



Project Insights Report

# Level Up Skills Evolution: Scaling Up Sectoral-Based Microcredentials



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EMC Canada



**LOCATIONS**

British Columbia  
New Brunswick  
Ontario  
Quebec



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## ☰ Executive Summary

The Level Up Skills Evolution project begins with a unique premise – what if employers were more in the lead for designing microcredentials? The project therefore aimed to address workforce challenges by developing and scaling sector-based microcredentials to help employers navigate technological change, labour shortages, and training gaps. The project resulted in the Sectoral Microcredential Roadmap, a structured methodology for industry-led skills training. It also led to the creation of Rapid Skills Marketplaces. Employers reported that they valued microcredentials for their cost-effective, flexible upskilling. This is different from how most microcredential programs are structured – usually, they are offered by a training institution (like a college or university), with varying levels of employer engagement.

The project confirmed the value of cross-sector collaboration, allowing sector partners to share knowledge, reduce duplicated training efforts, and expand access to relevant courses. However, challenges remain, including inconsistent definitions, and varying sectoral familiarity with microcredentials. While further research is needed to validate long-term impact, the project has laid the foundation for scalable, industry-focused training models that better align with employer needs.

### KEY INSIGHTS

- 1** The pilots engaged nearly 1,000 learners and 300 employers, demonstrating strong interest and engagement in microcredentials across sectors.
- 2** A key outcome of the project was the development of the Sectoral Microcredential Roadmap, an industry-focused methodology for designing, implementing, and sustaining microcredentials.
- 3** Employers found microcredentials provided rapid, cost-effective upskilling with minimal disruption to daily operations.

## ▶ The Issue

Employers across industries are facing significant challenges related to technological changes, skilled labour shortages, talent retention, and access to effective training. Critical soft skills, such as problem-solving, communication, collaboration, leadership, and creativity, are in high demand, but post-secondary education (PSE) systems struggle to keep pace with evolving skills demands, especially in industry-specific contexts.

Across sectors, many SMEs, constrained by time and resources, prioritize mandatory training and are less likely to invest in work-based training unless they can be confident in their immediate relevance and impact. Employers seek training that is flexible, easy to implement, and directly aligned with current industry needs. However, many perceive an insufficient supply of high-quality, work-based training options to meet their skill demands.

Microcredentials have emerged as a promising solution for rapid skills development. However, as their presence is still relatively new in Canada, confusion persists among employers, learners, educators, and training providers regarding their design, recognition, and overall value. In nearly every project that FSC has supported to date, training institutions lead the design and delivery of microcredentials, with varying levels of engagement from employers.



## 🔧 What We Investigated

This project aimed to test an approach where employers are in the lead. The project developed and evaluated microcredentials tailored to the skills demands of various sectors, including manufacturing, aviation, bioeconomy, agriculture, tourism, and information and communications technology. The project focused on addressing the gap between the upskilling and reskilling needs of SMEs within these sectors and the training currently available through PSEs and other providers.

The development of industry-focused microcredentials followed a structured approach with five objectives:

1. **Design:** Developed an industry-driven, multi-sector microcredential framework through employer consultations, focus groups, and labour market insights.
2. **Proof of Concept:** Sector partners piloted microcredentials across participating sectors to test feasibility, beginning in May 2023.
3. **Validation:** Engaged with employers to ensure the microcredentials aligned with industry needs.
4. **Evaluation:** Assessed the effectiveness of implementation, focusing on learning outcomes, stakeholder capacity-building, and cross-sector collaboration.
5. **Knowledge Dissemination and Mobilization:** Shared findings with sectoral stakeholders to promote further microcredential adoption. This stage occurred in late 2023.

The microcredential pilots then resulted in the development of Rapid Skills Marketplaces, sector-specific libraries of training programs that address both common skills gaps and industry-focused demands. Sector partners, including Excellence in Manufacturing Consortium, BioTalent Canada, the Canadian Agricultural Human Resource Council (CAHRC), and the Canadian Council for Aviation & Aerospace (CCAA), and Food Processing Skills Canada (FPSC), each host a Rapid Skills Marketplace that compiles the relevant courses and training programs for employers in their sector.

Key evaluation questions explored throughout this process included:

- Did learners achieve the intended skills and competencies?
- Did project stakeholders enhance their capacity to design, develop, and deliver microcredentials?
- Did the project strengthen cross-sector collaboration, and what were the resulting tangible outcomes?

## ✔ What We're Learning

During the implementation of pilots, the project engaged 943 learners and 300 employers, demonstrating strong interest and engagement in microcredentials across sectors. 548 learners successfully completed their training. A key outcome of the project was the development of the Sectoral Microcredential Roadmap, an industry-focused methodology for designing, implementing, and sustaining microcredentials. The roadmap includes four key phases: design, development, delivery, and sustainability.

## Employer appreciation for microcredentials

Employers appreciated that microcredentials allowed for rapid, cost-effective upskilling with minimal disruption to daily operations, making them an attractive solution for workforce development. Their flexibility and ability to respond quickly to emerging skill demands positioned microcredentials as a valuable tool for areas where traditional training methods might lag behind. Encouragingly, the project also highlighted microcredentials' potential for promoting workforce diversity and inclusion. For example, CAHRC's diversity module helped learners build confidence in managing diverse teams, demonstrating how targeted training could address workplace challenges beyond technical skills.

## Long-term outcomes uncertain

Despite growing interest in microcredentials, uncertainty remained about their effectiveness in developing meaningful skills and improving job performance. Both employers and training partners noted the need for further data to validate their long-term impact. Sectoral differences also influenced adoption, with tech-sector employers showing greater familiarity and enthusiasm, while industries newer to microcredentials were more hesitant. One of the most significant challenges identified throughout the project was the lack of clarity and consistency in microcredential definitions and frameworks. While there is a wealth of information available, stakeholders often struggled to navigate it, finding that there was both too much and not enough guidance at times. Trust in the credibility of training providers also played a key role in employer adoption, as businesses were more likely to recognize and accept microcredentials from institutions they deemed reputable.

## Cross-sector collaboration

This project validated the impact of cross-sector collaboration, with sector partners seeing significant benefits in knowledge-sharing, discussing common challenges, and co-developing solutions. This collaborative model reduced the duplication of training efforts, allowing organizations to focus on more specialized and high-impact programs. Employers responded positively to the Rapid Skills Marketplaces, recognizing them as a resource that made high-quality, industry-relevant training more accessible, especially for SMEs with limited in-house training infrastructure.

## ★ Why It Matters

The Canadian labour market faces considerable uncertainty from changes to international trade agreements, rapidly evolving technology and pressures to transition to a low-carbon economy.

As industries continue to evolve in the face of these challenges, employers will continue to experience problems in recruiting and retaining workers, and keeping their existing workforces equipped with the needed skills. These talent shortages require training solutions that are both accessible and responsive to real-world industry needs. While traditional PSE systems are valuable, they often struggle to keep up with these changes, leaving employers seeking more flexible, industry-focused alternatives.



### State of Skills: Microcredentials

Microcredentials are designed to offer flexible and innovative approaches to changing needs in the labour market and across industries.

Microcredentials offer a promising solution, providing focused training that aligns with emerging skills demands. This project highlights for policy makers the essential ingredients of strong industry and employer engagement to design and implement microcredentials as a viable sector-specific training solution. This project also highlights the need for more investment in understanding the long-term impact of microcredentials on workers and employers who invest in them for their workforce.

[Read Thematic Report](#)

## ► What's Next

Excellence in Manufacturing Consortium, BioTalent Canada, the Canadian Agricultural Human Resource Council, the Canadian Council for Aviation & Aerospace, and Food Processing Skills Canada continue to use microcredentials as training options for SMEs in their sectors.

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

### How to Cite This Report

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