

Skills for innovation: International case studies



PARTNERS

Shift Insights



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Executive Summary

Canada's domestic manufacturing sector is missing out on opportunities to compete with the rest of the world because innovative employers are unable to find workers with the skills they need, and workers are unsure about what they need to stay relevant. Shift Insights' Skills for Innovation research included three case studies of skills-building initiatives in dynamic regional innovation sectors that addressed the mismatch. They identified critical success factors for initiatives to build skills, including a focus on sector- and regionally-specific opportunities, a strong analysis of economic trends in uncovering opportunities for growth and innovation, and trusting relationships between employers, educational or training institutions, government and non-profit partners.

The research also found that success depends on effective intermediary agencies to manage stakeholders and meaningful wrap-around supports for workers. The insights provide decision makers within employers, educational and training institutions, government and non-profit partners, with approaches to creating skills-building initiatives that work.

KEY INSIGHTS

- 1** Skills-building initiatives have the greatest impact when the scope is focused on regional economies, harnessing local strengths and competitive advantages.
- 2** Strong relationships among employers, training institutions, government and non-profit agencies are the foundation for successful skills-building initiatives.
- 3** Skills-building initiatives are most effective when they also help workers with other obstacles in their lives that may prevent them from being successful, such as transportation, a lack of childcare, or housing instability.

The Issue

Canada's innovation system is missing out on opportunities to compete with the rest of the world because innovative employers are unable to find workers with the skills they need, and workers are unsure about what competencies they need to stay relevant. This is especially true for Canada's domestic manufacturing sector, which has been targeted for growth.

To resolve this mismatch, Canada can learn from international best practices, particularly in economies with comparable conditions, within similar sectors. Lessons can also be derived from other sectors where there is considerable co-operation and co-ordination between employers, educational institutions, governments and non-profit agencies.

Case studies such as the ones featured in this research can provide insights on how policy makers might structure their support for skills and labour-related challenges in key sectors of the economy.



What We Investigated

This research included three case studies of skills-building initiatives in dynamic regional innovation sectors. Each case study explored:

- What specific labour-market problems or opportunities the skills-building initiatives were trying to address?
- What relevant economic, social and political context shaped the initiatives and its results?
- What the key design and operational features of the initiatives were and how those operated in practice?

- What challenges or barriers the partners in the initiative encountered and how they were addressed?
- What was critical to the success or promise of the initiative?

The case studies included:

- Project QUEST in San Antonio, Texas assisted unemployed workers in gaining needed skills in growing regional sectors such as manufacturing, IT and health care. This initiative helped to anticipate and fuel growth in these industries.
- Manufacturing Connect in Chicago established a skills pipeline between the city's struggling small and medium-sized businesses with manufacturing needs to local workers with requisite employable skills. The initiative was less about spurring new growth and more about sustaining and preserving existing industry capacity.
- MATES across multiple European countries focused on rapidly changing skills demand in high-innovation industries such as ship building. While its impact has so far been relatively small in increasing skill supply, it has achieved greater impact in assessing sector needs and identifying in-demand skill sets, which will help industry in the medium- to long-term.

✔ What We're Learning

Insights into critical success factors for skills-building initiatives resulting from this project include:

- **A focus on sector and regionally specific opportunities:** Initiatives tend to be most successful when they focus on one or two sectors in a small region, where it is possible to work with a manageable number of firms and people. Where Project Quest and Manufacturing Connect had success in building trusting relationships across regions, the MATES project's continent-wide focus made developing and maintaining those relationships difficult.
- **A strong analysis of economic trends specifically oriented toward uncovering opportunities for growth and innovation.** Economic analysis should inform program design and be validated and enriched by partners. Manufacturing Connect and Project QUEST both ensured insights generated from economic analysis forecasts were validated by ongoing regular interactions with employers.
- **Strong, trusting relationships between employers, educational and training institutions, government and non-profit partners.** Building and leveraging strong relationships through regular communication led to better outcomes for participants. Relationships with employers and social service agencies played an essential role in understanding firm and population level needs across all three case studies.
- **Effective intermediary agencies that can manage and co-ordinate stakeholders.** Intermediary agencies play an important role in delivering support to workers and firms. To do their job effectively, they need time and resources to build local relationships, which also allows them to act as an advocate for change. Manufacturing Connect staff built trusting relationships with Chicago employers over time, which allowed them to critique discriminatory hiring practices and work together towards change.
- **Meaningful wrap-around supports for workers.** Skills-building initiatives are most effective when they also help workers with other obstacles in their lives that may prevent them from being successful. These could include transportation, a lack of childcare, and housing instability. Both Project Quest and Manufacturing Connect included participants with complex needs and made

efforts to address financial, academic and emotional barriers that prevented program participants from completing training and holding on to work they find.

★ Why It Matters

Successful skills-building initiatives provide the skilled workers needed to drive regional innovation and growth. As a result of this work, decision makers within employers, educational and training institutions, government and non-profit partners have been provided with approaches to creating skills-building initiatives that work.

Decision makers in any of Canada's own diverse regional economies and industries such as manufacturing in southern Ontario, energy in Alberta, or fisheries in Atlantic Canada, can draw valuable lessons on how to focus and inform their initiatives, build strong relationships among partners, resource an intermediary and provide adequate supports to workers.



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 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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