 88 SMEs

Phase 2: July 4, 2022 to October 27, 2022; 264 learners from 122 SMEs

Phase 3: November 28, 2022 to March 17, 2023; 123 learners from 64 SMEs

Phase 4: December 4, 2022 to March 31, 2023; 111 learners from 107 SMEs

Feedback included quantitative surveys and qualitative roundtables to assess participant experience and solicit feedback to improve the overall experience. Five roundtables were conducted before the first testing phase to assess what SMEs were looking for in an LMS, what skills they were looking for, what challenges they were facing, and their interest in EDI. Between one and three roundtables were also conducted after each testing phase to assess participants' satisfaction with the course content and platform experience, as well as to collect feedback on what they would like to see on the platform and what would improve user experience. In total, 11 roundtables were conducted.

In addition to the roundtables, chambers, SMEs and employee participants were required to complete surveys. Registration surveys were completed by chambers and SMEs to collect demographic and organization information; participants also completed a registration survey, which included demographic information and a pre-training skills assessment. Post-training surveys were completed by participants only in order to assess their skills post-training. To assess course content and usefulness, as well as participants' overall experience with the courses, participants were also asked to complete a post-course survey after the completion of each course.

Both the roundtables and surveys provided key insights into who the SMEs and participants are and what they need, which directly informed the development of both subsequent phases and the creation of custom content and a customized LMS platform. This project reinforces that continuous evaluation, data collection and monitoring lead to plans for multiple outputs with recommendations on best practices. The aim is to keep this iterative approach alive and foster a spirit of continuous learning to ensure that the LMS keeps improving and remains current and innovative, and relevant for SMEs.

This approach was chosen because it facilitated direct consultation with impacted stakeholders for the continued identification of existing needs and gaps. It also involved the stakeholders in creating and testing a proposed solution—the OCC Skills Bridge LMS—to address them. The rigorous evaluation framework enabled FSC and our partners to draw significant insights and implications that inform improvements to the LMS, next steps and future research. It also supported the overarching goals of developing a solution to support SMEs and their employees in essential skills training, which includes improved understanding of EDI and EDI practices within the organizations. As SMEs are short on time, the research design and program execution sought to ensure that the technology and tools leveraged would help and not hinder participating organizations. The OCC Skills Bridge platform’s value proposition lies in the fact that asynchronous learning can be taken when convenient for the business, employees and their schedules while meeting the needs of businesses and various learning preferences.

✔ What We’re Learning

Through this project and the hundreds of SMEs and participants engaged, it was clear that an evidence-based training model that is cost-effective and scalable is a much-needed resource for SMEs. Through the iterative testing phases, critical feedback was gathered that facilitated a better understanding of the types of content that resonate with SMEs and their employees, and highlighted specific concerns from equity-deserving groups. For instance, content that is interactive and segmented into digestible pieces is preferred to very long, lecture-like courses. SMEs and their employees want training that is engaging, flexible and immediately applicable to their work, and that they will be able to fit in their already busy schedules.

Feedback also highlighted a gap in the market regarding online, asynchronous training. There is much room for improvement, and this project contributes to filling this gap, as it led to the creation of the 18 custom-designed courses currently available to SMEs on the OCC Skills Bridge online platform, powered by Magnet.

It was also identified that demand for French training content is strong, but there is limited French language training content available that is original, locally created and not just simply translated from English, with a voiceover. Francophone participants do not want (often poorly) dubbed content and/or content created in France with terminology that does not apply in their day-to-day experience.

Participants living with disabilities need content that is truly accessible, and racialized participants want to see more representation within the courses.

All insights collected throughout the feedback process were critical in informing our iterative approach, which was grounded in the continuous application of project learnings. These learnings will also inform future programming and research to further support SMEs through OCC Skills Bridge and can serve to inform others in their work as they seek to address skills and training gaps experienced by SMEs.

★ Why It Matters

SMEs are the backbone of the Canadian economy. However, they often lack the resources that are available to large organizations. While they face the same skills and labour shortages, they often face more challenges related to attracting top talent, re-skilling and upskilling, as well as developing training programs. Currently, the preferred mechanism is trying to recruit people with the required skills, but the results of this tactic have been middling at best. Additionally, the over-reliance of SMEs on informal recruitment methods tend to perpetuate a dynamic where members of equity-deserving groups, even highly qualified ones, are excluded, as they are not always part of the “right networks.” This leads to SMEs facing talent and skills shortages, and talented equity-deserving individuals being underemployed.

More collaboration with SMEs must be fostered in order to create meaningful supports and share best practices to alleviate and eventually remedy this problem. SMEs are asking for help, as they have limited resources.



Skills Bridge Preliminary Evaluation

The Skills Bridge project aims to overcome barriers to upskilling faced by SMEs. By developing and testing the Skills Bridge platform and its curated training content, the goal is to build knowledge about what works to address SMEs’ upskilling needs.

[Read Evaluation Report](#)

Bringing stakeholders from different sectors, industries, locations, etc., fosters collaboration and creates synergy, which can lead to economies of scale and inform development of an evidence-based model that is cost-effective and scalable. It also allows for discovery of what is unique to some sectors and industries, as well as what is shared among SMEs.

▶ What’s Next

Building on learnings achieved in this project and through leveraging technology to drive change in the skills and employment ecosystem, FSC would like to increase the value and scale of the Skills Bridge LMS solution. A greater volume and variety of content will be curated and made accessible to SMEs within the LMS platform. In addition, OCC will onboard selected partners and industry experts to deliver a scalable digital platform that will resonate with SMEs to help reduce fragmentation and break down training silos.

Through continued evaluation and application of feedback, OCC Skills Bridge will provide insights on and solutions to trends and skills needs, and provide an integrated framework to serve labour market training requirements and help close the skills gap. In addition to meeting training needs, it will also provide multiple support pillars to SMEs through the Magnet platform, including access to talent and business support resources, such as information on grants, etc.

Options to serve under-represented demographics, such as newcomers and immigrants, Indigenous communities and Black youth, will be explored. Resources will be offered for employees looking to transition careers or upskill, and for new entrants to the workforce. There will also be continued focus on training resources that (1) promote diverse and inclusive hiring practices, and (2) expand offerings for training pertaining to the digital and connected world of work, the decarbonized economy, regulatory and professional requirements and governance. OCC Skills Bridge's online course catalogue will be enhanced to better address the 13 skill areas identified in the original project. Revenue sharing models, custom content creation, and purchase of existing training content will also be explored.

Have questions about our work? Do you need access to a report in English or French? Please contact communications@fsc-ccf.ca.

How to Cite This Report

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