

Job seekers scan the pin-up boards during the National Job Fair and Training Expo in Toronto a few years ago.

FOR THE GLOBE AND MAIL

There are enough employees in the workforce: training them is key

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Former U.S. secretary of state Donald Rumsfeld made headlines in 2002 when he mused about the “known knowns,” “known unknowns” and “unknown unknowns” of anti-terrorism operations. His remarks may have become fodder for late-night talk show hosts, but they also captured succinctly some of the challenges of making decisions under conditions of uncertainty and imperfect knowledge.

When it comes to the current debate on skills and employment in Canada, however, it may be the “unknown knowns” that are most important. We have oceans of reports and statistics but if their findings are not synthesized, research can’t guide policy and won’t tell new graduates much about the labour market of today, or how to prepare for the future.

So what happened when 16 teams of researchers working across the country took a look at the existing research on skills and labour markets?

Here is some of what they discovered:

1. Canada is unlikely to face a generalized shortage of skilled labour now or in the coming decades, despite an aging population and the changing skill requirements of many occupations. Our labour force continues to expand due in part to longer work lives, while important groups of workers (youth, aboriginal, persons with disabilities, skilled immigrants) are significantly

“under-utilized” in the labour market. As in the past, future skills gaps are likely to be cyclical and focused on particular industries and regions.

2. Employer-sponsored training programs appear to have strong positive impacts on the firms involved. While there is lots of variability, on average such programs result in a 3 to 5 per cent increase in labour productivity. This in turn makes good business sense: Internal rates of return on training investments approach 10 per cent, similar to other potential investment opportunities available to sponsoring firms.

3. Family-owned businesses account for some 45 per cent of Canadian GDP and half of the workforce, with particularly high rates of self-employment and entrepreneurship among new Canadians. Unfortunately, family-owned firms also suffer from challenges in professional management skills (financing, business planning, succession planning). This is compounded by gaps in support to immigrant entrepreneurs, contributing to lower profit margins and higher failure rates for immigrant-owned family businesses.

4. Vocational rehabilitation is an effective strategy to increase employment of persons with physical disabilities, particularly young people. At the same time, international experience with policies for injured and disabled workers shows that integrating disability benefits with other social services such as childcare and health benefits is a key to success, promoting earlier return to work and greater labour force participation.

The list of insights gained by the researchers supported by the Social Sciences and Humanities Research Council of Canada, in collaboration with Employment and Social Development Canada (ESDC) goes well beyond these examples, with other studies dealing with topics ranging from skills development in traditional craft industries to good practices in K-12 science education.

The SSHRC-funded research teams experimented with a range of methods to take the pulse of existing research, from more straightforward literature reviews to expert panels and dialogues designed to distill key trends and conclusions. The intent wasn't simply to review the academic literature, but to link available knowledge to policy debates across public, private and not-for-profit sectors.

This can be a bit of a departure for many researchers. After all, educational

pathways and professional incentives push academics to focus their gaze on what *isn't* yet known – to expand the frontiers of knowledge, often in very specialized niches. That's as it should be. But the ability to step back and take stock of knowledge on a broader issue of policy is equally critical for scholarship – and for the labour market decisions of students, employers and policy-makers.

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