

# Employer-sponsored skills training: A picture of skills training opportunities provided by Canadian employers



## PARTNERS

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## Executive Summary

A highly skilled workforce is essential to innovation and contributes to productivity, higher wages, and well-being. Some estimates suggest that more than half of the human capital developed during an individual's lifetime can be attributed to post-school learning. As such, employer-sponsored training is a critical component of Canada's overall skills development landscape. However, too little is known about the investments Canadian employers are making in training, leaving policy-makers, researchers, and employers without a good foundation to make policy and investment decisions.

This project used available data to synthesize what is currently known about the levels, types, and trends in firms' training investments including which firms provide (and which employees receive) training, and the motivations and barriers firms face in providing training. The project showed that Canadian firms lag their international peers in investments in training; that larger firms are more likely to invest, especially those in knowledge & technology-based sectors; and that training is more likely to be offered to full-time, permanent employees in their prime working years with higher levels of education.

The project also determined that data on employer-sponsored training in Canada are largely unreliable, out of date, and ill-suited for comparison across time and jurisdictions. There is an urgent need for better data from a source that would be ongoing, representative and large, exploring consistent questions about training investments and activities; motives and barriers; types, modes, and distribution among employees; use and value of training-related programs and policies; and firm demographics and performance. Without this foundational understanding of what is currently happening, it is difficult to develop effective and efficient strategies for improvement.

### KEY INSIGHTS

1

More than half of Canadian adults appear to have opportunities to participate in employer-sponsored training.

2

Canadian firms invest modestly in training—an estimated \$240 per employee annually—and lag their international peers in rates and hours of instruction.

3

Larger firms are more likely to invest in training, but a large percentage of Canadians are employed at small and medium enterprises.

## ▶ The Issue

Employer-sponsored training is any organized education or training activity provided by an employer organization—whether public or private—to its employees and administered in a systematic and intentional way. Employer-sponsored training is a critical component of Canada’s overall skills development landscape, which includes formal and informal education and skills training. It helps bridge gaps between formal education and the specific skills required in workplaces, including gaps that emerge from technological, regulatory, and other economic and social changes. Training helps employers improve productivity as well as product and/or service quality. It also contributes to a culture and practice of lifelong learning that supports employees’ skills development and improves opportunities and wages throughout their careers.

Despite the importance of employer-sponsored training, little is currently known about how much Canadian employers invest in training, what kinds of training they offer, how it is delivered, what impacts it has, or how investment and opportunities differ across sectors and regions and among employees with different characteristics. Canadian data on the levels, kinds, trends, and impacts of employer-sponsored training are largely unreliable, out of date, and/or ill-suited for comparison across time and jurisdictions.



## What We Investigated

This project offers a picture of employer-sponsored skills training in Canada based on the limited data currently available. It covers levels, types, and trends in firms' training investments, discusses which firms provide (and which employees receive) training, and explores the motivations and barriers firms face in providing training as well as where gaps in the ecosystem require attention.

Specifically, the research and report address the following key questions:

- How much do enterprises and employers invest in skills development and training, both in dollars and as a proportion of their budgets?
- What kinds of employers provide training?
- How do investments differ by employer characteristics, such as firm size, sector, and geographic location?
- Which employees receive training opportunities?
- How do investments differ by employee characteristics, such as age, occupation, and educational attainment?
- What types of training and learning opportunities do enterprises and employers provide?
- What delivery modes are used to provide training and skills development?
- What motivates employers to provide training and skills development opportunities?
- What barriers do employers face in providing training opportunities?
- How can enterprises and employers be incentivized and/or supported to provide training and skills development?

Additionally, the project answered key questions about the state of the available data, with a view to providing insight into what is needed to improve data collection to better understand the employer-sponsored training ecosystem. Specifically:

- What are the strengths and limitations of the current data?
- What gaps in the available data should be filled to provide a clearer and more comprehensive understanding of the training ecosystem?

## What We're Learning

Data on employer-sponsored training in Canada are largely unreliable, out of date, and ill-suited for comparison across time and jurisdictions. Developing even a rough picture of the role of employers in the skills and training ecosystem was an exercise in bricolage and triangulation that required frequent choices between using more robust but older data or more recent but unreliable data.

Examining the limited data suggests that employer-sponsored training in Canada is:

- **Limited:** Canadian firms invest modestly in training—an estimated \$240 per employee annually—and lag their international peers in rates and hours of instruction.
- **Concentrated:** Larger firms are more likely than smaller firms to provide training. Employers in utilities, finance and insurance, and other knowledge-based, technology-rich industries train at above-average rates, while firms in retail, forestry, and oil and gas extraction provide below-average levels of training. Firms in Québec and Ontario are more likely to provide training than firms in the Prairies or Atlantic provinces.
- **ROI and workplace-focused:** Given their concern for return on investment (ROI), firms tend to invest in training for immediate needs—such as onboarding and orientation, technology adoption, addressing skills gaps, and implementing innovations—and favour on-the-job and at-workplace modes of delivery over classroom and other external options.
- **Inequitably distributed:** Training is more likely to be offered to employees with higher levels of education; in professional, scientific, and technology-focused roles; in their prime working years (i.e., aged 25 to 54 years versus 16 to 24 or 55 to 64 years); and in full-time, permanent positions (versus part-time and/or precarious positions).

The sparse data also suggest that employers who offer training do so to meet competitive pressures, address skills shortages, and adapt to new technologies and regulatory changes. Those who fail to offer training, or provide it with difficulty, cite concerns about cost, time, availability of relevant training options, and poaching of upskilled employees by competitors.

## ★ Why It Matters

The reasons for employers to invest in employee training are clear. It can improve innovation, productivity and competitiveness; enhance employees' ability to adapt to technological and regulatory change; address skills gaps; and strengthen relationships with talented employees. Yet many employers face barriers to providing training opportunities to new and current staff, while others are unconvinced that the benefits justify the costs. While some of the perceived barriers may rest on inaccurate assumptions, many employers or employees believe them to be real; as such, they appear to shape decision-making and behaviour.

In an effort to combat these perceived barriers, there is an urgent need for better, more up-to-date data on employer-sponsored training in Canada to provide policy-makers, researchers, and employers with a strong understanding of patterns and trends and a good foundation on which to make policy and investment decisions. Gaining a clearer picture of the employer-sponsored training ecosystem and assessing whether policy interventions are achieving results requires better data.



### **State of Skills: Effective Employer Engagement in Skills Development: From Rhetoric to Solutions**

Supporting employers in overcoming structural barriers to training investment is key to addressing labour and skill shortages

[Read Thematic Report](#)

Have questions about this report? Contact us [communications@fsc-ccf.ca](mailto:communications@fsc-ccf.ca).

### How to Cite This Report

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